GIGA TRONICS INC
Form DEF 14A
July 25, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant [X]
Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[ ] Preliminary Proxy Statement
[X] Definitive Proxy Statement
[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
[ ] Definitive Additional Materials
[ ] Soliciting Material Pursuant to Sec. 240.14a-11(c) or sec. 240.14a-12

GIGA-TRONICS INCORPORATED
(Name of Registrant as Specified In Its Charter)

N/A
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

[X]	Fee not required.	
[ ]	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.	
	(1)	Title of each class of securities to which transaction applies:
	(2)	Aggregate number of securities to which transaction applies:
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	(4)	Proposed maximum aggregate value of transaction:
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[ ]	Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.	
	(1)	Amount Previously Paid:
	(2)	Form, Schedule or Registration Statement No.:
	(3)	Filing Party:
	(4)	Date Filed:

Giga-tronics Incorporated
4650 Norris Canyon Road
San Ramon, California 94583
(925) 328-4650

July 26, 2012

To Our Shareholders:

I cordially invite you to attend the annual meeting of Giga-tronics Incorporated shareholders to be held at the Giga-tronics executive office, 4650 Norris Canyon Road, San Ramon, California at 9:30 a.m. on Wednesday, August 22, 2012.

1. At the meeting, you will be asked to elect seven directors, approve an amendment to the 2005 Equity Incentive Plan increasing the number of shares authorized for issuance under the Plan, and ratify the selection of Crowe Horwath LLP as our Independent Registered Public Accounting Firm. Information about these matters is set forth in the attached Notice and Proxy Statement.

Giga-tronics counts on your continued interest, and I hope you will be able to attend the meeting. However, regardless of whether you plan to attend in person, it is important that your vote be counted. I urge you to vote your shares by signing and returning the accompanying proxy card.

Sincerely,

/s/ Garrett A Garrettson
Garrett A. Garrettson
Chairman of the Board of Directors

Your vote is very important. Even if you plan to attend the meeting,
VOTE YOUR PROXY PROMPTLY.

Giga-tronics Incorporated

4650 Norris Canyon Road
San Ramon, California 94583
(925) 328-4650

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To be held on August 22, 2012

To Our Shareholders:

The Annual Meeting of Shareholders of Giga-tronics Incorporated will be held at the Giga-tronics executive office, 4650 Norris Canyon Road, San Ramon, California on Wednesday, August 22, 2012 at 9:30 a.m., local time, for the following purposes:

1. Elect seven directors for the ensuing year;
2. To approve an amendment to the 2005 Equity Incentive Plan increasing the number of shares authorized for issuance under the Plan;
3. Ratify the appointment of Crowe Horwath LLP as Independent Registered Public Accounting Firm; and
4. Transact such other business as may properly come before the meeting.

Only shareholders of record at the close of business on July 17, 2012 will be entitled to vote at this meeting, or any adjournment of this meeting.

IT IS IMPORTANT THAT YOUR SHARES BE REPRESENTED AT THE ANNUAL MEETING REGARDLESS OF THE NUMBER YOU HOLD. PLEASE DATE, SIGN, VOTE AND RETURN YOUR PROXY PROMPTLY IN THE ENCLOSED, PREPAID ENVELOPE.

By Order of the Board of Directors,

/s/ Frank D. Romejko
Frank D. Romejko
Vice President of Finance/
Chief Financial Officer (Acting)

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting To Be Held on August 22, 2012: The proxy statement and annual report on Form 10-K are available online at www.gigatronics.com under “Investor Relations”.

San Ramon, California
July 26, 2012

PROXY STATEMENT
FOR THE
ANNUAL MEETING OF SHAREHOLDERS

Giga-tronics Incorporated
4650 Norris Canyon Road
San Ramon, California 94583

This proxy statement is submitted by the Board of Directors of Giga-tronics Incorporated ("Giga-tronics" or the "Company"), a California corporation, in connection with the solicitation of proxies for use at the Annual Meeting of Shareholders (the "Annual Meeting") to be held at 9:30 a.m. on Wednesday, August 22, 2012, at the Giga-tronics executive office, 4650 Norris Canyon Road, San Ramon, California, in accordance with the notice to shareholders, and at any adjournment thereof.

Our Board of Directors has fixed July 17, 2012 as the record date for the Annual Meeting. Only shareholders of record at the close of business on the record date are entitled to notice of and to vote at this meeting. A majority of the shares of common stock will constitute a quorum for the transaction of business at the Annual Meeting. On the record date, there were 5,029,747 shares of Giga-tronics common stock issued and outstanding. Each share outstanding on the record date is entitled to one vote as to each matter to be acted on at this meeting. However, each shareholder will be entitled to cumulate his votes in the election of directors provided that notice of an intention to cumulate votes is given at this meeting by at least one shareholder before voting for the election of directors. Under cumulative voting, a shareholder is allowed one vote per share multiplied by the number of directors to be elected and may cast the total number of votes for one nominee or may distribute the total number of votes among as many nominees as the shareholder chooses. Seven directors will be elected at this meeting.

Shares represented by properly executed proxies received by Giga-tronics will be voted at the Annual Meeting according to the instructions on the proxies. It is intended that shares represented by proxies received by Giga-tronics which are not marked to the contrary will be voted FOR all proposals included in the notice of this meeting.

Any person giving a proxy in the form accompanying this proxy statement has the power to revoke it at any time before its exercise. A shareholder giving a proxy may revoke it before its exercise by filing with the Secretary of Giga-tronics either an instrument revoking the proxy or a duly executed proxy bearing a later date. A proxy will be revoked automatically if the shareholder who executed it is present at the Annual Meeting and votes in person. Attendance at this meeting will not, in and of itself, constitute the revocation of a proxy. The granting of a proxy will give the proxy holder authority to cumulate votes if cumulative voting is elected.

The approximate date on which this Proxy Statement and the accompanying form of proxy will be sent to Giga-tronics shareholders is July 26, 2012.

Eagle Rock Proxy Advisors will be using an automated system for the tabulation of shareholder votes for Giga-tronics. Abstentions and "broker non-votes" are counted as present and entitled to vote for purposes of determining a quorum. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. We believe that nominees have discretionary voting power with respect to all of the ballot items described below and elsewhere in this proxy statement. In the election of directors, the candidates receiving the highest number of affirmative votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares are elected. Abstentions and broker "non-votes" will have no effect on the voting outcome with respect to the election of directors. The affirmative vote of the holders of a majority of shares of common stock, present in person or represented by proxy and entitled to vote, is required with respect to the ratification of our Independent Registered Public Accounting Firm. An abstention is treated as present and entitled to vote and therefore has the effect of a vote against ratification of the selection of the Independent Registered Public Accounting Firm.

