

SECURITY AGREEMENT

BY AND BETWEEN

NETLIST, INC.

AND

SVIC NO. 28 NEW TECHNOLOGY BUSINESS INVESTMENT L.L.P.

NOVEMBER 18, 2015

NETLIST, INC.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the “*Agreement*”) is entered into as of November 18, 2015, between NETLIST, INC., a Delaware corporation (the “*Company*”), and SVIC NO. 28 NEW TECHNOLOGY BUSINESS INVESTMENT L.L.P., a Korean limited liability partnership (the “*Secured Party*”).

RECITALS

WHEREAS, Secured Party is extending a term loan to the Company pursuant to the Senior Secured Convertible Promissory Note and Warrant Purchase Agreement, dated as of the date hereof, between the Company and Secured Party (as amended and restated from time to time, the “*Purchase Agreement*”); and

WHEREAS, it is a requirement under the Purchase Agreement that the Company grant to Secured Party (i) a continuing, first priority security interest in and to all of its Patents and Patent applications, and (ii) a continuing, second priority security interest in and to all other property and assets, to secure payment and performance of all indebtedness, liabilities and obligations of the Company to Secured Party arising under or in connection with the Purchase Agreement, the Note (as defined in the Purchase Agreement), this Agreement, and the other Transaction Documents (as defined in the Purchase Agreement), and the Company is willing to comply with such requirement on the terms and conditions set forth herein;

NOW, THEREFORE, IT IS AGREED THAT:

1. DEFINED TERMS.

All terms used without definition in this Agreement shall have the meaning assigned to them in the Purchase Agreement and, if not defined therein, in the Note. All terms used without definition in this Agreement, the Purchase Agreement or the Note shall have the meaning assigned to them in the UCC (as defined below) to the extent they are defined therein. Unless otherwise expressly stated in this Agreement, capitalized terms used in this Agreement shall have the following meanings:

(a) “*Applicable Law*” means, in respect of any Person, all provisions of constitutions, statutes, rules, regulations and orders of governmental bodies or regulatory agencies applicable to such Person, and all orders and decrees of all courts, tribunals and arbitrators in proceedings or actions to which the Person in question is a party or by which it or its properties are bound or affected.

(b) “*Article 9*” means Article 9 of the UCC.

(c) “*Collateral*” means has the property and assets described on **Exhibit A** attached hereto, whether now existing or hereafter acquired or arising and wherever located.

(d) ***“Collection Costs”*** means all costs and expenses of enforcing this Agreement, the Note and the other Transaction Documents, including all costs and expenses of collecting the Secured Obligations and exercising Secured Party's rights and remedies under this Agreement and the other Transaction Documents, or under any Applicable Law, as against the Collateral, or as against Company or any other Person, and all costs and expenses incurred by Secured Party at any time in enforcing or defending Secured Party's Lien and priority in the Collateral, and any other costs and expenses incurred by Secured Party after the occurrence of any Default or Event of Default, with regard to any matters relating to this Agreement, the Note or the other Transaction Documents, regardless of whether a Default or Event of Default shall have been declared or any remedies shall have been exercised, and including all such costs and expenses incurred by Secured Party in or relating to any bankruptcy or insolvency proceedings. Without limiting the generality of the preceding sentence, Collection Costs include all reasonable attorneys' fees and legal expenses incurred by Secured Party in enforcing this Agreement and the other Transaction Documents, in collecting the Secured Obligations, and in exercising Secured Party's rights and remedies under this Agreement and the other Transaction Documents, or under any Applicable Law.

(e) ***“Company's Books”*** means all of Company's books and records including: ledgers; records concerning Company's assets or liabilities, the Collateral, business operations or financial condition; and all computer programs, or tape files, and the equipment, containing such information.

(f) ***“Default”*** means any event or circumstance, which with notice or passage of time or both, could reasonably be substantially likely to become or constitute an Event of Default.

(g) ***“Inventory”*** means all present and future inventory, as defined in the UCC, including merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products including such inventory as is temporarily out of Company's custody or possession or in transit and including any returns upon any accounts or other proceeds, including insurance proceeds, resulting from the sale or disposition of any of the foregoing and any documents of title representing any of the above, and Company's Books relating to any of the foregoing.

