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2/7/2022

Equity Compensation Plan Information

The following table provides information on options and other equity rights outstanding and available at March 30, 2013.

Equity Compensation Plan Information

Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	1,962,469	\$2.0745	417,552
Equity compensation plans not approved by security holders - options	100,000	\$1.1800	n/a
Equity compensation plans not approved by security holders - restricted shares	50,000	-	n/a
Total	2,112,469	\$1.9830	417,552

(1) Includes 246,125 shares issuable under the 2000 Stock Option Plan, 1,210,125 shares issuable under the 2005 Equity Incentive Plan, 100,000 shares issuable outside of the 2005 Equity Incentive Plan, and 506,219 warrants.

Employment Contracts and Termination of Employment and Change-In-Control Arrangements

Change-In-Control Arrangements

All outstanding options may accelerate and become exercisable for fully vested shares upon a change in control of Giga-tronics, whether effected through merger, sale of substantially all of Giga-tronics' assets, the successful completion of a hostile tender offer for 30% or more of Giga-tronics' outstanding common stock, or a change in the majority of the Board of Directors as a result of one or more contested elections for Board of Directors membership.

Compensation Committee Interlocks and Insider Participation

No executive officer of Giga-tronics serves as a member of the Board of Directors or compensation committee of any entity which has one or more executive officers serving as a member of Giga-tronics Board of Directors or Compensation Committee.

Report on Executive Compensation

General Compensation Policy

Giga-tronics' executive compensation philosophy rests on two fundamental principles. First, the program is intended to provide fully competitive levels of compensation - at expected levels of performance - in order to attract, motivate and retain talented executives. Secondly, the program is intended to create an alignment of interest between Giga-tronics' executives and its shareholders such that a significant portion of each executive's compensation is linked directly to the creation of shareholder value.

The Executive Compensation Program is intended to place heavy emphasis on variable pay, which is pay that varies with performance, and less focus on a fixed base salary. The incentive pay programs are intended to reward performance that is directly relevant to the Company's short term and long term success. The three primary components of the program include base salary, annual incentive, which is a performance-based bonus, and long-term incentives such as stock options.

Factors

The process involved and the factors considered in the executive compensation determination for fiscal year 2013 are summarized below. It is expected that this process will remain the same in fiscal year 2014. However, the Compensation Committee may, at its discretion, apply a different set of factors in setting executive compensation in the future in order to further enhance the basic concept of "pay-for-performance".

Base Salary

Base salaries are based primarily on individual performance, and each individual's role in Giga-tronics. Employees with higher levels of sustained performance over time and/or those assuming greater responsibilities will be paid correspondingly higher salaries.

On the basis of its knowledge of the industry, and after reviewing published compensation surveys, this Committee believes that the base salary levels in effect for Giga-tronics' executive officers are competitive with comparable companies within and outside its industry with which Giga-tronics competes for executive talent. However, the Committee did not engage an independent third party to confirm the specific percentiles at which the base salary levels in effect for Giga-tronics' executive officers stood in relation to other comparable companies in its industry.

Salaries are reviewed annually based on individual performance, overall financial results and the general level of increases in the marketplace. Salary increases are granted within a pay-for-performance framework.

Annual Performance (Non-Stock) Based Incentive Compensation

Giga-tronics' annual incentive bonus plan is intended to:

reward key employees based upon company and individual performance,
motivate, and
provide competitive cash compensation opportunities.

Incentive awards are paid annually in cash based upon achievement of individual performance objectives for the most recently completed fiscal year.

Other than sales incentive bonuses, there were no bonus payments earned in fiscal 2013.

Long-Term (Stock Based) Incentive Compensation

Giga-tronics has always believed that stock ownership or stock option participation is the most effective way of aligning its management and shareholder interests. Options are generally issued with an exercise price at 100% of market value, for ten year terms, exercisable for 20% of the total grant per year after the first year. The right to exercise options granted from the 2000 Plan expires 60 days after termination of employment (except for certain situations), and in case of death an optionee's estate would have twelve months to exercise. For the Plan, unless otherwise specified in the option grant, the right to exercise options expires 90 days after termination of employment, and in case of death an optionee's estate would have twelve months to exercise. For both plans, no Option or Stock Appreciation Right shall be exercised after its expiration date in accordance with its terms.

CEO Compensation

The CEO compensation is based on the same considerations as any other senior executive. Other compensation factors, including salary increases, incentive bonus and option participation are performance-based.