The Annual Report of Giga-tronics for its fiscal year ended March 31, 2012 is being mailed with this mailing of the Notice of Annual Meeting and Proxy Statement to all shareholders entitled to notice of and to vote at the Annual Meeting.

The costs of solicitation of proxies, including the printing, handling and mailing of the proxy material, will be paid by Giga-tronics. Copies of solicitation material will be furnished to brokerage houses, fiduciaries and custodians to be forwarded to beneficial owners of shares held in their names, and Giga-tronics will reimburse them for their expenses. The solicitation of proxies through this proxy statement may be supplemented by telephone, telegram or personal solicitation by directors, officers or other regular employees of Giga-tronics and by Eagle Rock Proxy Advisors. Giga-tronics has retained Eagle Rock Proxy Advisors to solicit proxies for a fee of approximately $6,650, which includes the estimated fees for related services to be rendered by Broadridge Financial Solutions, Inc. No additional compensation will be paid to directors, officers or other employees for such services.

The executive office of Giga-tronics is located at 4650 Norris Canyon Road, San Ramon, California 94583, and the telephone number at that location is (925) 328-4650.

PROPOSAL 1

ELECTION OF DIRECTORS

At the Annual Meeting, seven directors are to be elected to serve until the next annual meeting and until their successors are elected and qualified. The nominees of the Board of Directors for election as directors are listed below. There are no family relationships among the nominees or between any nominee and any executive officer of Giga-tronics. The Board of Directors has determined that Messrs. Almquist, Cole, Garrettson, Harvey, Henckels, and Thompson representing a majority of the Board of Directors, are independent under the independence standards of The Nasdaq Stock Market.

Name and Principal Occupation	Director Since	Age
Gordon A. Almquist Vice President & Chief Financial officer of WaveConnex, Inc., a semiconductor technology company headquartered in Westlake Village, CA. Prior to WaveConnex, he was a co-founder and vice president finance & administration, and secretary of Strix Systems, Inc., a manufacturer of wireless mesh networking equipment. Before Strix, Mr. Almquist was the vice president finance & administration, CFO, and secretary of Vertel Corporation, a publicly-traded provider of telecommunications network management software and engineering services. His career includes other senior financial management roles at publicly traded technology companies including vice president, finance and CFO of 3D Systems Corporation. Mr. Almquist serves on the Board of Directors for CAP Wireless, Inc. Mr. Almquist is a certified public accountant (inactive) with a bachelor's degree in business administration (accounting) from California State University, Northridge. Mr. Almquist has been nominated because of his accounting background and his public company experience. Member: Governance, Nominating and Audit Committees	2012	62
James A. Cole General Partner of Windward Ventures, General Partner of Spectra Enterprise Associates, Founder and President of Amplica, Inc. and presently a director of Syntricity, CAP Wireless, KOR Electronics and Akatoo, all private companies. Mr. Cole is also a Trustee at Mount St. Mary’s College in Los Angeles, CA. Mr. Cole has been nominated because of his broad business experience and industry knowledge. Member: Governance, Nominating, Audit and Compensation Committees	1994	69

Garrett A. Garrettson Chairman of the Board of Directors of Giga-tronics Incorporated since February 2008. Dr. Garrettson is currently a Managing Director of daVinci Capital Group and President of G. Garrettson Consulting LLC, providing management consulting to public and private companies. From December 2005 until January 2008 Dr. Garrettson was President and CEO of Fresco Technologies, a private digital imaging company, and from November 2001 until September 2004, he was President and CEO of Clairvoyante, a private company that developed and licensed critical technology to the flat panel display industry. From 1996 until 2002 he held the position of Chairman, and before that President & CEO, of Spectrian Corporation, a public company that developed, manufactured and sold microwave telecommunications infrastructure equipment and semiconductors. Before Spectrian he spent ten years in the data storage industry as President & CEO of Censtor Corporation, a Vice President at Seagate Technology and a Vice President at Control Data. He began his career as a Director at HP Laboratories after being an Assistant Professor of Physics, Naval Postgraduate School. He was educated at Stanford in Engineering Physics, receiving his PhD in Nuclear Engineering. In addition to being a Director of Giga-tronics, he is a Director of Iridex (IRIX) and Purdy Electronics, a private company. Dr. Garrettson is nominated primarily because of his leadership skills and his executive experience in the industry. Member: Governance, Nominating and Compensation Committees	2006	69
Kenneth A. Harvey President of Peak Consulting Group. Former CEO of Advanced Wireless & Telecom, Vice President and General Manager of Credence Systems Corporation. Co-founded Modulation Instruments where he served as President and CEO. Mr. Harvey is nominated primarily because of his executive experience in the industry, technical knowledge, and his familiarity with accounting and SEC issues. Member: Governance, Nominating and Audit Committees	2002	48
Lutz P. Henckels Dr. Henckels is a Managing Director at Alara Capital Partners, formerly Guggenheim Venture Partners, with over 25 years experience managing high-tech businesses. He founded HHB Systems which provided simulation tools for Electronic Design Automation (EDA) applications. He subsequently joined LeCroy Corporation (LCRY) as CEO. He grew the oscilloscope business from less than $30M per year to over $140M per year. He took the company public in 1996 with Prudential Securities, SG Cowen and Needham Inc. Following LeCroy, he became the CEO of SyntheSys Research, which produces the BERTscope for serial data applications. The Company was acquired in 2010 by Tektronix/Danaher. Dr. Henckels is the recipient of the first John Fluke Award, along with David Packard, Joe Keithley, and Alex D'Arbeloff. The John Fluke Sr. Memorial Award was established in 1986 to honor executives who have led their companies with innovative engineering or business management. He holds a B.S., M.S. (Electrical Engineering), and PhD. (Computer Science) from the Massachusetts Institute of Technology. He	2011	71

graduated Eta Kappa Nu and Tau Beta Pi, and is also a graduate of the ONP program of Harvard Business School. He had been a director of multiple public companies, including Ikos, Inframetrics, and LeCroy. Mr. Henckels also serves as a consultant to management of the Company on a part-time basis. Mr. Henckels has been nominated because of his experience in the industry and prior operational experience.
Member: Governance, Nominating and Compensation Committees

