

GSI TECHNOLOGY INC  
Form DEF 14A  
July 16, 2014

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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 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**GSI Technology, Inc.**

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(Name of Registrant as Specified In Its Charter)

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

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July 16, 2014

Dear Stockholder:

This year's annual meeting of stockholders will be held on Thursday, August 21, 2014, at 2:00 p.m. local time, at the offices of DLA Piper LLP (US), 2000 University Avenue, East Palo Alto, California 94303. You are cordially invited to attend.

The Notice of Annual Meeting of Stockholders and a Proxy Statement, which describe the formal business to be conducted at the meeting, follow this letter.

It is important that you use this opportunity to take part in the affairs of GSI Technology, Inc. by voting on the business to come before this meeting. After reading the Proxy Statement, please promptly mark, sign, date and return the enclosed proxy card in the prepaid envelope. Alternatively, you may vote your shares via the Internet. Instructions regarding these methods of voting are provided on the proxy card. Regardless of the number of shares you own, your careful consideration of, and vote on, the matters before our stockholders is important.

A copy of GSI Technology's Annual Report to Stockholders is also enclosed for your information. At the annual meeting we will review GSI Technology's activities over the past year and our plans for the future. The Board of Directors and management look forward to seeing you at the annual meeting.

Sincerely yours,

Lee-Lean Shu  
*President and Chief Executive Officer*

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**GSI TECHNOLOGY, INC.**

**1213 Elko Drive  
Sunnyvale, CA 94089**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held August 21, 2014**

TO THE STOCKHOLDERS:

Notice is hereby given that the annual meeting of the stockholders of GSI Technology, Inc., a Delaware corporation, will be held on Thursday, August 21, 2014, at 2:00 p.m. local time, at the offices of DLA Piper LLP (US) located at 2000 University Avenue, East Palo Alto, California 94303, for the following purposes:

1. To elect five persons to serve on our Board of Directors until the next annual meeting of stockholders and until their respective successors are duly elected and qualified.
2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2015.
3. To vote on an advisory (non-binding) resolution regarding the compensation of the executive officers named in the Summary Compensation Table included in the proxy statement for the annual meeting.
4. To transact such other business as may properly come before the meeting or any adjournment or postponement of the meeting.

**Our Board of Directors recommends a vote FOR Proposals 1, 2 and 3.** Stockholders of record at the close of business on July 10, 2014 are entitled to notice of, and to vote at, the meeting and any adjournment or postponement thereof. For ten days prior to the meeting, a complete list of stockholders entitled to vote at the meeting will be available for examination by any stockholder, for any purpose relating to the meeting, during ordinary business hours at our principal offices located at 1213 Elko Drive, Sunnyvale, California 94089.

Sunnyvale, California  
July 16, 2014

Robert Yau  
*Secretary*

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IMPORTANT: Please vote your shares via the Internet, in accordance with the instructions contained in the accompanying materials, to assure that your shares are represented at the meeting, or, if you received a paper copy of the proxy card by mail, you may fill in, date and sign the proxy card and return it in the accompanying postage-paid envelope to ensure that your shares are represented at the meeting. If you attend the meeting, you may choose to vote in person even if you have previously sent in your proxy card or submitted your proxy via the Internet.

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IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON AUGUST 21, 2014: Our proxy statement is enclosed. Financial and other information concerning GSI Technology, Inc. is contained in our annual report to stockholders for the fiscal year ended March 31, 2014. A complete set of proxy materials relating to our annual meeting is available on the Internet. These materials, consisting of the notice of annual meeting, proxy statement, proxy card and annual report to stockholders, may be viewed and downloaded at: <http://gsitechnology.mwnewsroom.com/Proxy-Materials>.

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**GSI TECHNOLOGY, INC.**

1213 Elko Drive  
Sunnyvale, CA 94089

**PROXY STATEMENT  
FOR ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD AUGUST 21, 2014**

The accompanying proxy is solicited by the Board of Directors of GSI Technology, Inc., a Delaware corporation, for use at its annual meeting of stockholders to be held on Thursday, August 21, 2014, or any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Stockholders. This proxy statement and the enclosed proxy are being mailed to stockholders on or about July 18, 2014. References in this proxy statement to the "Company," "we," "our," "us" and "GSI Technology" are to GSI Technology, Inc., and references to the "annual meeting" are to the 2014 Annual Meeting of Stockholders. When we refer to the Company's fiscal year, we mean the annual period ending on March 31. This proxy statement covers our fiscal year ended March 31, 2014 ("fiscal 2014").

**SOLICITATION AND VOTING**

*Voting Securities; Quorum.* Only stockholders of record as of the close of business on July 10, 2014 will be entitled to vote at the meeting and any adjournment thereof. As of the record date, we had 27,499,632 shares of common stock outstanding, all of which are entitled to vote with respect to all matters to be acted upon at the annual meeting. Each stockholder of record as of that date is entitled to one vote for each share of common stock held. Our Bylaws provide that a majority of all of the shares entitled to vote, whether present in person or represented by proxy, shall constitute a quorum for the transaction of business at the meeting. Votes for and against, abstentions and "broker non-votes" will each be counted as present for purposes of determining the presence of a quorum. If a quorum shall fail to attend the meeting, the chairman of the meeting or the holders of a majority of the shares entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date or time.