(h) ***“Ordinary Course of Business”*** means, in respect of any transaction involving any Person, the ordinary course of such Person's business, as conducted by any such Person in accordance with (a) the usual and customary customs and practices in the kind of business in which such Person is engaged, and (b) the past practice and operations and undertaken by such Person in good faith and not for purposes of evading any covenant or restriction in any Transaction Document.

(i) ***“Patent Collateral”*** means (i) the Patents, (ii) the Patent Licenses, and (iii) the proceeds of the Patents and the Patent Licenses.

(j) ***“Property”*** means any property of any kind whatsoever, whether real, personal, or mixed, and whether tangible or intangible, and any right, title or interest in or to

property of any kind whatsoever, whether real, personal, or mixed, and whether tangible or intangible, including the Collateral.

(k) “**Termination Date**” means that date on which all of the following have occurred: (a) all of the Secured Obligations (other than inchoate indemnity obligations) have been fully and indefeasibly paid, in cash; and (b) the Secured Party’s commitment (contingent or otherwise) to make advances or to otherwise extend credit to the Company has irrevocably terminated.

2. SECURITY INTEREST.

2.1 Grant of Security Interest. To secure the payment and performance of the Secured Obligations, the Company grants to the Secured Party a security interest in all of the Company’s right, title and interest in and to all of the Collateral, whether now existing or hereafter acquired or arising and wherever located.

2.2 Financing Statements, Etc. The Company shall execute and deliver to the Secured Party, and the Company authorizes the Secured Party to file (with or without the Company’s signature), at any time and from time to time, all financing statements, assignments, continuation statements, termination statements and other documents and instruments, in form reasonably satisfactory to the Secured Party, and the Company shall take all other action as the Secured Party may reasonably request, to perfect and continue perfected, maintain the priority of or provide notice of the security interest of the Secured Party in the Collateral and to accomplish the purposes of this Agreement. Without limiting the generality of the foregoing, the Company ratifies and authorizes the Secured Party’s filing of any financing statements filed prior to the date hereof. Whenever the Secured Party’s so requests, the Company shall provide the Secured Party with control (as defined in the UCC) of Collateral consisting of deposit accounts, investment property, letter of credit rights and electronic chattel paper, except to the extent that (i) such Collateral is subject to the control of Silicon Valley Bank or the provider of a Replacement Facility (each, a “**First Priority Lender**”), and Secured Party has a perfected lien on such Collateral by virtue of an intercreditor or other agreement between Secured Party and a First Priority Lender or (ii) Secured Party has a perfected lien on such Collateral by virtue of filing a UCC Financing Statement with respect to such Collateral. The Company will join with the Secured Party in notifying any third party who has possession of any Collateral of the Secured Party’s security interests therein and in obtaining such third party’s acknowledgment that it is holding the Collateral for the Secured Party’s benefit.

2.3 Continuing Security Interest. The security interest granted herein shall create a continuing security interest in the Collateral, which shall remain in effect until the Termination Date.

2.4 Liability under Contracts. Anything herein to the contrary notwithstanding, (i) the Company shall remain liable under any contracts, agreements and other documents included in the Collateral, to the extent set forth therein, to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the Secured Party’s exercise of any of the rights hereunder shall not release the Company from any of its duties or obligations under such contracts, agreements and other documents, and (c) the

Secured Party shall not have any obligation or liability under such contracts, agreements and other documents by reason of this Agreement, nor shall the Secured Party be obligated to perform any of the Secured Obligations or duties of the Company thereunder or to take any action to collect or enforce any such contract, agreement or other document.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to the Secured Party as of the Closing as set forth below.

3.1 Collateral.

(a) **Title; Priority.** The Collateral is solely owned by the Company and is free of all Liens (i) other than Permitted Liens, in the case of the Collateral other than the Patent Collateral, (ii) other than Liens in favor of a First Priority Lender, in the case of cash, funds, deposit accounts or securities accounts comprising proceeds of the Patents and the Patent Licenses (such Collateral, "***Common Collateral***"), and (iii) other than (A) the security interest granted to the Secured Party hereunder and (B) Liens securing taxes, assessments and other governmental charges, the payment of which is not yet due or are being contested in good faith by appropriate proceedings promptly initiated and diligently conducted, in the case of the Patent Collateral other than Common Collateral.