John R. Regazzi Chief Executive Officer and a Director of the Company since April 2006. Mr. Regazzi had been President and General Manager of Instrument Division since August 2005, and prior to that, was Vice President of Operations for Instrument Division from October 2004 through August 2005. Prior to that, he was Vice President of Engineering for Instrument Division from June 2001 through October 2004. Previous experience includes 22 years at Hewlett Packard and Agilent Technologies in various design and management positions associated with their microwave sweeper and synthesizer product lines. His final position at Agilent Technologies was as a senior engineering manager. Mr. Regazzi is nominated primarily because of his role as Chief Executive Officer, his RF and Microwave expertise, and his depth of experience in the industry.	2006	57
William J. Thompson Dr. William J. Thompson is a Managing Director of Alara Capital Partners, a firm that invests primarily in public and private technology companies. In 2000, he co-founded Circadiant Systems, a venture capital backed test and measurement company that designed and manufactured instrumentation for optical communication. From 1998 to 2000, he served as a Member of Technical Staff at Lucent Technologies where he designed analog RF optoelectronic components for high speed optical communication. From 1994 to 1998, he served as a researcher with the University of Maryland. Dr. Thompson graduated summa cum laude with a B.S. in Physics from UNCC and holds a Ph.D. in Physics from Stony Brook University. He graduated as a Palmer Scholar with an MBA in Finance from the Wharton School. Dr. Thompson has been nominated because of his technical experience in the test and measurement industry as well as his prior experience with growing technology companies. Member: Governance, Nominating and Audit Committees	2011	47

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF ALL NOMINEES NAMED IN PROPOSAL 1.

INFORMATION ABOUT THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD

Meetings

There were fourteen meetings of the Board of Directors during the last fiscal year. In fiscal 2012 one director retired and two new directors were added in October. All of the directors attended all the regularly scheduled meetings of the Board of Directors. All directors who serve on a committee attended all of the scheduled committee meetings, except one director, who missed one committee meeting. Directors are expected to attend the Annual Meeting except for good cause. All of the directors except one attended the Annual Meeting in 2011.

Committees

The Giga-tronics Board of Directors has an Audit Committee, a Compensation Committee and a Nominating Committee.

Audit Committee: During fiscal 2012, the Audit Committee consisted of directors James A. Cole, Kenneth A. Harvey (Chairman) and Robert C. Wilson, all of whom were independent under the director independence standards of The Nasdaq Stock Market. In October of 2011 Robert C. Wilson retired from the committee and William J. Thompson took his place. The Audit Committee serves to monitor the effectiveness of the independent audit, as well as the Company's accounting, financial controls and financial reports. The Audit Committee must approve all non-audit services provided by the Independent Registered Public Accounting Firm. The Audit Committee held three meetings during the past fiscal year. For fiscal 2012 the board has determined that Robert Wilson as the financial expert had:

(i) an understanding of generally accepted accounting principles and financial statements;

(ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

(iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant's financial statements, or experience actively supervising one or more persons engaged in such activities;

(iv) an understanding of internal control over financial reporting; and

(v) an understanding of audit committee functions.

Therefore the Board of Directors determined that Robert Wilson is the Audit Committee’s financial expert for purposes of Nasdaq rules and requirements of the Sarbanes Oxley Act. Upon Robert Wilson’s retirement, Kenneth A. Harvey assumed the role of financial expert(acting).

The charter of the Audit Committee is available on the Company’s website under “Investor Relations”.

Compensation Committee: During fiscal 2012, the Compensation Committee consisted of directors Garrett A. Garrettson (Chairman), Kenneth A. Harvey and Robert C. Wilson, all of whom were independent under the director independence standards of The Nasdaq Stock Market. In October of 2011 Robert C. Wilson retired from the committee and James A. Cole took his place. In December of 2011 Lutz P. Henckels replaced Kenneth A. Harvey on the Compensation Committee. The committee formulates recommendations to the Board of Directors regarding levels of compensation for management. In addition, in order to recognize the expected future contributions of key employees and provide an additional incentive for them to remain with Giga-tronics over the long-term, the Committee awards options to purchase shares of our common stock and other forms of equity awards. The Compensation Committee reviews and approves all stock options and executive compensation.

The Compensation Committee did not engage any compensation consultants in determining or recommending executive officer compensation for fiscal 2012. The Compensation Committee met six times during the last fiscal year.

The Compensation Committee charter is available on the Company's website under "Investor Relations".

Nominating Committee: The Board of Directors has a Nominating Committee, which for fiscal 2012 was comprised of directors James A. Cole, Garrett A. Garrettson, Kenneth A. Harvey, Lutz P. Henckels and William J. Thompson all of whom are independent under the director independence standards of The Nasdaq Stock Market. The purposes of the Nominating Committee are to recommend persons for membership on the Board and to establish criteria and procedures for the selection of new directors.

The Nominating Committee has no formal process for identifying and evaluating candidates. Existing directors identify suitable candidates as the need arises. The Board's policy is to consider any director candidate nominated or recommended by a shareholder in the same manner that it would consider a candidate nominated by the Board or committee. Directors Henckels and Thompson were appointed at the recommendation of Alara upon completion of Alara's investment in the Company. In the past year the Company did not receive any recommendations for director candidates from any shareholders. Shareholder recommendations should be submitted in writing to the Company by mail at its main office at least 120 days in advance of the anniversary date of the mailing of notice of the previous year's annual meeting and should include sufficient biographical information (including all information that would be required to be disclosed in a proxy statement for a shareholder meeting at which directors are to be elected) for the committee to make an initial evaluation of the candidate's qualifications. The Company has never engaged or paid a fee to a third party search firm in connection with the nomination of a candidate for director.

The Nominating Committee considers the following criteria in proposing nominations for director to the full Board: independence; high personal and professional ethics and integrity; ability to devote sufficient time to fulfilling duties as a director; impact on diversity of the Board, including skills and other factors relevant to the Company's business; overall experience in business, education, and other factors relevant to the Company's business. At a minimum, the Nominating Committee must be satisfied that each nominee, both those recommended by the Nominating Committee and any recommended by shareholders, meets the following minimum qualifications:

- The nominee should have a reputation for integrity and honesty.
- The nominee should have demonstrated business experience and the ability to exercise sound judgment.
- The nominee should have an understanding of the Company and its industry.
- The nominee should have the ability and willingness to act in the interests of the Company and its shareholders.
- The nominee should not have a conflict of interest that would impair the nominee's ability to fulfill the responsibilities of a director.