In fiscal year 2013 the Compensation Committee established a \$225,000 annual base salary for the CEO.

Deduction Limit for Executive Compensation

Effective January 1, 1994, Section 162(m) of the Internal Revenue Code limits federal income tax deductions for compensation paid to the chief executive officer and the four other most highly compensated officers of a public company to \$1 million per individual per year, but contains an exception for performance-based compensation that satisfies certain conditions.

The 2005 Equity Incentive Plan restricts the maximum number of shares of common stock for which any one participant may be granted stock options and awards, and the stockholders approved these plans. As a result, stock options granted to Giga-tronics' executive officers with an exercise price not less than the fair market value of the underlying shares on the grant date will generally qualify as performance-based compensation which is not subject to the \$1 million limitation.

BY THE COMPENSATION COMMITTEE:

Lutz Henckels, Chairman

Gordon L. Almquist

James A. Cole

Garrett A. Garrettson

STOCK OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table includes information as of December 23, 2013, concerning the beneficial ownership of Giga-tronics' common stock for each of the Company's directors and executive officers; all directors and executive officers of the Company as a group; and each person known by the Company to own beneficially more than 5% of the Company's outstanding common stock.

<u>Name of Beneficial Owner</u>	<u>Position with the Company</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percentage of Total Outstanding Common Stock</u>
Gordon L. Almquist 4650 Norris Canyon Road San Ramon, California 94583	Director	3,000 ⁽¹⁾	0.06%
George H. Bruns, Jr. 4650 Norris Canyon Road San Ramon, California 94583	Director	326,273 ⁽²⁾	6.27%
James A. Cole 2291 Melford Court Thousand Oaks, California 91361	Director	135,094 ⁽³⁾	2.60%
Mark Elo 4650 Norris Canyon Road San Ramon, California 94583	Vice President, Marketing	20,000 ⁽⁴⁾	0.38%
Garrett A. Garrettson P.O. Box 157 Pebble Beach, California 93953	Chairman of the Board	63,750 ⁽⁵⁾	1.22%
Kenneth A. Harvey 4650 Norris Canyon Road San Ramon, California 94583	Director	52,054 ⁽⁶⁾	1.00%
Lutz P. Henckels 1045 First Avenue King of Prussia, PA 19406	Director	2,957,630 ⁽⁷⁾	37.04%
Steven D. Lance 4650 Norris Canyon Road San Ramon, California 94583	Vice President Finance and Chief Financial Officer	-	0.00%
Jeffrey T. Lum 4650 Norris Canyon Road San Ramon, California 94583	Director	57,614 ⁽⁸⁾	1.10%
Michael R. Penta 4650 Norris Canyon Road San Ramon, California 94583	Vice President, Sales	74,000 ⁽⁹⁾	1.42%
John R. Regazzi 4650 Norris Canyon Road	President and Chief Executive Officer	127,500 ⁽¹⁰⁾	2.42%

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San Ramon, California 94583 W. Joseph Thompson 1045 First Avenue King of Prussia, PA 19406	Director	2,906,376 ⁽¹¹⁾	36.07%
All executive officers and directors as a group (12 persons, including those above)		3,848,035 ⁽¹²⁾	47.75%
Alara Capital AVI II, LLC 1045 First Avenue King of Prussia, PA 19406	--	2,870,756 ⁽¹³⁾	35.65%

(1) Includes 3,000 shares issuable under options exercisable within 60 days of December 23, 2013.