(b) **License Rights.** Except as provided in the attached Disclosure Schedule, all licenses included in the Collateral and all of the Company's rights under such licenses are freely assignable or, to the extent they are not, the Company has obtained all waivers and consents necessary to permit the attachment and perfection of the Secured Party's security interest therein and to permit the Secured Party to exercise its remedies provided hereunder with respect to such licenses and license rights.

(c) **Location of Collateral.** The attached Disclosure Schedule accurately and completely sets forth: (i) the Company's exact legal name, (ii) the Company's jurisdiction of organization, (iii) the location of the Company's chief executive office and principal place of business, (iv) and all locations where the Company's conducts business or where Collateral or the Company's Books related to the Collateral are located.

(d) **Control Agreements.** No agreements providing for "control," as defined in Article 9 of the UCC, over the Collateral are currently in effect, other than those in favor of a First Priority Lender.

(e) **Securities and Instruments.** The Company does not have, hold or own any promissory notes, stocks, bonds, chattel paper, letter-of-credit rights or commercial tort claims except as disclosed in the Disclosure Schedule.

(f) **Bank Accounts.** The names and addresses of all financial institutions and other Persons at which the Company maintains its deposit, investment and securities accounts, and the account numbers and account names of such accounts, are set forth in the Disclosure Schedule.

(g) Intellectual Property Collateral.

(i) The Company has taken all steps to preserve the secrecy of all its Intellectual Property Collateral except where a failure to do so could not reasonably be expected to result in a Material Adverse Effect, and to otherwise preserve its rights with respect to Intellectual Property Collateral except where a failure to do so could not reasonably be expected to result in a Material Adverse Effect.

(ii) The Company has not granted, and, to the Company's knowledge, there are no outstanding options relating to any Intellectual Property Collateral, nor is the Company bound by or a party to any option with respect to any Intellectual Property Collateral. The Company is not obligated to pay any royalties to third parties with respect to the marketing, sale, distribution, manufacture, license or use of any Intellectual Property Collateral.

(iii) Each current officer, employee and consultant of the Company and each former employee that contributed to the Intellectual Property Collateral that the Company is currently using has executed in the Company's favor the Company's standard agreement regarding confidentiality and proprietary information. To the Company's knowledge, none of its current or former employees, officers and consultants are in violation thereof. No such person has excluded works or inventions made prior to his or her employment or other contractual relationship with the Company from his or her assignment of inventions pursuant to such agreement that could reasonably be expected to have a Material Adverse Effect. Subject to any limitations on such vesting imposed by Applicable Law, full title and ownership of all inventions and proprietary rights, processes or methods developed or invented by all employees and consultants during the period of their employment and/or consultancy and resulting directly or indirectly from their work for the Company vest in the Company pursuant to each such agreement.

(iv) To the Company's knowledge, the carrying on of the Company's business by the Company's employees and contractors and the conduct of the Company's business do not conflict with or breach the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any of such employees or contractors is now obligated (including with former employers).

3.2 Full Disclosure. The Company has provided the Secured Party with all information that the Secured Party requested in connection with its decision to purchase the Note, including all information the Company believes is reasonably necessary to make such investment decision.

4. COVENANTS. Until the Termination Date, the Company covenants and agrees to:

4.1 Protection of Collateral. Keep the Collateral in good condition and repair, maintain, preserve, defend and protect the Collateral from loss, damage or deterioration (ordinary wear and tear excepted) or other adverse claims that may affect its title to, or rights or interest in the Collateral, except as otherwise permitted under the Transaction Documents.