The Nominating Committee also serves as the Corporate Governance Committee. The Corporate Governance Committee has adopted a Code of Ethics applicable to all directors, officers and employees. The Company will provide to any person without charge, upon request, a copy of such Code of Ethics upon written request mailed to the Company at its main office, to the attention of the Corporate Secretary.

The Committee has no formal policy on the consideration to be given to diversity in the nomination process, other than to seek candidates who have skills and experience that are appropriate to the position and complementary to those of the other board members or candidates.

The Nominating Committee charter is available on the Company's website under "Investor Relations".

Leadership Structure

The positions of Chairman of the board and Chief Executive Officer are currently held by different persons. The Board believes that having a separate chairman will help enable the board to maintain an independent perspective on the activities of the Company and executive management.

Board Risk Oversight

The Company's senior management manages the risks facing the Company under the oversight and supervision of the Board. While the full Board is ultimately responsible for risk oversight at the Company, the Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk in the areas of financial reporting and internal controls. Other general business risks such as economic and regulatory risks are monitored by the full Board.

Compensation of Directors

Each of the directors who is not employed by Giga-tronics receives an annual director's fee of $10,000 ($20,000 for Chairman) and, in addition, an attendance fee of $1,000 for each Board meeting attended ($1,500 for Chairman). Outside directors serving on committees of the Board of Directors receive $500 for in-person attendance at each committee meeting, and $250 for each telephonic meeting. From time to time, Giga-tronics makes discretionary grants of options to purchase shares of its common stock to directors in consideration for services they provide to Giga-tronics as members of the Board.

The following table summarizes compensation paid to directors (other than Mr. Regazzi, whose compensation in all capacities is included in the Executive Compensation Table that follows) in fiscal year 2012.

Director Compensation

Name (a)	Fees Earned or Cash Paid ($) (b)	Option Awards(1) ($) (d)	Non-Equity Incentive Plan Compen-sation ($) (e)	Change in Pension Value and Non-qualified Deferred Compensation Earnings (f)	All Other Comp-ensation (2)($) (g)	Total ($) (h)
George H. Bruns, Jr.	$ 19,250	$ 20,236	--	--	--	$ 39,486
James A. Cole	$ 20,500	$ 20,236	--	--	--	$ 40,736
Garrett A. Garrettson	$ 33,500	$ 26,981	--	--	--	$ 60,481
Kenneth A. Harvey	$ 20,750	$ 20,236	--	--	--	$ 40,986
Lutz P. Henckels	$ 6,750	$ 20,236	--	--	$ 92,500	$ 119,486
William J. Thompson	$ 6,500	$ 20,236	--	--	--	$ 26,736
Robert C. Wilson (3)	$ 12,500	$ 0	--	--	--	$ 12,500

(1) The value for Stock Option Awards in the table above represents grant date fair value of Stock Option Awards. For Option Awards, the dollar amount for each individual varies depending on the number of options granted, the fair value of such options, and the vesting terms of such options. See Note 1 of the audited consolidated financial statements for the fiscal year ended March 31, 2012 for information on the assumptions used to calculate the grant date fair value of Option Awards and the expense recognized under ASC 718. At March 31, 2012, Mr. Garrettson held options to purchase 50,000 shares of common stock, Mr. Bruns, Mr. Cole,

and Mr. Harvey held options to purchase 35,000 shares of common stock while Mr. Henckels and Mr. Thompson held options to purchase 15,000 shares of common stock.

(2) Consulting Fees.

(3) Director through October 18, 2011.

Giga-tronics has entered into indemnification agreements with all of its officers and directors.

Communications with Directors

The Company does not have a formal process for shareholders to send communications to the Board of Directors or to specific individual directors. Shareholders may send communications to the full board or to individual directors at the Company’s main office at 4650 Norris Canyon Road, San Ramon, California 94583. Communications will be forwarded unopened to the director to whom it is addressed or to the lead independent director if addressed to the Board of Directors. The Board of Directors believes that this informal process is adequate to ensure that shareholder communications are received by the intended recipients.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers, and holders of more than 10% of Giga-tronics' common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission, or SEC. Officers, directors, and greater than 10% shareholders are required by SEC regulations to furnish Giga-tronics with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such forms received by Giga-tronics, or written representations from certain reporting persons, we believe that during the fiscal year ended March 31, 2012 its officers, directors and greater than 10% shareholders complied with all applicable filing requirements except that Mr. Henckels filed one report on Form 4 approximately 120 days late.

INFORMATION ABOUT EXECUTIVE OFFICERS

Name	Age	Position
John R. Regazzi	57	See previous table.
Patrick J. Lawlor	62	Vice President, Finance, Chief Financial Officer and Secretary of Giga-tronics, Inc. since February 2007. Previously he was a Consultant to PDL BioPharma, Inc.; Vice President, Chief Financial Officer at SaRonix, LLC; Chief Financial Officer with Aerojet Fine Chemicals, LLC; and Vice President of Finance with Systems Chemistry, Inc. Mr. Lawlor spent 23 years with Westinghouse Electric Corporation, where he rose through numerous positions among various divisions, with his final position as Vice President of Finance and Controller. (Employment concluded January 31, 2012)
Jeffrey T. Lum	66	Chief Technology Officer of Giga-tronics since April 2007 Mr. Lum was a founder and President of ASCOR, a wholly owned subsidiary of Giga-tronics. Mr. Lum was a founder and Vice President of Autek Systems Corporation, a manufacturer of precision waveform analyzers. Mr. Lum is on the Board of Directors for the Santa Clara Aquamaids, a non-profit organization dedicated to advancing athletes in synchronized swimming to the Olympic games.
Malcolm E. Levy	62	Vice President, Sales & Marketing since September 2008. Mr. Levy has over 25 years of Sales and Marketing experience in the