*Broker Non-Votes.* A broker non-vote occurs when a broker submits a proxy card with respect to shares held in a fiduciary capacity (generally referred to as being held in "street name") but declines to vote on a particular matter because the broker has not received voting instructions from the beneficial owner. Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters, but not on non-routine matters. Routine matters include increases in the number of authorized shares of common stock for general corporate purposes and ratification of auditors. Non-routine matters include the election of directors, amendments to stock plans and executive compensation-related proposals. If you are a beneficial owner and hold your shares in "street name," it is critical that you cast your vote if you want it to count in the election of directors and the executive compensation-related proposal.

*Solicitation of Proxies.* We will bear the cost of soliciting proxies. In addition to soliciting stockholders by mail through our employees, we will request banks, brokers and other custodians, nominees and fiduciaries to solicit customers for whom they hold our stock and will reimburse them for their reasonable, out-of-pocket costs. We may use the services of our officers, directors and others to solicit proxies, personally or by telephone, without additional compensation.

*Voting of Proxies.* All valid proxies received before the meeting will be exercised. All shares represented by a proxy will be voted, and where a proxy specifies a stockholder's choice with respect to any matter to be acted upon, the shares will be voted in accordance with that specification. If no choice is indicated on the proxy, the shares will be voted "FOR" the election of management's nominees for

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director, "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as our registered public accounting firm for the fiscal year ending March 31, 2015 and "FOR" the compensation of executive officers named in the Summary Compensation Table.

Stockholders whose shares are registered in their own names may vote (1) by returning a proxy card, or (2) via the Internet. Specific instructions to be followed by any registered stockholder interested in voting via the Internet are set forth on the enclosed proxy card. The Internet voting procedures are designed to authenticate the stockholder's identity and to allow the stockholder to vote his or her shares and confirm that his or her voting instructions have been properly recorded. If you do not wish to vote via the Internet, please complete, sign and return the proxy card in the self-addressed, postage paid envelope provided.

Many banks and brokerage firms have a process for their beneficial owners to provide instructions via the Internet. The voting form that you receive from your broker or bank will contain instructions for voting.

If your shares are held in an account at a brokerage firm or bank, that brokerage firm or bank may vote your shares on Proposal No. 2 regarding ratification of our independent auditors, but will not be permitted to vote your shares with respect to Proposal No. 1 regarding the election of directors or Proposal No. 3 regarding the advisory vote on executive compensation, unless you provide instructions as to how your shares should be voted. If an executed proxy card is returned by a broker or bank holding shares which indicates that the broker or bank has not received voting instructions and does not have discretionary authority to vote on the proposals, the shares will be considered present at the meeting for purposes of determining the presence of a quorum, but will not be considered to have been voted in favor of the proposals. Your broker or bank will vote your shares on Proposal No. 1 and Proposal No. 3 only if you provide instructions on how to vote by following the instructions that they provide to you. Please note that if your shares are held of record by a broker, bank or nominee and you wish to vote at the meeting, you will not be permitted to vote in person unless you first obtain a proxy issued in your name from the record holder.

Votes submitted via the Internet must be received by 11:59 p.m., Eastern Time, on Wednesday, August 20, 2014. Submitting your proxy via the Internet will not affect your right to vote in person should you decide to attend the annual meeting in person.

A stockholder who delivers an executed proxy has the power to revoke his or her proxy at any time before it is exercised by (i) executing and delivering to the Secretary of GSI Technology, Inc., at 1213 Elko Drive, Sunnyvale, California 94089, a written instrument revoking the proxy or a duly executed proxy with a later date, or (ii) attending the meeting and voting in person. Attendance at the meeting will not in and of itself constitute revocation of a proxy. Please note, however, that if a stockholder's shares are held of record by a broker, bank or other nominee and the stockholder wishes to vote those shares at the annual meeting, the stockholder must bring to the annual meeting a letter from the broker, bank or other nominee confirming such stockholder's beneficial ownership of the shares.

*Voting Results.* We will announce preliminary voting results at the annual meeting. We will report final results in a Form 8-K report filed with the U.S. Securities and Exchange Commission (the "SEC").

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We have a Board of Directors consisting of five directors who will serve until the next annual meeting of stockholders and until their respective successors are duly elected and qualified.

Management's nominees for election at the annual meeting are Haydn Hsieh, Ruey L. Lu, Lee-Lean Shu, Arthur O. Whipple and Robert Yau, all of whom currently serve on the Board of Directors. If elected, the nominees will serve as directors until our annual meeting of stockholders in 2015 and until their successors are duly elected and qualified. If any of the nominees declines to serve or becomes unavailable for any reason, or if a vacancy occurs before the election (although we know of no reason to anticipate that this will occur), the proxies may be voted for such substitute nominees as we may designate.