4.2 Clear Title; Priority. Keep the Collateral free of Liens, unpaid taxes or other encumbrances, (i) except for Permitted Liens, in the case of the Collateral other than the Patent Collateral, (ii) except for Liens in favor of a First Priority Lender, in the case of Common Collateral, and (iii) except for (A) the security interest granted to the Secured Party hereunder and (B) Liens securing taxes, assessments and other governmental charges, the payment of which is not yet due or are being contested in good faith by appropriate proceedings promptly initiated and diligently conducted, in the case of the Patent Collateral other than Common Collateral.

4.3 Compliance With Applicable Law. Comply with Applicable Law with respect to (i) the Collateral, or (ii) the Company's business.

4.4 Taxes. Make due and timely payment or deposit of all material federal, state, and local taxes, assessments, or contributions required of it by Applicable Law.

4.5 Notice of Certain Actions; Location of Collateral.

(a) Give the Secured Party prompt written notice of: (i) any change in the location of the Company's chief executive office or principal place of business; (ii) any change in its corporate name; (iii) any changes in its capital or organizational structure; and (iv) any change in its registration as an organization; provided, however, that the Company shall not: (A) except in the ordinary course of business, locate any Collateral outside of the United States, or (B) change its jurisdiction of organization without the Secured Party's prior written consent.

(b) Give the Secured Party prompt written notice of (i) any Intellectual Property being judged invalid or unenforceable, in whole or in part, (ii) any claim being made in writing to the Company that any Intellectual Property violates the rights of any third party, (iii) any material breach by any party to any license or other agreement with respect to any Intellectual Property or any termination or expiration of any such license or other agreement.

4.6 Inspection. Upon reasonable prior notice, provide the Secured Party with access to the Collateral and all the Company's Books relating thereto for the purpose of conducting inspections and audits of the Collateral at reasonable times during regular business hours; provided, however, after the occurrence of any Default or Event of Default the Company shall provide the Secured Party with access to the Collateral and all of the Company's Books relating thereto at such times required by the Secured Party.

4.7 Insurance. Carry and maintain in full force and effect, at its own expense and with financially sound and reputable insurance companies, insurance with respect to the Collateral in such amounts, with such deductibles and covering such risks as is customarily carried by companies engaged in the same or similar businesses of similar size and owning similar properties in the localities where the Company operates (provided that, for purposes of clarification only, this requirement shall not include intellectual property insurance). All insurance policies shall provide that the Secured Party shall be loss payee and additional insured and shall provide that they shall not be terminated or cancelled without at least thirty (30) days' prior written notice to the Secured Party.

4.8 Disposition of Patents. Not sell, transfer, lease, license or otherwise dispose of any of its Patents, other than: (i) exclusive or non-exclusive licenses of Patents in the ordinary course of the Company's business and (ii) the Lien hereby created.

4.9 Transactions with Affiliates. Not directly or indirectly enter into or permit to exist any material transaction with any Affiliate of the Company except for transactions existing as of the Closing that are disclosed in writing to, and approved by, the Secured Party, and transactions that are in the Ordinary Course of Business, upon fair and reasonable terms that are no less favorable to the Company than would be obtained in an arm's length transaction with a non-affiliated Person.

4.10 Limitations on Security Interest. Not permit the inclusion in any contract to which it becomes a party of, or amend any contract to include, any provisions that purport to prevent the creation hereunder of a security interest in the Company's rights and interests in any property included in the Collateral, except for (a) prohibitions on assignment of any license agreement or other contract without the other contracting party's consent, (b) restrictions contained in the Silicon Valley Bank Loan and Security Documents or any Replacement Facility and (c) restrictions contained in documentation governing Permitted Liens on equipment, computers or software, provided that such restrictions apply solely to Liens on the applicable equipment, computers or software or the proceeds thereof and related books, records and proceeds.

4.11 Commercial Tort Claims. Notify the Secured Party, promptly after any responsible officer's acquiring actual knowledge thereof, of any commercial tort claim related to the Patent Collateral that it acquires with a value in excess of \$100,000 and shall enter into a supplement to this Agreement, granting the Secured Party a security interest in such commercial tort claim.

4.12 Deposit Accounts. Obtain and maintain in effect authenticated control agreements for each of the Company's deposit accounts in favor of the Secured Party, in form and substance satisfactory to the Secured Party.