Test & Measurement industry. His career started in sales with Racal Instruments in the U.K. A background in RF and Communications made him an ideal candidate to move to the U.S. and become the sales and marketing manager for all U.K. manufactured instruments, including low noise fast switching synthesizers. His final position at Racal Instruments after 20 years of service was Executive Vice President, Sales and Marketing. Since leaving Racal in 2001 he has helped wireless test companies grow their international sales business.(Employment concluded January 27, 2012)

EXECUTIVE COMPENSATION

Compensation of Officers

The following table provides information concerning compensation paid or accrued by the Company, to or on behalf of Giga-tronics' chief executive officer and the other executive officers during the last fiscal year ended March 31, 2012, and for the fiscal year ended March 26, 2011:

Name and Principal Position (a)	Fiscal Year (b)	Salary ($) (c)	Bonus ($) (d)	Option Awards (1) ($) (f)	All Other Compensation (3) ($) (i)	Total ($) (j)
Patrick J. Lawlor (2) (4)	2012	$ 124,616	---	---	$ 30,178	$ 153,861
VP Finance, CFO & Secretary	2011	$ 141,923	---	---	$ 690	$ 142,613
Malcolm E. Levy (5)	2012	$ 119,214	$ 30,890	---	$ 1,383	$ 150,104
Vice President, Sales & Marketing	2011	$ 140,000	$ 35,103	---	$ 990	$ 176,093
Jeffrey T. Lum	2012	$ 127,295	---	$ 20,236	$ 1,293	$ 147,531
CTO, Giga-tronics	2011	$ 125,820	---	$ 23,903	$ 774	$ 150,497
John R. Regazzi (2)	2012	$ 175,000	---	$ 247,555	$ 1,050	$ 422,555
Chief Executive Officer	2011	$ 156,923	---	---	$ 779	$ 157,702

(1) Stock options granted under Giga-tronics' 2000 Stock Option Plan and the 2005 Employee Incentive Plan. The value for Stock Option Awards in the table above represents grant date fair value of Stock Option Awards for fiscal year 2012 and 2011. For Option Awards, the dollar amount for each individual varies depending on the number of options granted, the fair value of such options, and the vesting terms of such options. See Note 1 of the audited consolidated financial statements for the fiscal year ended March 31, 2012 for information on the assumptions used to calculate the grant date fair value of Option Awards and the expense recognized under ASC 718.

(2) Excludes 90,000 restricted stock awards that vest over 3 years based on performance conditions that are not expected to be met as of the date of the filing. Management believes that it is more likely than not that these performance goals will not be reached and has therefore estimated that there is no value associated with these awards.

(3) Includes contributions made by Giga-tronics to its 401(k) Plan which match in part the pre-tax elective deferral contributions included under Salary made to the 401(k) plan by the executive officers. The column also includes severance pay for Patrick Lawlor in 2012.

(4) Officer through January 31, 2012.

(5) Officer through January 27, 2012.

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table includes information as of July 17, 2012, concerning the beneficial ownership of Giga-tronics' common stock for: each person known by Giga-tronics to own beneficially more than 5% of Giga-tronics' outstanding common stock; each director and nominee; each executive officer named in the Summary Compensation Table above; and all directors and executive officers of Giga-tronics as a group:

Stock ownership of Certain Beneficial Owners

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Percentage of Total Outstanding Common Stock	
George H. Bruns, Jr. 4650 Norris Canyon Road San Ramon, California 94583	315,273	(1)	6.25	%
James A. Cole 2291 Melford Court Thousand Oaks, California 91361	111,094	(2)	2.20	
Garrett A. Garrettson P.O. Box 157 Pebble Beach, California 93953	23,750	(3)	0.47	
Kenneth A. Harvey 4650 Norris Canyon Road San Ramon, California 94583	28,054	(4)	0.56	
Lutz P. Henckels 1045 First Avenue King of Prussia, PA 19406	1,061,574	(5)	21.11	
Jeffrey T. Lum 4650 Norris Canyon Road San Ramon, California 94583	49,614	(6)	0.98	
John R. Regazzi 4650 Norris Canyon Road San Ramon, California 94583	62,500	(7)	1.24	
William J. Thompson 1045 First Avenue King of Prussia, PA 19406	999,700	(8)	19.88	
Robert C. Wilson 620 Sand Hill Road #413-G Palo Alto, California 94304	0	(9)	0.00	
All executive officers and directors as a group (9 persons, including those above)	652,159	(10)	12.97	%
Renaissance Technologies LLC James H. Simons 800 Third Avenue, New York, NY 10022	210,500		4.19	%

(1)Includes 22,163 shares owned by The Bruns Company; 280,610 shares owned directly and 12,500 shares issuable underoptions exercisable within 60 days of July 17, 2012.

(2)Includes 12,500 shares issuable under options exercisable within 60 days ofJuly 17, 2012.

(3)Includes 18,750 shares issuable under options exercisable within 60 days ofJuly 17, 2012.

(4)Includes 12,500 shares issuable under options exercisable within 60 days ofJuly 17, 2012.

(5)Includes no shares issuable under options exercisable within 60 days ofJuly 17, 2012. Also includes 999,700 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 following table and the accompanying footnote.

(6)Includes 36,250 shares issuable under options exercisable within 60 days ofJuly 17, 2012.

(7)Includes 11,500 shares issuable under options exercisable within 60 days ofJuly 17, 2012.

(8)Includes no shares issuable under options exercisable within 60 days ofJuly 17, 2012. Also includes 999,700 shares beneficially owned by Alara Capital with respect to which Mr. Thompson’s shares voting dispositive power as a managing member of Alara Capital as set forth in the following table and the accompanying footnote.

(9)Includes no shares issuable under options exercisable within 60 days ofJuly 17, 2012.

(10)Includes 104,000 shares issuable under options exercisable within 60 days ofJuly 17, 2012. Excludes 999,700 shares beneficially owned by Alara Capital as set forth in the following table and the accompanying footnote.

Stock Options

The following table sets forth information about stock options held by the named executive officers and outstanding at the end of fiscal 2012. All option exercise prices were based on market price on the date of grant.

Outstanding Equity Awards at Fiscal Year-End

Name (a)	Unexercised Options (#) Exercisable (b)	Unexercised Options (#) Unexercisable (c)	Option Exercise Price ($) (e)	Option Expiration Date (f)	Restricted Stocks (1) (g)
Jeffrey T. Lum	10,000	---	$1.85	11/13/2012	
	12,500	12,500	$1.95	8/18/2014	
	3,750	11,250	$2.40	6/03/2015	
	---	15,000	$1.64	12/15/2021	
John R. Regazzi	6,500	10,000	$1.94	8/18/2014	
	---	183,500	$1.64	12/15/2021	
	---	---	$0.00	6/3/2013	60,000

(1) The restricted stocks awarded are performance-based with vesting over 3 years. Management does not believe the performance criteria will be met as of the date of this filing.