If a quorum is present and voting, the five nominees for director receiving the greatest number of votes will be elected. A "Withhold" vote will have no effect on the vote. Our Board of Directors has no reason to believe that any nominee named herein will be unable or unwilling to serve.

**The Board of Directors unanimously recommends a vote "FOR" the nominees named above.**

The following table sets forth information regarding our current directors, each of whom is a nominee for election at the annual meeting, as of June 30, 2014:

Nominee's Name	Principal Occupation	Age	Director Since
Haydn Hsieh	Chairman and Chief Executive Officer of Wistron NeWeb Corp.	59	2008
Ruey L. Lu	President of eMPIA Technology	58	2000
Lee-Lean Shu	President, Chief Executive Officer and Chairman of the Board of Directors of GSI Technology	59	1995
Arthur O. Whipple	Chief Financial Officer of PLX Technology, Inc.	66	2007
Robert Yau	Vice President, Engineering and Secretary of GSI Technology	61	1995

**Business Experience of Director Nominees**

Set forth below is a description of the business experience of each director nominee, including a discussion of the specific experience, qualifications, attributes and skills that led our Nominating and Governance Committee and our Board of Directors to conclude that those individuals should serve as directors.

*Haydn Hsieh* has served as a member of our Board of Directors since August 2008. Mr. Hsieh has served as the Chief Executive Officer of Wistron NeWeb Corp., a manufacturer of wireless communications products, since June 2000, its Vice Chairman from June 2000 through June 2014, and its Chairman since June 2014. From February 1981 through June 2000 Mr. Hsieh served in various capacities at several divisions of Acer Group, a manufacturer of personal computers and related products, including President of the Mobile Computing Business Unit and Senior Vice President of Acer Inc. Mr. Hsieh's broad management responsibilities provide relevant experience in a number of strategic and operational areas. Moreover, his management experience with, and service as an outside board member to, companies headquartered in Taiwan provides him with a valuable perspective on global business operations.

*Ruey L. Lu* has served as a member of our Board of Directors since October 2000. Mr. Lu is the President of eMPIA Technology Corp., a semiconductor solutions company, which he founded in January 2002. From March 1993 to December 2000, Mr. Lu served as President of ARK Logic, a

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storage device and software applications company, which he founded in March 1993. From October 1989 to February 1993, Mr. Lu served as Director of Engineering in the Imaging Product Division of Western Digital Corporation, an information storage company. Mr. Lu's experience as President of eMPIA Technology and in executive roles at ARK Logic and Western Digital has provided him with broad industry and executive experience. Moreover, his management experience with a company headquartered in Taiwan provides him with a valuable perspective on global business operations.

*Lee-Lean Shu* co-founded our company in March 1995 and has served as our President and Chief Executive Officer and as a member of our Board of Directors since inception. In October 2000, Mr. Shu became Chairman of our Board. From January 1995 to March 1995, Mr. Shu was Director, SRAM Design at Sony Microelectronics Corporation, a semiconductor company and a subsidiary of Sony Corporation, and from July 1990 to January 1995, he was a design manager at Sony Microelectronics Corporation. It is our policy that our Chief Executive Officer should serve on our Board. In addition, Mr. Shu's role as a co-founder of our company and his day-to-day involvement in the management of our business has provided him with extensive knowledge and understanding of GSI Technology and its industry. As Chief Executive Officer, he is in a unique position to provide our Board with insight and information related to our business and operations and to participate in the ongoing review of strategic issues.

*Arthur O. Whipple* has served as a member of our Board of Directors since August 2007, and was appointed lead director in June 2010. Mr. Whipple has been the Chief Financial Officer of PLX Technology, Inc., a semiconductor device manufacturer, since February 2007. From March 2005 to February 2007, Mr. Whipple was employed by Silicon Storage Technology, Inc, a storage semiconductor manufacturer, where his last position was Vice President of Finance and Chief Financial Officer. From April 1998 to March 2005, Mr. Whipple was employed by QuickLogic Corp., a fabless manufacturer of field programmable logic products and embedded standard products, where he served in several management capacities, including Vice President of Finance and Chief Financial Officer, Vice President and General Manager, Logic Products, and Vice President, Business Development. In 2004 and 2005, Mr. Whipple also served as a financial consultant to Technovus, Inc., a privately-held fabless semiconductor manufacturer. Mr. Whipple's experience as a chief financial officer and in other finance roles has provided him with broad experience in finance including accounting, financial reporting and compliance with U.S. federal securities laws. He also brings strong leadership skills and knowledge of engineering and operations management, gained through his years of service to companies engaged in various segments of the semiconductor industry.

*Robert Yau* co-founded our company in March 1995 and has served as our Vice President, Engineering and as a member of our Board of Directors since inception. From December 1993 to February 1995, Mr. Yau was design manager for specialty memory devices at Sony Microelectronics Corporation. From 1990 to 1993, Mr. Yau was design manager at MOSEL/VITELIC, a semiconductor company. As a co-founder, our Vice President, Engineering, and an expert in SRAM technology, Mr. Yau is able to provide the Board with an understanding of our products and technology as well as expert perspective on industry trends and opportunities.