4.13 Securities, Instruments, Chattel Paper. Upon the Secured Party's request, the Company shall (a) deliver to the Secured Party all Collateral consisting of negotiable documents, letters of credit, certificated securities (accompanied by stock powers executed in blank), chattel paper, electronic chattel paper and instruments promptly after the Company receives them unless a First Priority Lender has possession of such Collateral for perfection purposes, and (b) obtain authenticated control agreements from each issuer of uncertificated securities, securities intermediary, or commodities intermediary issuing or holding any financial assets or commodities to or for the Company.

4.14 Notice of Registration of Intellectual Property. If and when the Company applies for registration of, or shall become the registered owner of, any new Patents, Trademarks, or Copyrights: (i) promptly notify the Secured Party thereof; and (ii) the Company authorizes the Secured Party to modify, amend, or supplement the Intellectual Property Security Agreement (and its exhibits), from time to time to include any of the foregoing and make all necessary or appropriate filings with respect thereto.

4.15 Defense of Intellectual Property Rights. (i) Protect, defend and maintain the validity and enforceability of (A) the Patents and (B) Trademarks and Copyrights that are material to the operation of its business, except to the extent that the Secured Party consents to the Company electing not to protect, defend or maintain any of such Intellectual Property Collateral, which consent shall not be unreasonably withheld, conditioned or delayed, and (ii) not allow any material Trademarks, Patents (which, for this purpose, shall not include Patent Applications) or material Copyrights to be abandoned, forfeited or dedicated to the public without the Secured Party's prior written consent, which shall not be unreasonably withheld, conditioned, or delayed.

4.16 Notice of Certain New Collateral. Give the Secured Party prompt notice of the acquisition of any material instruments or securities, and the establishment of any new deposit account or any new securities account.

4.17 Notice of Adverse Events. Promptly notify the Secured Party in writing of any event that materially adversely affects the value of the Collateral taken as a whole, or the rights and remedies of the Secured Party in relation thereto, including the levy of any legal process against any of the Collateral.

5. RIGHTS AND REMEDIES DURING EVENT OF DEFAULT.

5.1 Rights and Remedies.

(a) If any Event of Default shall occur and be continuing, the Secured Party, at its option, may, by notice to the Company, declare the entire unpaid principal amount of the Note, all interest accrued and unpaid thereon and all other Secured Obligations to be forthwith due and payable, whereupon all unpaid principal of the Note, all such accrued interest and all such other Secured Obligations shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Company, provided, that, if an Event of Default described in Section 8.5 of the Purchase Agreement occurs, acceleration of the Secured Obligations shall occur automatically without the giving of any such notice.

(b) If any Event of Default shall occur and be continuing, whether or not the actions referred to in Section 5.2(a) have been taken, the Secured Party shall have and may exercise, in addition to all other rights and remedies granted to it in this Agreement or the other Transaction Documents, all rights and remedies of a secured party under the UCC and other Applicable Law. Without limiting the generality of the foregoing, the Secured Party may sell, resell, lease, use, assign, license, sublicense, transfer or otherwise dispose of any or all of the Collateral in its then condition or following any commercially reasonable preparation or processing (utilizing in connection therewith any of the Company's assets, without charge or liability to the Secured Party therefor) at public or private sale, by one or more contracts, in one or more parcels, at the same or different times, for cash or credit, or for future delivery without assumption of any credit risk, all as the Secured Party deems advisable; provided, however, that the Company shall be credited with the net proceeds of sale only when the Secured Party finally collects them. The Secured Party shall have the right upon any such public sale, and, to the extent permitted by law, upon any such private sale, to purchase the whole or any part of the

Collateral so sold, free of any right or equity of redemption, which right or equity of redemption the Company releases to the extent permitted by law. The Company agrees that the sending of notice by ordinary mail, postage prepaid, in accordance with Section 6.9 of the place and time of any public sale or of the time after which any private sale or other intended disposition is to be made, shall be deemed reasonable notice thereof if such notice is sent ten (10) days prior to the date of such sale or other disposition or the date on or after which such sale or other disposition may occur.