Equity Compensation Plan Information

The following table provides information on options and other equity rights outstanding and available at March 31, 2012.

Equity Compensation Plan Information

Plan category	No. of securities to be issued upon exercise of outstanding options, warrants and rights (1)(2) (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	No. of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securities holders	2,213,496	$2.2892	225,867
Equity compensation plans not approved by securities holders	n/a	n/a	n/a
Total	2,213,496	$2.2892	225,867

(1) Includes 313,002 shares issuable under the 2000 Stock Option Plan, 991,810 shares issuable under the 2005 Equity Incentive Plan, and 848,684 warrants.

(2) Includes 60,000 performance-based restricted stock awards. However, management believes it is more likely than not that the performance criteria will not be met.

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

Until October, 2011 of the 2012 fiscal year, the Compensation Committee was comprised of Garrett A. Garrettson, Kenneth A. Harvey and Robert C. Wilson. Mr. Wilson retired in October and James A. Cole was appointed to take his place. In December Lutz Henckels replaced Kenneth A. Harvey on the committee.

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.

AUDIT COMMITTEE - REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board is responsible for providing independent, objective oversight of Giga-tronics' accounting functions and internal controls. The Audit Committee operates under a written charter approved by the Board of Directors.

Management is responsible for the Company's internal controls and financial reporting process. The Independent Registered Public Accounting Firm is responsible for performing an independent audit of the Company's consolidated financial statements in accordance with standards of the Public Company Accounting Oversight Board (United States) and issuing a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes.

In connection with these responsibilities, the Audit Committee met with management to review and discuss the March 31, 2012 consolidated financial statements. The Audit Committee also discussed, with the Independent Registered Public Accounting Firm, the matters required by Statement on Auditing Standards No. 61, "Communication with Audit Committees". The Audit Committee also received written disclosures from the Independent Registered Public Accounting Firm required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees", and the Audit Committee discussed with the independent accountants that firm's independence.

In reliance on the reviews and discussions referred to above, the Committee recommended to the Board of Directors (and the Board has approved) that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended March 31, 2012 for filing with the Securities and Exchange Commission. The Committee has approved the engagement of Crowe Horwath LLP to continue as the Company's auditors for the current year.

Respectfully submitted,

AUDIT COMMITTEE

Kenneth A. Harvey, Chairman
William J. Thompson
James A. Cole

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 2012 are summarized below. It is expected that this process will remain the same in fiscal year 2013. 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, 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.

There were no bonus payments earned in fiscal 2012.

Long-Term (Stock Based) Incentive Compensation

Giga-tronics has always believed that stock ownership or stock option participation was 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 2005 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 2012 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 2000 Stock Option Plan and the 2005 Employee Incentive Plan restrict 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:

Garrett A. Garrettson, Chairman
James A. Cole
Lutz Henckels

PROPOSAL 2

APPROVAL OF AMENDMENT INCREASING THE NUMBER OF SHARES AVAILABLE UNDER THE 2005 EQUITY INCENTIVE PLAN

At the Meeting, shareholders will be asked to approve an amendment to the 2005 Equity Incentive Plan (the "Plan") increasing the number of shares of common stock available for grant by 350,000 shares.

The Plan is intended to encourage ownership of the Company's stock by the Company's employees and directors and to provide additional incentive for them to promote the success of the Company's business. The Company's shareholders approved the Plan in 2005.

The Proposed Amendment

The Board of Directors approved an amendment to the Plan increasing the number of shares of common stock available for awards under the Plan by 350,000. At the Meeting, shareholders will be asked to approve the amendment.

The Plan currently provides that up to 1,400,000 shares of the Company's common stock are available for awards. Options granted must have an exercise price that is not less than the fair market value of the Company's common stock on the date of grant. As of July 17, 2012, the last closing sale price for the Company's common stock as reported by Nasdaq was $1.18 per share. If the shareholders approve the proposed amendment, the Plan will be amended to increase the total number of shares available for grants under the Plan to a total of 1,750,000.

As of the date of this Proxy Statement, options to purchase 1,074,125 shares have been granted by the Board of Directors and were outstanding, and options to purchase an additional 122,323 shares have been exercised by option holders, leaving 203,552 shares of the 1,400,000 shares originally authorized currently available for further grants of options, including shares returned to the Plan upon cancelation of options. If the shareholders approve Proposal 2, the number of shares available for further grants under the Plan will be 553,552.

The Plan and Types of Awards

The Plan is administered by the Compensation Committee of the Board of Directors (the "Committee"), which is presently composed of three members, all of whom are independent directors as defined by the regulations of the SEC and NASDAQ. Any of the employees including officers and directors may be selected by the Committee to participate in the Plan. As of July 17, 2012, there were approximately 55 persons who are eligible to participate in the Plan.

The Board may at any time exercise any of the powers and responsibilities assigned to the Committee under the Incentive Plan. Subject to the provisions of the Incentive Plan, the Committee has complete authority to make all determinations with respect to awards to be granted, including the form of award and the recipient of the award. Subject to the provisions of the Incentive Plan, the Committee also has complete authority to interpret the Incentive Plan, to prescribe, amend and rescind rules and regulations relating to the Incentive Plan, to determine the terms and provisions of any agreements concerning the terms of an award, and to make all other determinations necessary or advisable for the administration of the Incentive Plan. All decisions, interpretations and other actions of the Committee are final and binding.