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**CORPORATE GOVERNANCE**

**Director Independence**

The Board of Directors has determined that, other than Lee-Lean Shu and Robert Yau, each of the members of the Board is an "independent director" for purposes of the Nasdaq Listing Rules and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended, as the term relates to membership on the Board and the various Board committees. There are no family relationships between any of our directors or executive officers.

**Board of Directors Leadership Structure**

Lee-Lean Shu serves as both our Chief Executive Officer and the Chairman of our Board of Directors. The Board believes that combining the role of Chairman and Chief Executive Officer is appropriate for our company given Mr. Shu's role in founding GSI Technology and his significant ownership stake and because Mr. Shu is the Board member who is most familiar with our business strategy and our industry. The Board also believes that the combined role of Chairman and Chief Executive Officer facilitates the flow of information between the Board and management, improves the Board's ability to focus on key policy and operational issues and helps the Board operate in the long-term interests of our stockholders. In June 2010, on the recommendation of the Nominating and Governance Committee, the Board established the position of lead director. Arthur O. Whipple currently serves in that position. The lead director serves as the principal liaison between the independent directors and the Chairman. In that capacity, the lead director presides over executive sessions of the independent directors, chairs Board meetings in the Chairman's absence, and collaborates with the Chairman on agendas, schedules and materials for Board meetings. The Board believes that this leadership structure provides the appropriate balance of management and non-management oversight. The Nominating and Corporate Governance Committee periodically evaluates our leadership structure to ensure that we maintain a structure that is beneficial to us and our stockholders, and will recommend any appropriate changes to the Board.

**The Board of Directors' Role in Risk Oversight**

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including general economic risks, operational risks, financial risks, competitive risks and reputational risks. Management is responsible for the day-to-day management of the risks that we face, while the Board of Directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, the Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed. In addition, the Board is responsible for matters relating to management and Board succession planning.

While the full Board of Directors is charged with ultimate oversight responsibility for risk management, committees of the Board also have responsibilities with respect to various aspects of risk management oversight. In particular, the Audit Committee plays a significant role in monitoring and assessing our financial and operational risks. The Audit Committee is also responsible for establishing and administering our code of conduct and reviewing transactions between the Company and any related parties. The Compensation Committee monitors and assesses risks associated with our compensation policies, and consults with management and the Board concerning the development of incentives that encourage a level of risk-taking consistent with our overall strategy, as further discussed under the heading "Compensation Discussion and Analysis." The Nominating and Governance Committee has oversight responsibility for corporate governance risks, including risks associated with director independence. Our executive management meets regularly to discuss our strategy and the risks

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that we face. Senior officers attend Board meetings where they are available to address questions or concerns raised by the Board regarding risk management related matters.

**Executive Sessions**

Non-management directors generally meet in executive session without the presence of management, including our Chief Executive Officer and our Vice President, Engineering, at each regularly scheduled meeting of the Board. Mr. Whipple, in his capacity as lead director, acts as the presiding director for these executive sessions.

**Committees and Meeting Attendance**

The Board of Directors has three standing committees: an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Each of these committees operates under a written charter adopted by the Board. Copies of these charters are available on our website at [www.gsitechnology.com](http://www.gsitechnology.com). The Board of Directors held eight meetings during the fiscal year ended March 31, 2014. During fiscal 2014, no director attended fewer than 85% of the total number of meetings of the Board and all of the committees of the Board on which such director served that were held during that period.

On an annual basis, our Nominating and Governance Committee, as part of its governance review, evaluates the composition of each of our board committees to ensure that we maintain a structure that is beneficial to us and our stockholders, and recommends any appropriate changes to our Board of Directors.

***Audit Committee***

The members of the Audit Committee are Haydn Hsieh, Ruey L. Lu and Arthur O. Whipple (Chair). Each of the members of the Audit Committee is independent for purposes of the Nasdaq Listing Rules as they apply to audit committee members. Mr. Whipple has been designated as our "audit committee financial expert," as the term is defined in applicable SEC rules. The Audit Committee operates under a charter that is available on our website at [www.gsitechnology.com](http://www.gsitechnology.com). The functions of the Audit Committee include oversight, review and evaluation of our financial statements, accounting and financial reporting processes, internal control functions and the audits of our financial statements. The Audit Committee is responsible for the appointment, compensation, retention and oversight of our independent registered public accounting firm. Additional information regarding the Audit Committee is set forth in the Report of the Audit Committee immediately following Proposal No. 2.

The Audit Committee held nine meetings during the fiscal year ended March 31, 2014.