(c) The cash proceeds actually received from the sale or other disposition or collection of Collateral, and any other amounts received in respect of the Collateral, shall be applied first, to the payment of the Collection Costs; second to the payment of the other Secured Obligations (other than the principal outstanding and the interest accrued under the Note); third to the payment of the accrued interest under the Note and fourth, to the payment of the principal outstanding under the Note. Any surplus thereof which exists after the indefeasible payment and performance in full of the Secured Obligations shall be paid over to the Company or otherwise disposed of in accordance with the UCC or other Applicable Law. The Company shall remain liable to the Secured Party for any deficiency that exists after any sale or other disposition or collection of Collateral.

(d) The Secured Party shall have the right to, in the Company's or the Secured Party's name, without the requirement of the Company's assent, and the Company constitutes and appoints the Secured Party (and any of the Secured Party's officers, employees or agents that the Secured Party designates) as the Company's true and lawful attorney-in-fact, with full power and authority to: (i) sign any of the financing statements and other documents and instruments necessary or reasonably advisable to perfect or continue perfected, to maintain the priority of or to provide notice of the Secured Party's security interest in the Collateral (including any notices to or agreements with any securities intermediary); (ii) assert, adjust, sue for, compromise or release any claims under any policies of insurance; and (iii) execute all such other documents and instruments, and do all acts and things for and on behalf of the Company which the Secured Party may deem necessary or advisable to maintain, protect, realize upon and preserve the Collateral and the Secured Party's security interest therein and to accomplish the purposes of this Agreement, including, (A) to defend, settle, adjust or institute any action, suit or proceeding with respect to Intellectual Property Collateral, (B) to assert or retain any rights under any license agreement for any Intellectual Property Collateral, including any rights of the Company arising under Section 365(n) of the United States Bankruptcy Code, and (C) to execute all applications, documents, papers and instruments for the Secured Party to use Intellectual Property Collateral, to grant or issue any exclusive or non-exclusive license or sub-license with respect to any Intellectual Property Collateral, and to assign, convey or otherwise transfer title in or dispose of the Intellectual Property Collateral. The Secured Party agrees that, except upon and during the continuance of an Event of Default, it shall not exercise the power of attorney hereunder, or any rights granted to the Secured Party, pursuant to clauses (ii) and (iii). The foregoing power of attorney is coupled with an interest and is irrevocable until the Termination Date. The Company ratifies, to the extent permitted by law, all that the Secured Party shall lawfully and in good faith do or cause to be done by virtue of and in compliance with this Section 5.1(d).

(e) For the limited purpose of enabling the Secured Party to exercise its rights and remedies under this Agreement if any Event of Default shall occur and be continuing, the Company grants to the Secured Party an irrevocable, non-exclusive license (exercisable without payment or royalty or other compensation to the Company) to use, license or sublicense any Intellectual Property Collateral.

6. MISCELLANEOUS.

6.1 Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

6.2 WAIVER OF JURY TRIAL. EACH PARTY HERETO WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN.

6.3 Payment of Expenses. The Company agrees to pay on demand all Purchaser Expenses incurred in connection with the enforcement of and preservation of any rights and remedies under this Agreement, the Note, and the other Transaction Documents, including in any out-of-court workout or other refinancing or restructuring or in any bankruptcy case, and the protection, sale or collection of, or other realization upon, any of the Collateral, including all expenses of taking, collection, holding sorting, handling, preparing for sale, selling, or the like, and other such expenses of sales and collections of Collateral. At its option, the Secured Party may, after providing written notice to the Company: (a) discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral; (b) obtain insurance on the Collateral; and (c) pay for the maintenance and preservation of the Collateral. The Company agrees that such payments by the Secured Party shall constitute Purchaser Expenses and that it shall reimburse the Secured Party on demand for such Purchaser Expenses. If the Company fails to reimburse the Secured Party within ten (10) days of receipt of a written invoice for any such Purchaser Expenses, they shall bear interest from the date incurred to the date reimbursed at a rate of ten percent (10%) per annum.

6.4 Survival. The representations, warranties, covenants and agreements made herein shall survive the Closing. The representations, warranties, covenants and obligations of the Company, and the rights and remedies that the Secured Party may exercise, shall not be limited or otherwise affected by or as a result of any information furnished to, or any investigation made by or knowledge of the Secured Party or any of its representatives.