The Plan authorizes the Company to grant equity-based awards to participants. These awards include options that qualify as incentive stock options ("Incentive Options") under the Internal Revenue Code of 1986 (the "Code") and nonqualified stock options ("Nonstatutory Options"), restricted stock awards, stock grants and stock appreciation rights. Only employees of the Company are eligible for grants of Incentive Options. In addition, if an Incentive Option is granted to an officer or employee of the Company who, at the time of the grant, owns more than 10 percent of the Company's common stock, the exercise price of the options must be not less than 110 percent of the fair market value of the Company's common stock at the time the option is granted. All options granted generally expire not later than ten years from the date of grant except that incentive stock options granted to 10 percent shareholders will expire not later than five years from the date of grant. Unless the Committee specifically determines otherwise at the time of the grant of the option, options vest and become exercisable in installments as to 20% of the underlying stock at the first anniversary of the grant date and 20% per year thereafter. The Committee may allow an optionee to exercise before an installment vests, subject to the Company's right to repurchase the shares or any other restriction the Committee imposes. The vesting of any awards granted under the Incentive Plan may be accelerated in full in the event of a merger or sale of the company if the acquiring entity does not assume or replace the awards with comparable awards. In addition, the Committee may accelerate the exercisability of options (unless restricted by the Code in the case of incentive options) and any grant of restricted stock even if restrictions have not expired. To the extent that the aggregate fair market value of stock with respect to which Incentive Options are exercisable for the first time by any individual during any calendar year exceeds $100,000, such excess options will be treated as Nonstatutory Options.

Upon the exercise of a stock option, the purchase price must be paid in full in either cash or its equivalent. The Committee may allow the optionee to make payment by tendering shares of our common stock having a fair market value equal to the exercise price. The Committee may also allow broker-assisted cashless exercises under which the Company issues shares on exercise of the option and is paid the purchase price from the sale of the shares by the optionee's broker. The Committee may also authorize loans for the purpose of exercise to the extent permitted by law and may withhold shares on option exercise in payment of the exercise price and tax withholding.

Options continue to be exercisable for up to twelve months after an optionee's association with the Company terminates due to death or disability and up to 60 days after an optionee's association ends for other reasons for the 2000 Plan. Options continue to be exercisable for up to twelve months after an optionee's association with the Company terminates due to death or disability and up to 90 days after an optionee's association ends for other reasons for the 2005 Plan. These periods may be extended at the Committee's discretion.

Performance-based awards.

Grants of performance-based awards under the Incentive Plan are intended to qualify as "performance-based compensation" under Section 162(m) of the Code and preserve the deductibility of these awards for federal income tax purposes. Section 162(m) of the Code denies a tax deduction to public companies for compensation paid to certain "covered employees" in a taxable year to the extent the compensation paid to a covered employee exceeds $1,000,000, unless the plan contains certain features that qualify the compensation as "performance-based compensation." Because Section 162(m) of the Code only applies to those employees who are "covered employees" as defined in Section 162(m) of the Code, only covered employees and those likely to become covered employees are eligible to receive performance-based awards. "Covered employees" means the Company's chief executive officer or any of its other four highest compensated officers.

Participants are only entitled to receive payment for a performance-based award for any given performance period to the extent that pre-established performance goals set by the Committee during the first 90 days of the year for the period are satisfied. These pre-established performance goals must be based on one or more of the following performance criteria which are set forth in Section 2.23 of the Incentive plan:

2.23 Performance Criteria means the criteria that the Committee selects for purposes of establishing the Performance Goal or Performance Goals for a Participant for a Performance Period. The Performance Criteria used to establish Performance Goals are limited to: pre- or after-tax net earnings, sales growth, operating earnings, operating cash flow, return on net assets, return on shareholders' equity, return on assets, return on capital, Stock price growth, shareholder returns, gross or net profit margin, earnings per share, price per share of Stock, and market share, any of which may be measured either in absolute terms or as compared to any incremental increase or as compared to results of a peer group.

These performance criteria may be calculated in any manner chosen by the Committee. With regard to a particular performance period, the Committee will have the discretion to select the length of the performance period, the type of performance-based awards to be granted, and the goals that will be used to measure the performance for the period. In determining the actual size of an individual performance-based award for a performance period, the Committee may reduce or eliminate (but not increase) the award. Generally, a participant would have to be employed on the date the performance-based award is paid to be eligible for a performance-based award for that period.

United Stated Income Tax Implications

The Company is generally entitled to a tax deduction in connection with an option or award under the Plan in an amount equal to the ordinary income realized by a participant and at the time the participant recognizes such income (for example, upon the exercise of a Nonstatutory Option). Special rules limit the deductibility of compensation paid to the Chief Executive Officer and to each of the named executive officers. Under Section 162(m) of the Code, the annual compensation paid to any of these specified executives will be deductible only to the extent that it does not exceed $1,000,000. However, the Company can preserve the deductibility of certain compensation in excess of $1,000,000 if the conditions of Section 162(m) are met with respect to awards. These conditions include shareholder approval of the Plan and performance criteria under the Plan, setting individual annual limits on each type of award, and certain other requirements. The Plan has been designed to permit the Committee to grant awards that qualify as performance-based for purposes of satisfying the conditions of Section 162(m), thereby permitting the Company to receive a federal income tax deduction in connection with such awards if the Company should make them.

The grant of Incentive Options will not result in taxable income to the recipient. With respect Nonstatutory Options, the recipient will realize ordinary income at the time of exercise in an amount equal to the excess of the fair market value of the shares acquired over the exercise price for those shares and the Company will be entitled to a corresponding deduction. Generally, gains or losses realized by the participant upon disposition of such shares will generally be treated as capital gains and losses, with the basis in such shares equal to the fair market value of the shares at the time of exercise. In the case of a disqualifying disposition of Incentive Option stock, however, some or all of the gain will be ordinary income and the Company will be entitled to a corresponding deduction.

The grant of restricted stock should not result in income for the recipient or in a deduction for the Company for federal income tax purposes if the shares transferred are subject to restrictions resulting in a "substantial risk of forfeiture." If there are no such restrictions, the recipient would recognize ordinary income upon receipt of the shares. Any dividends paid to the recipient while the stock remained subject to restriction would be treated as compensation for federal income tax purposes. At the time the restrictions lapse, the recipient would receive ordinary income and the Company would be entitled to a deduction measured by the fair market value of the shares at the time of lapse. Income tax withholding would be required.

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The grant of a performance-based award will not result in income to the recipient. Upon the receipt of shares or cash under a performance-based award, the recipient would recognize ordinary income and the Company would be entitled to a deduction measured by the fair market value of the shares plus any cash received. Income tax withholding would be required.

The preceding discussion is based on U.S. tax laws and regulations presently in effect, which are subject to change, and the discussion does not purport to be a complete description of the U.S. income tax aspects of the Plan. A participant may also be subject to state and local taxes in connection with the grant of awards under the Plan. The Company suggests that participants consult with their individual tax advisors to determine the applicability of the tax rules to the awards granted to them in their personal circumstances.