***Compensation Committee***

The members of the Compensation Committee are Haydn Hsieh (Chair), Ruey L. Lu and Arthur O. Whipple. Each of the members of the Compensation Committee is independent for purposes of the Nasdaq Listing Rules. The Compensation Committee operates under a charter that is available on our website at [www.gsitechnology.com](http://www.gsitechnology.com). The purpose of the Compensation Committee is to assist the Board of Directors in carrying out its responsibilities with respect to: (i) overseeing the Company's compensation policies and practices; and (ii) reviewing and approving compensation and compensation procedures for the Company's executive officers. More specifically, the Compensation Committee's responsibilities include: periodically reviewing and advising the Board of Directors concerning the Company's overall compensation philosophy, policies and plans, including reviewing both regional and industry compensation practices and trends; identifying any peer group of companies to be used for comparison purposes; reviewing and approving all performance goals and objectives relevant to the

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compensation of all executive officers and assessing the achievement of such goals and objectives; determining and approving all compensation for the Company's executive officers (including salary and incentive-based compensation and awards); making recommendations to the Board of Directors regarding the establishment and terms of the Company's incentive compensation plans, and administering such plans; and approving grants of options and other equity awards to all executive officers and other eligible individuals under the Company's equity compensation plans. Other responsibilities of the Compensation Committee include: reviewing and approving compensation-related matters outside the ordinary course of business, including but not limited to employment contracts, change-in-control provisions, severance arrangements, and material amendments thereto; preparing an annual report on executive compensation, including a Compensation Discussion and Analysis, for inclusion in the Company's proxy statement for the annual meeting of stockholders; monitoring and assessing risks associated with the Company's compensation policies and consulting with management regarding such risks; and reporting to the Board of Directors on the Compensation Committee's activities on a regular basis. The Compensation Committee's Charter provides for delegation of any of these duties to one or more subcommittees comprised of one or more members of the Compensation Committee. Regarding most compensation matters, including executive compensation, Company management provides recommendations to the Compensation Committee.

In February 2013, the Compensation Committee retained Compensia, Inc., an independent national compensation consulting firm, to assist in evaluating the Company's fiscal 2014 executive compensation program. The Company did not engage the services of an outside consulting firm to provide executive compensation advisory services to assist in evaluating the Company's fiscal 2015 executive compensation program. The Company had not engaged the services of an outside consulting firm to provide executive compensation advisory services prior to retaining Compensia.

The Compensation Committee held seven meetings during the fiscal year ended March 31, 2014.

***Nominating and Governance Committee***

The members of the Nominating and Governance Committee are Haydn Hsieh, Ruey L. Lu (Chair) and Arthur O. Whipple. Each of the members of the Nominating and Governance Committee is independent for purposes of the Nasdaq listing standards. The Nominating and Governance Committee operates under a charter that is available on our website at [www.gsitechnology.com](http://www.gsitechnology.com). The Nominating and Governance Committee identifies prospective board candidates, recommends nominees for election to our Board of Directors, develops and recommends Board member selection criteria, considers committee member qualification, reviews and makes recommendations to the Board of Directors regarding Board and committee compensation, recommends corporate governance principles to the Board of Directors, and provides oversight in the evaluation of the Board of Directors and each committee.

The Nominating and Governance Committee met twice during the fiscal year ended March 31, 2014.

**Director Nominations**

The Nominating and Governance Committee is responsible for, among other things, the selection and recommendation to the Board of Directors of nominees for election as directors. When considering the nomination of directors for election at an annual meeting, the Nominating and Governance Committee reviews the needs of the Board of Directors for various skills, background, experience and expected contributions and the qualification standards established from time to time by the Nominating and Governance Committee. When reviewing potential nominees, including incumbents, the Nominating and Governance Committee considers the perceived needs of the Board of Directors, the candidate's relevant background, experience and skills and expected contributions to the Board of

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Directors. The Nominating and Governance Committee also seeks appropriate input from the Chief Executive Officer and other executive officers in assessing the needs of the Board of Directors for relevant background, experience and skills of its members.

The Nominating and Governance Committee's goal is to assemble a Board of Directors that brings to GSI Technology a diversity of experience at policy-making levels in business and technology, and in areas that are relevant to GSI Technology's global activities. Directors should possess the highest personal and professional ethics, integrity and values and be committed to representing the long-term interests of our stockholders. They must have an inquisitive and objective outlook and mature judgment. They must also have experience in positions with a high degree of responsibility and be leaders in the companies or institutions with which they are or have been affiliated. Director candidates must have sufficient time available, in the judgment of the Nominating and Governance Committee, to perform all Board and committee responsibilities that will be expected of them. Members of the Board of Directors are expected to rigorously prepare for, attend and participate in all meetings of the Board of Directors and applicable committees. While we do not have a specific policy regarding diversity, when considering the nomination of directors, the Nominating and Governance Committee does consider the diversity of its directors and nominees in terms of knowledge, experience, background, skills, expertise and other demographic factors. Other than the foregoing, there are no specific minimum criteria for director nominees, although the Nominating and Governance Committee believes that it is preferable that a majority of the Board of Directors meet the definition of "independent director" set forth in Nasdaq and SEC rules. The Nominating and Governance Committee also believes it appropriate for one or more key members of the Company's management, including the Chief Executive Officer, to serve on the Board of Directors.