6.5 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon the parties hereto and their respective successors and permitted assigns as provided in Section 7.7 of the Purchase Agreement.

6.6 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibit and the Disclosure Schedule) and the other Transaction Documents constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and thereof, and supersede and replace in their entirety any prior proposals, term

sheets, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof or thereof. No amendment, waiver or other modification of any provision of this Agreement, and no consent with respect to any departure by the Company therefrom, shall be effective unless the same shall be in writing and signed by the Secured Party and the Company and then any such waiver or consent shall be effective, but only in the specific instance and for the specific purpose for which given.

6.7 No Strict Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring either party by virtue of the authorship of any provisions of this Agreement.

6.8 No Waiver. The powers conferred upon the Secured Party by this Agreement are solely to protect its rights hereunder and under the other Transaction Documents and its interest in the Collateral and shall not impose any duty upon the Secured Party to exercise any such powers. No omission or delay by the Secured Party at any time to enforce any right or remedy reserved to it, or to require performance of any of the terms, covenants or provisions hereof by the Company at any time designated, shall be a waiver of any such right or remedy to which the Secured Party is entitled, nor shall it in any way affect the right of the Secured Party to enforce such provisions thereafter.

6.9 Notices. All notices and other communications hereunder shall be given in accordance, and shall be governed by, Section 10.2 of the Purchase Agreement.

6.10 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument, and shall become effective when one or more counterparts have been signed by each party and delivered (including by facsimile) to the other party.

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IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

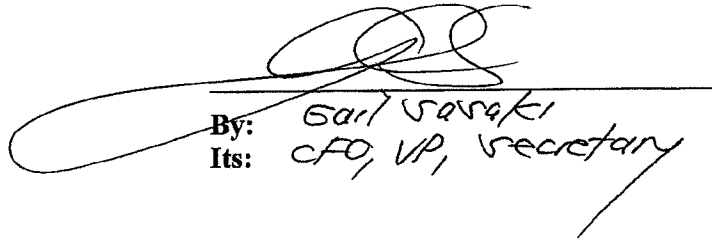
**SVIC NO. 28 NEW TECHNOLOGY
BUSINESS INVESTMENT L.L.P.**

A handwritten signature in black ink, appearing to read 'Seon Jong Lee', is written over a horizontal line.

**By: Seon Jong Lee
Its: Chief Executive Officer**

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

NETLIST, INC.



By: Earl Sasaki
Its: CFO, VP, Secretary

EXHIBIT A

COLLATERAL

The Collateral consists of all of Borrower's right, title and interest in and to the following personal property:

(a) all accounts (including health-care-insurance receivables), chattel paper (including tangible and electronic chattel paper), deposit accounts, documents (including negotiable documents), equipment (including all accessions and additions thereto), general intangibles (including payment intangibles and software), goods (including fixtures), instruments (including promissory notes), inventory (including all goods held for sale or lease or to be furnished under a contract of service, and including returns and repossessions), investment property (including securities and securities entitlements), letter of credit rights, money, and all of Borrower's books and records with respect to any of the foregoing, and the computers and equipment containing said books and records;

(b) all cash proceeds and/or noncash proceeds of any of the foregoing, including insurance proceeds, and all supporting obligations and the security therefor or for any right to payment.

All terms above have the meanings given to them in the New York Uniform Commercial Code, as amended or supplemented from time to time.

Notwithstanding the foregoing, the Collateral does not include more than sixty-five percent (65%) of the voting securities of any Subsidiary organized in a jurisdiction outside of the United States.