Reasons for Amending the Plan

As of July 17, 2012, there are only 203,552 shares available to award. The Board of Directors believes that the availability of stock based compensation for officers and employees will be a key factor in the ability of Company to attract qualified individuals to fill certain positions. It is also anticipated that additional equity awards may be needed to retain existing officers and staff.

Accordingly, the Board of Directors is seeking shareholder approval to increase the number of shares authorized under the Plan in order to ensure that shares will be available to adequately compensate the Company's employees and directors as the Company expands its business and adds additional employees.

Shareholder Approval

Approval of the amendment to the Plan requires the affirmative vote of a majority of the outstanding shares represented and entitled to vote at the Meeting. The Company has not made any determination as to specific grants to be made under the Plan upon approval of the amendment by shareholders.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR PROPOSAL 2.

PROPOSAL 3

APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has re-appointed the firm of Crowe Horwath LLP as Giga-tronics' Independent Registered Public Accounting Firm for the fiscal year ending March 30, 2013 and to perform other appropriate services. We are seeking ratification by the shareholders for this appointment. In case of a negative vote, the appointment will be reconsidered.

Representatives of Crowe Horwath LLP are expected to be present at Giga-tronics' Annual Meeting with the opportunity to make a statement, if they desire to do so, and they are expected to be available to respond to appropriate questions.

The following table presents aggregate fees billed for professional services rendered by Perry-Smith LLP and Crowe Horwath LLP in fiscal year 2012 and in fiscal year 2011 in the following categories:

	2012	2011	*
Audit fees (1)	$151,000	$183,000	
Audit-related fees (2)	$6,000	$23,000	
Tax fees (3)	---	$13,000	
All other fees (4)	---	---	

(1) Audit fees consist of fees for professional services rendered for the audit of the Company's consolidated financial statements, review of consolidated financial statements included in the Company's quarterly reports(including the amended 10-K and 10-Q filings) and services normally provided by the independent auditor in connection with statutory and regulatory filings or engagements.

(2) Audit-related fees represent fees for professional services such as merger related services and technical accounting, consulting and research.

(3) Tax services consist of a limited scope review of the Company's net operating loss carry-forwards and other tax-related consulting services.

(4) All other fees consist primarily of consulting services.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF CROWE HORWATH LLP PER PROPOSAL 3.

SHAREHOLDERS' PROPOSALS AND NOMINATIONS

To be considered for presentation to the Annual Meeting of Shareholders in 2013, which we currently expect to be held on August 21, 2013, a shareholder proposal must be received by Giga-tronics no later than June 11, 2013. To be considered for inclusion in the Giga-tronics proxy statement for its Annual Meeting of Shareholders to be held in 2013, a shareholder proposal must be received by Giga-tronics no later than March 28, 2013. Proposals should be addressed to the Corporate Secretary, Giga-tronics Incorporated, 4650 Norris Canyon Road, San Ramon, CA 94583.

SEC rules permit proxyholders to vote in their discretion on matters proposed by a shareholder and not described in the proxy statement unless the Company received notice of the proposal and certain additional information at least 45 days in advance of the anniversary of the proxy mailing date for the previous year’s meeting or a reasonable period in advance if the meeting date is changed by more than 30 days from the previous year. Next year this deadline date will be June 11, 2013.

The Annual Report of Giga-tronics for the fiscal year ended March 31, 2012 is being mailed with this mailing of the Notice of Annual Meeting and Proxy Statement to all shareholders entitled to notice of and to vote at the Annual Meeting. Giga-tronics will mail the Annual Report on Form 10-K for the most recent fiscal year to any shareholder who requests a copy. Requests should be sent to the Corporate Secretary as noted above for proposals.

OTHER MATTERS

Giga-tronics knows of no other business which will be presented at the Annual Meeting other than the proposals included in the Notice of Meeting. If any other business is properly brought before the Annual Meeting, persons appointed as proxies for the shareholders in the enclosed form will vote on these matters in accordance with their judgments. Regardless of whether you intend to be present at the Annual Meeting, you are urged to complete, date, sign and return your proxy promptly.

The Report of the Compensation Committee, the Report of the Audit Committee, and the statement of independence of Audit Committee members referred to under “Information About the Board of Directors and Committees of the Board” are not to be considered as filed with the Securities and Exchange Commission or incorporated by reference into any other filings which the Company makes with the Exchange Commission under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, nor is this information considered as proxy soliciting material. These portions of this proxy statement are not a part of any of those filings unless otherwise stated in those filings.

By order of the Board of Directors,

/s/ Garrett A. Garrettson
Garrett A. Garrettson
Chairman of the Board of Directors

San Ramon, California
July 26, 2012

TO VOTE BY MAIL, PLEASE DETACH PROXY CARD HERE

GIGA-TRONICS INCORPORATED

ANNUAL MEETING OF SHAREHOLDERS

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

Garrett A. Garrettson and Frank D. Romejko, 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 July 17, 2012 at the Annual Meeting of Shareholders to be held at Giga-tronics' executive office at 4650 Norris Canyon Road, San Ramon, CA 94583 on August 22, 2012 at 9:30 a.m. (PDT), 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 ANNUAL 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., % 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

	FOR ALL	WITHHOLD
1. Elect seven Directors for the ensuing year. Nominees: (1) Gordon A. Almquist., (2) James A. Cole; (3) Garrett A. Garrettson; (4) Kenneth A. Harvey; (5) Lutz P. Henckels; (6)John R. Regazzi; (7) William J. Thompson	NOMINEES LISTED (EXPEPT AS INDICATED BELOW)	AUTHORITY TO VOTE FOR ALL NOMINEES LISTED
	[ ]	[ ]
INSTRUCTION: To withhold authority to vote for one or more nominees, write such names in the space provided below:		

	FOR	AGAINST	ABSTAIN
2. Approve an amendment to the 2005 Equity Incentive Plan (the “Plan”) increasing the number of shares of common stock available for grant by 350,000 shares.	[ ]	[ ]	[ ]
3. Ratify the appointment of Crowe Horwath LLP as independent registered public accounting firm;	[ ]	[ ]	[ ]

4. Any other business as may properly come before the meeting.

Dated: ________________, 2012

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 annual 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.

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