- (2) Includes 22,163 shares owned by The Bruns Company; 280,610 shares owned directly and 23,500 shares issuable under options exercisable within 60 days of December 23, 2013.
- (3) Includes 23,500 shares issuable under options exercisable within 60 days of December 23, 2013.
- (4) Includes 20,000 shares issuable under options exercisable within 60 days of December 23, 2013.
- (5) Includes 34,250 shares issuable under options exercisable within 60 days of December 23, 2013.
- (6) Includes 23,500 shares issuable under options exercisable within 60 days of December 23, 2013.
- (7) Includes 6,000 shares issuable under options exercisable within 60 days of December 23, 2013. Also includes 2,870,756 shares beneficially owned by Alara Capital with respect to which Mr. Henckels shares voting dispositive power as a managing member of Alara Capital as set forth in the above table and footnote 13.
- (8) Includes 44,250 shares issuable under options exercisable within 60 days of December 23, 2013.
- (9) Includes 20,000 shares issuable under options exercisable within 60 days of December 23, 2013.
- (10) Includes 76,500 shares issuable under options exercisable within 60 days of December 23, 2013.
- (11) Includes 6,000 shares issuable under options exercisable within 60 days of December 23, 2013. Also includes 2,870,756 shares beneficially owned by Alara Capital with respect to which Mr. Thompson shares voting dispositive power as a managing member of Alara Capital as set forth in the above table and footnote 13.
- (12) Includes 1,297,905 shares issuable under options and warrants within 60 days of December 23, 2013. Also includes 2,870,756 shares beneficially owned by Alara Capital.
- (13) The information in this table is based on information provided by Alara Capital in its Schedule 13D filed with the U.S. Securities and Exchange Commission on July 8, 2013. Represents 1,853,351 shares of common stock issuable upon conversion of 18,533.51 shares of Preferred Stock and 1,017,405 shares of common stock issuable upon exercise of warrants. Darren C. Wallis, W. Joseph Thompson and Lutz P. Henckels, as the managing members of Alara Capital, share with each other and with Alara Capital, voting and dispositive power over all such shares.

WHERE YOU CAN FIND MORE INFORMATION

The SEC maintains a website that contains reports, proxies and information statements and other information regarding us and other issuers that file electronically with the SEC at www.sec.gov. Our proxy statements, annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, as well as any amendments to those reports, are available free of charge through the SEC's website. Shareholders may also read and copy materials that we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Shareholders may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

This Proxy Statement is being sent to you by the Giga-tronics Incorporated Board of Directors.

Steven D. Lance

Vice President Finance, Chief Financial Officer and Corporate Secretary

TO VOTE BY MAIL, PLEASE DETACH PROXY CARD HERE

GIGA-TRONICS INCORPORATED

SPECIAL MEETING OF SHAREHOLDERS

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

Garrett A. Garrettson and Steven D. Lance, or either of them, are hereby constituted and appointed the lawful attorneys and proxies of the undersigned, each with full power of substitution, to vote and act as proxy with respect to all shares of common stock of Giga-tronics Incorporated standing in the name of the undersigned on the books of Giga-tronics at the close of business on December 23, 2013 at the Special Meeting of Shareholders to be held at Giga-tronics' executive office at 4650 Norris Canyon Road, San Ramon, CA 94583 on February 13, 2014 at 9:30 a.m. (PT) or at any adjournment or postponement thereof.

THE POWERS HEREBY GRANTED MAY BE EXERCISED BY BOTH OF SAID ATTORNEYS OR PROXIES OR THEIR SUBSTITUTES PRESENT AND ACTING AT THE SPECIAL MEETING OF SHAREHOLDERS OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF OR, IF ONLY ONE BE PRESENT AND ACTING, THEN BY THAT ONE. THE UNDERSIGNED HEREBY REVOKES ANY AND ALL PROXIES HERETOFORE GIVEN BY THE UNDERSIGNED TO VOTE AT SAID MEETING.

(Continued, and to be signed, on the other side.)

TO VOTE YOUR PROXY

Simply sign and date your proxy card and return it in the postage-paid envelope to:

Giga-tronics Inc., c/o Eagle Rock Proxy Advisors, LLC, 12 Commerce Dr, Cranford NJ 07016

TO VOTE, PLEASE DETACH PROXY CARD HERE

Please mark votes as in this sample **X**

1. Advisory vote on the company’s executive compensation program.	FOR []	AGAINST []	ABSTAIN []	
2. Future advisory votes on the company’s executive compensation program to be held every:	ONE YEAR []	TWO YEARS []	THREE YEARS []	ABSTAIN []
3. Amendment to the company’s 2005 Equity Incentive Plan making an additional 500,000 shares available for the grant of awards under the plan.	FOR []	AGAINST []	ABSTAIN []	

The Board of Directors recommends a vote of “FOR” proposal 1, “THREE YEARS” on proposal 2 and “FOR” proposal 3. This proxy shall be voted in accordance with the recommendations of the Board of Directors unless a contrary instruction is indicated, in which case the proxy shall be voted in accordance with such instructions. In all other matters presented at the meeting, if any, this proxy shall be voted in accordance with the recommendations of the Board of Directors.

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Dated: _____, 2014

Signature(s)

Signature(s)

Please sign exactly as the name appears printed hereon. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by an authorized officer. If a partnership, please sign in full partnership name by authorized person. Receipt of the Proxy statement for the meeting is hereby acknowledged.