DISCLOSURE SCHEDULE

Set forth below are exceptions to the representations and warranties of Netlist, Inc., a Delaware corporation (the “**Company**”), set forth in Article 3 of that certain Security Agreement, dated as of November 18, 2015, by and between the Company and SVIC No. 28 New Technology Business Investment L.L.P. (the “**Agreement**”). The section numbers in this Disclosure Schedule correspond to the section numbers of the Agreement, and the disclosures in any section or subsection of this Disclosure Schedule qualify other sections and subsections to the extent it is readily apparent from a reading of the disclosure that such disclosure is applicable to such other sections and subsections. The statements regarding the contents of any other document or instrument are not necessarily complete; in each instance, reference is made to each such referenced document or instrument, a copy of which has been made available for review, and each such statement is qualified in all respects by such reference. Unless otherwise defined herein, capitalized terms, for all purposes of this Disclosure Schedule, shall have the meanings set forth in the Agreement.

Where any representation, warranty or covenant given in the Agreement is limited to or qualified by the materiality of matters to which the representation, warranty or covenant is given, the inclusion of any matter in this Disclosure Schedule does not constitute a determination that such matters are material. No disclosure made in this Disclosure Schedule shall be deemed to modify in any respect the standard of materiality set forth in the applicable representation, warranty or covenant or other provision contained in the Agreement. No disclosure in this Disclosure Schedule relating to any possible breach or violation of any agreement, law or regulation may be construed as an admission to any third party that any such breach or violation exists or has actually occurred. No reference in this Disclosure Schedule to any agreement or document shall be construed as an admission or indication to any person not a party to the Agreement that such agreement or document is enforceable or currently in effect.

Schedule 3.1(b) License Rights.

SD Memory Card License Agreement, effective as of April 1, 2008, between SD-3C, LLC, a Delaware limited liability company, as licensor, and the Company, as licensee.

Schedule 3.1(c) Location of Collateral.

- (i) the Company’s exact legal name is: Netlist, Inc.
- (ii) the Company’s jurisdiction of organization is: Delaware.
- (iii) the location of the Company’s chief executive office and principal place of business is:

175 Technology, Suite 150
Irvine, CA 92618

- (iv) the following are all locations where the Company conducts business or where Collateral or the Company’s Books related to the Collateral are located:

Description of Collateral	Address
Inventory/Fixed Assets	Netlist, Inc. 175 Technology, Irvine, Ca 92618
Inventory/Fixed Assets	Netlist Electronics (Suzhou) Co., LTD EPZ B Zone - No 288 Sheung Pu Road Suzhou 215121, China
Inventory - consignment	Expeditors El Paso 7100 Binational Santa Teresa, NM 88008
Inventory - consignment	Schenker Logistics (Dell APCC) Asia Pacific Sdn Plot 76 Mukin 11 Bukit Tengah Industrial Park 14000 Bukit Mertajam Penang, Malaysia
Inventory - consignment	Schenker Logistics (Dell Xiamen) Co Ltd No 5, Xiangxing Yi Road Xiangyu Free Trade Zone Xiamen 361006m P.R. China
Inventory - consignment	FLEXTRONICS LOGISTICS POLAND SP.Z.O.O AL. OFIAR TERRORYZMU 11 WRZESNIA 17 POLAND

Schedule 3.1(e) Securities and Instruments.

Investments in Subsidiaries.

Schedule 3.1(f) Bank Accounts.

Full Name of Finance Institution	Account #	Address	Notes
Silicon Valley Bank	3300662584	3003 Tasman Drive, Santa Clara, CA 95054	Concentration Account
Silicon Valley Bank	3300662599	3003 Tasman Drive, Santa Clara, CA 95054	Collateral Account
Silicon Valley Bank	3300940717	3003 Tasman Drive, Santa Clara, CA 95054	Collateral MMA - secures letter of credit
Silicon Valley Bank	3300940595	3003 Tasman Drive, Santa Clara, CA 95054	Collateral MMA - secures letter of credit
Silicon Valley	3300940721	3003 Tasman Drive, Santa	Collateral MMA -

Full Name of Finance Institution	Account #	Address	Notes
Bank		Clara, CA 95054	secures letter of credit
Silicon Valley Bank	3300940991	3003 Tasman Drive, Santa Clara, CA 95054	Collateral MMA - secures letter of credit
Needham & Company, LLC	137-13073 402	445 Park Avenue, New York, NY 10022-4406	
US Bank (SVB Investment)	19-SV561	425 Walnut Street, 8th floor, Cincinnati, OH 45202	