The Nominating and Governance Committee will consider candidates for director proposed by directors or management, and will evaluate any such candidates against the criteria and pursuant to the policies and procedures set forth above. If the Nominating and Governance Committee believes that the Board of Directors requires additional candidates for nomination, the Nominating and Governance Committee may engage, as appropriate, a third party search firm to assist in identifying qualified candidates. The nominating process may also include interviews and additional background and reference checks for non-incumbent nominees, at the discretion of the Nominating and Governance Committee.

The Nominating and Governance Committee will also consider candidates for director recommended by a stockholder, provided that any such recommendation is sent in writing to the Board of Directors, c/o Corporate Secretary at the address noted below, at least 120 days prior to the anniversary of the date definitive proxy materials were mailed to stockholders in connection with the prior year's annual meeting of stockholders and contains the following information:

the candidate's name, age, contact information and present principal occupation or employment; and

a description of the candidate's qualifications, skills, background and business experience during at least the last five years, including his or her principal occupation and employment and the name and principal business of any company or other organization where the candidate has been employed or has served as a director.

The Nominating and Governance Committee will evaluate any candidates recommended by stockholders against the same criteria and pursuant to the same policies and procedures applicable to the evaluation of candidates proposed by directors or management.

In addition, stockholders may make direct nominations of directors for election at an annual meeting, provided the advance notice requirements set forth in our bylaws have been met. Under our bylaws, written notice of such nomination, including certain information and representations specified



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in the bylaws, must be delivered to our principal executive offices, addressed to the Corporate Secretary, at least 120 days prior to the anniversary of the date definitive proxy materials were mailed to stockholders in connection with the prior year's annual meeting of stockholders, except that if no annual meeting was held in the previous year or the date of the annual meeting has been advanced by more than 30 days from the date contemplated at the time of the previous year's proxy statement, such notice must be received not later than the close of business on the 10th day following the day on which the public announcement of the date of such meeting is first made.

**Communications with Directors**

Stockholders may send any communications to the Board of Directors or any individual director at the following address. All communications received are reported to the Board or the individual directors:

Board of Directors (or name of individual director(s))  
c/o Secretary  
GSI TECHNOLOGY, INC.  
1213 Elko Drive  
Sunnyvale, California, 94089

Our Secretary will forward all such communications to the Board of Directors, or the individual director or directors, except for spam, junk mail, mass mailings, product complaints or inquiries, job inquiries, surveys, business solicitations, advertisements, or patently offensive or otherwise inappropriate material. Our Secretary may forward certain correspondence, such as product-related inquiries, elsewhere within GSI Technology for review and possible response.

**Director Attendance at Annual Meetings**

We attempt to schedule our annual meeting of stockholders at a time and date to accommodate attendance by directors, taking into account the directors' schedules. Directors are encouraged to attend our annual meeting of stockholders, but the Board has not adopted a formal policy with respect to such attendance. Two of our directors attended last year's annual meeting of stockholders.

**Code of Business Conduct and Ethics**

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors. The Code of Business Conduct and Ethics is available on our website at [www.gsitechnology.com](http://www.gsitechnology.com). If we make any substantive amendments to the code or grant any waiver from a provision of the code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website, as well as via any other means then required by Nasdaq Listing Rules or applicable law.

**Compensation Committee Interlocks and Insider Participation**

None of the members of the Compensation Committee are or have been an officer or employee of GSI Technology. During fiscal 2014, no member of the Compensation Committee had any relationship with GSI Technology requiring disclosure under Item 404 of Regulation S-K. During fiscal 2014, none of GSI Technology's executive officers served on the compensation committee (or its equivalent) or board of directors of another entity any of whose executive officers served on GSI Technology's Compensation Committee or Board of Directors.

Table of Contents**PROPOSAL NO. 2****RATIFICATION OF APPOINTMENT OF  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors of GSI Technology has selected PricewaterhouseCoopers LLP as its independent registered public accounting firm to audit the consolidated financial statements of GSI Technology for the fiscal year ending March 31, 2015. PricewaterhouseCoopers LLP has acted in such capacity since its initial appointment in fiscal 2000. A representative of PricewaterhouseCoopers LLP is expected to be present at the annual meeting, with the opportunity to make a statement if the representative desires to do so, and is expected to be available to respond to appropriate questions.

The following table sets forth the aggregate fees billed to GSI Technology for the fiscal years ended March 31, 2013 and March 31, 2014 by PricewaterhouseCoopers LLP:

	Fiscal 2013	Fiscal 2014
Audit fees(1)	\$ 829,000	\$ 859,400
Tax fees(2)	69,700	61,500
Other fees(3)		1,800
 Total fees	 \$ 898,700	 \$ 922,700

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- (1) Audit fees consist of fees for professional services rendered for the integrated audit of GSI Technology's annual consolidated financial statements and internal control framework, the review of the interim consolidated financial statements included in quarterly reports and services that are normally provided in connection with statutory and regulatory filings.
- (2) Tax fees consist of fees for consultation on various tax matters and compliance with federal and state income tax filing requirements.
- (3) Other fees consist of fees related to the license of specialized accounting research software.

