

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL | |
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| | | |
|--|---|--|
| 1. Name and Address of Reporting Person * <u>Piraino Michael Charles</u> (Last) (First) (Middle) C/O CRAY INC., 901 FIFTH AVENUE, SUITE 1000 (Street) SEATTLE WA 98164 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>CRAY INC [CRAY]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) SVP Admin, GC & Corp Sec |
| | 3. Date of Earliest Transaction (Month/Day/Year) 09/25/2019 | |
| | | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|---------------------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 09/25/2019 | | D | | 57,156 | D | \$35 ⁽¹⁾ | 0 | D | |
| Common Stock | 09/25/2019 | | D | | 575 | D | \$35 ⁽¹⁾ | 0 | I | By 401(k) plan |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------|--|-----------------|---|--|--|---|--|-------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Restricted Stock Unit (RSU) | (2) | 09/25/2019 | | D | | | 66,600 | (3) | (3) | Common Stock | 66,600 | (4) | 0 | D | |
| Restricted Stock Unit (RSU) | (2) | 09/25/2019 | | D | | | 2,000 | (5) | (5) | Common Stock | 2,000 | (6) | 0 | D | |
| Restricted Stock Unit (RSU) | (2) | 09/25/2019 | | D | | | 12,500 | (7) | (7) | Common Stock | 12,500 | (6) | 0 | D | |
| Restricted Stock Unit (RSU) | (2) | 09/25/2019 | | D | | | 10,500 | (8) | (8) | Common Stock | 10,500 | (6) | 0 | D | |
| Restricted Stock Unit (RSU) | (2) | 09/25/2019 | | D | | | 25,000 | (9) | (9) | Common Stock | 25,000 | (6) | 0 | D | |
| Stock option (right to buy) | \$6.08 | 09/25/2019 | | D | | | 13,570 | (10) | 11/16/2021 | Common Stock | 13,570 | (11) | 0 | D | |
| Stock option (right to buy) | \$12.08 | 09/25/2019 | | D | | | 25,000 | (12) | 07/01/2022 | Common Stock | 25,000 | (11) | 0 | D | |
| Stock option (right to buy) | \$19.64 | 09/25/2019 | | D | | | 17,000 | (13) | 07/01/2023 | Common Stock | 17,000 | (11) | 0 | D | |
| Stock option (right to buy) | \$26.58 | 09/25/2019 | | D | | | 9,500 | (14) | 05/21/2024 | Common Stock | 9,500 | (11) | 0 | D | |
| Stock option (right to buy) | \$27.83 | 09/25/2019 | | D | | | 10,000 | (15) | 05/06/2025 | Common Stock | 10,000 | (11) | 0 | D | |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------|--|-----------------|---|----------------------------|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Stock option (right to buy) | \$31.45 | 09/25/2019 | | D | | | 8,000 | (16) | 05/19/2026 | Common Stock | 8,000 | (11) | 0 | D | |
| Stock option (right to buy) | \$18 | 09/25/2019 | | D | | | 25,000 | (17) | 05/18/2027 | Common Stock | 25,000 | (11) | 0 | D | |
| Stock option (right to buy) | \$27.1 | 09/25/2019 | | D | | | 14,000 | (18) | 05/17/2028 | Common Stock | 14,000 | (11) | 0 | D | |

Explanation of Responses:

- Disposed of pursuant to the merger agreement among Issuer, Canopy Merger Sub, Inc., and Hewlett Packard Enterprise Company ("HPE") dated May 16, 2019 (the "Merger Agreement") for a payment of \$35.00 in cash (the "Merger Consideration") on the closing date of the merger (the "Closing Date").
- Each restricted stock unit represents a contingent right to receive one share of the issuer's Common Stock.
- All or a portion of these shares vest if and when certain performance criteria relating to the issuer are met, subject to the reporting person's provision of service to the issuer on the applicable vesting date.
- Performance-vesting RSUs were converted on the Closing Date into a cash equivalent award with respect to 50% of the number of underlying shares (with the remainder of such shares forfeited) valued based on the Merger Consideration in accordance with certain terms and conditions that were individually agreed with HPE.
- On May 19, 2016, the reporting person was granted 8,000 restricted stock units, with one quarter vesting on each of May 19, 2017, May 19, 2018, May 19, 2019 and May 19, 2020, subject to the reporting person's provision of service to the issuer on each vesting date.
- RSUs were converted on the Closing Date into a cash equivalent award valued based on the Merger Consideration in accordance with certain terms and conditions that were individually agreed with HPE.
- On May 18, 2017, the reporting person was granted 25,000 restricted stock units, with one quarter vesting on each of May 18, 2018, May 18, 2019, May 18, 2020 and May 18, 2021, subject to the reporting person's provision of service to the issuer on each vesting date.
- On May 17, 2018, the reporting person was granted 14,000 restricted stock units, with one-quarter vesting on each of May 17, 2019, May 17, 2020, May 17, 2021 and May 17, 2022, subject to the reporting person's provision of service to the issuer on each vesting date.
- On May 2, 2019, the reporting person was granted 25,000 restricted stock units, with one-quarter vesting on each of May 2, 2020, May 2, 2021, May 2, 2022 and May 2, 2023, subject to the reporting person's provision of service to the issuer on each vesting date.
- The option was 100% vested and exercisable on November 16, 2015.
- To the extent vested, the option was cancelled and converted on the Closing Date into a cash payment equal to the product of (a) the aggregate number of underlying shares multiplied by (b) the excess of the Merger Consideration over the applicable per share exercise price of such option. To the extent unvested, the option was converted on the Closing Date into a cash equivalent award valued based on the Merger Consideration in accordance with certain terms and conditions that were individually agreed with HPE.
- The option was 100% vested and exercisable on July 1, 2016.
- The option was 100% vested and exercisable on July 1, 2017.
- The option was 100% vested and exercisable on May 21, 2018.
- The option was 100% vested and exercisable on May 6, 2019.
- One-quarter of these shares vested on May 19, 2017 and 1/48th of these shares vest monthly thereafter, with 100% of the total shares vested and exercisable on May 19, 2020, subject to the reporting person's provision of service to the issuer on each vesting date.
- One-quarter of these shares vested on May 18, 2018 and 1/48th of these shares vest monthly thereafter, with 100% of the total shares vested and exercisable on May 18, 2021, subject to the reporting person's provision of service to the issuer on each vesting date.
- One-quarter of these shares vested on May 17, 2019 and 1/48th of these shares vest monthly thereafter, with 100% of the total shares vested and exercisable on May 17, 2022, subject to the reporting person's provision of service to the issuer on each vesting date.

Remarks:

/s/ Michael C. Piraino

09/27/2019

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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