The Audit Committee has determined that all services performed by PricewaterhouseCoopers LLP are compatible with maintaining the independence of PricewaterhouseCoopers LLP. The Audit Committee's policy is to pre-approve all audit and permissible non-audit services provided by our independent registered public accounting firm. These services may include audit services, audit-related services, tax services and other services. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services. The independent registered public accounting firm and management are required to periodically report to the Audit Committee regarding the extent of services provided by the independent registered public accounting firm in accordance with this pre-approval.

**Vote Required and Board of Directors Recommendation**

Approval of this proposal requires the affirmative vote of a majority of the votes cast affirmatively or negatively on the proposal at the annual meeting, as well as the presence of a quorum representing a majority of all outstanding shares of Common Stock of GSI Technology, either in person or by proxy. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum but will not have any effect on the outcome of the proposal.

**The Board of Directors unanimously recommends a vote "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2015.**



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**REPORT OF THE AUDIT COMMITTEE**

The Audit Committee oversees GSI Technology's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process, including the design and maintenance of our internal control systems. Our independent registered public accounting firm, PricewaterhouseCoopers LLP, is responsible for expressing an opinion as to the conformity of our audited financial statements with generally accepted accounting principles and the effectiveness of our internal control over financial reporting.

The Audit Committee currently consists of three directors. Each member of the Committee, in the judgment of the Board of Directors, is an "independent director" as defined in the Nasdaq Listing Rules. The Audit Committee acts pursuant to a written charter that has been adopted by the Board of Directors. A copy of this charter is available on our website at [www.gsitechnology.com](http://www.gsitechnology.com).

The Audit Committee has reviewed and discussed with management GSI Technology's audited financial statements and the results of management's assessment of the effectiveness of GSI Technology's internal control over financial reporting as of March 31, 2014. The Audit Committee has discussed and reviewed with our independent registered public accounting firm all matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has met with PricewaterhouseCoopers LLP, with and without management present, to discuss the overall scope of PricewaterhouseCoopers' audit, the results of its examinations, and the overall quality of GSI Technology's financial reporting and internal control over financial reporting.

The Audit Committee has received from our independent registered public accounting firm a formal written statement describing all relationships between the independent registered public accounting firm and GSI Technology that might bear on the independent registered public accounting firm's independence consistent with Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), as adopted by the Public Company Accounting Oversight Board in Rule 3600T, discussed with the independent registered public accounting firm any relationships that may impact their objectivity and independence, and satisfied itself as to the independent registered public accounting firm's independence.

Based on the review and discussions referred to above, the Committee recommended to the Board of Directors that GSI Technology's audited financial statements be included in GSI Technology's Annual Report on Form 10-K for the fiscal year ended March 31, 2014.

THE AUDIT COMMITTEE  
Arthur O. Whipple (Chair)  
Haydn Hsieh  
Ruey L. Lu

*The foregoing Audit Committee Report shall not be deemed to be incorporated by reference into any filing of GSI Technology under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that GSI Technology specifically incorporates such information by reference.*

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**PROPOSAL NO. 3**

**ADVISORY (NON-BINDING) VOTE  
ON EXECUTIVE COMPENSATION (SAY-ON-PAY)**

**Background**

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, requires that our stockholders have the opportunity to cast an advisory (non-binding) vote on executive compensation, commonly referred to as a "Say-on-Pay" vote. At our 2011 Annual Meeting of Stockholders, held on August 24, 2011, our stockholders voted in favor of holding future "Say-on-Pay" votes on an annual basis. The Board subsequently determined that such advisory votes shall be held annually at the annual meeting of stockholders. The vote is advisory, which means that it is not binding on the Board of Directors, the Compensation Committee or the Company in any way. However, the Compensation Committee will review the outcome of the vote and take it into consideration when considering future executive compensation policies and decisions.

At both of our 2012 and 2013 annual meetings, approximately 99% of the votes cast were voted in favor of the Company's executive compensation program for the fiscal year. Partially as a result of this positive stockholder feedback, our Compensation Committee has adopted compensation packages having similar basic structures in subsequent years.

As described in our Compensation Discussion and Analysis included elsewhere in this proxy statement, we seek to closely align the interests of our executive officers with the interests of our stockholders, and attract and retain superior executive talent. Our compensation programs are designed to reward our executive officers for the achievement of our short-term and long-term strategic and operational goals and the achievement of increased total stockholder return, while avoiding the encouragement of unnecessary or excessive risk-taking. Please read the Compensation Discussion and Analysis section for a more detailed discussion of our compensation philosophy and our executive compensation program.

The advisory vote on executive compensation solicited by this proposal is not intended to address any specific item of compensation, but rather the overall compensation of our Chief Executive Officer, our Chief Financial Officer and our three other most highly-compensated executive officers, who are collectively referred to as our "named executive officers," which is disclosed and discussed elsewhere in this proxy statement. Furthermore, because this non-binding, advisory resolution primarily relates to the compensation of our named executive officers that has already been paid or contractually committed, there is generally no opportunity for us to revisit these decisions.

Stockholders will be asked at the annual meeting to approve the following resolution pursuant to this Proposal No. 3:

"RESOLVED, that the stockholders of GSI Technology, Inc. approve, on an advisory basis, the compensation of the Company's named executive officers for the fiscal year ended March 31, 2014, as disclosed pursuant to Item 402 of Regulation S-K in the Company's definitive proxy statement for the 2014 Annual Meeting of Stockholders."

**Vote Required and Board of Directors Recommendation**

Approval of this resolution requires the affirmative vote of a majority of the shares present in person or by proxy and entitled to vote on the matter. Abstentions will have the same effect as voting against the resolution. Because broker non-votes are not counted as votes for or against this resolution, they will have no effect on the outcome of the vote.

**The Board of Directors unanimously recommends a vote "FOR" approval of the foregoing resolution.**

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**EXECUTIVE COMPENSATION**

**Compensation Discussion and Analysis**

*Overview*

This Compensation Discussion and Analysis explains our philosophy and objectives with respect to the compensation of our executive officers and our compensation-setting process and provides more detailed information regarding the compensation of our Chief Executive Officer, our Chief Financial Officer, and our other three most highly-compensated executive officers, determined as of March 31, 2014. We refer to these individuals as our "named executive officers." This discussion focuses on the information contained in the tables and related footnotes and narrative included below, primarily for our 2014 fiscal year, but also contains information regarding compensation actions taken before and after fiscal 2014 to the extent we believe such information enhances our disclosure regarding executive compensation.

*Philosophy and Objectives*

Our fundamental compensation philosophy is to align the compensation of our senior management with our annual and long-term business objectives, performance against those objectives and creation of stockholder value, as well as to offer compensation that will enable us to attract, retain, and appropriately reward executive officers whose contributions are necessary for our long-term success. We seek to reward our executive officers' contributions to achieving revenue growth, increasing operating profits and controlling costs. We operate in a very competitive environment for executive talent, and it is our belief that our compensation packages should be competitive when compared to our peers and should also be aligned with our stockholders' short and long-term interests.

The Compensation Committee of the Board of Directors oversees the design and administration of our executive compensation program. The principal elements of the program are base salary, variable incentive cash compensation programs, long-term equity based incentive compensation and broad-based benefits programs. In March 2010, the Compensation Committee determined that the Company's executive officers were substantially underpaid compared to the officers of its peer companies. At that time, the Compensation Committee also determined that the policy of the Company, over a period of three to five years, would be to increase the total compensation of the executive officers to more closely approximate the median compensation paid by the Company's peer companies to officers performing comparable functions. However, it is not the Compensation Committee's policy to adopt a specific schedule for attaining that objective or a rigid formula or benchmark system related to peer company compensation practices.

*Compensation-Setting Process*

Generally, the Compensation Committee reviews the compensation of our executive officers in the early part of each fiscal year and takes action at that time to set base salaries and variable compensation for the current year. In setting our executive officers' total compensation, the Compensation Committee considers individual and company performance, as well as compensation surveys and other market information regarding compensation paid by comparable companies, including our industry peers. Historically, the Compensation Committee considered the grant of equity awards to our executive officers on an individual basis at the time of the annual anniversary of their employment with the Company, consistent with its standard practice for non-officer employees. In July 2013, the Compensation Committee altered this practice and began granting equity awards to executive and non-executive officers once a year.

In its annual review of compensation for GSI Technology's executive officers, the Compensation Committee has considered compensation data and analyses assembled and prepared by the Committee

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and our Human Resources staff. The Chief Executive Officer provides the Compensation Committee with a review of each of the other executive officer's individual performance and contributions over the past year and makes recommendations regarding their compensation, which the Compensation Committee considers. In making compensation decisions, our Chief Executive Officer and our Compensation Committee have considered the Company's financial performance as well as the experience level and contributions of the individual executive officer, the role and responsibilities of the executive officer and market factors.

The Compensation Committee has the authority to engage its own consultants and advisors to assist it in carrying out its responsibilities. Prior to fiscal 2014, the Compensation Committee had not retained compensation consultants in connection with its annual review of executive officer compensation. However, in February 2013, the Compensation Committee determined that it would periodically retain such consultants and, in accordance with such policy, engaged the services of Compensia, Inc. ("Compensia"), an independent national compensation consulting firm, to assist it in connection with its annual review and determination of executive officer compensation for fiscal 2014. The Compensation Committee assessed the independence of Compensia pursuant to applicable SEC rules and concluded that no conflicts of interest existed that would affect Compensia's independence in providing services and advice to the Compensation Committee. The Compensation Committee did not retain the services of compensation consultants in connection with its annual review and determination of executive officer compensation for fiscal 2015.

At our annual meetings of stockholders, we provide our stockholders the opportunity to vote to approve, on an advisory basis, the compensation of our named executive officers for the previous fiscal year, as disclosed in the proxy statement for the meeting (commonly referred to as a "Say-on-Pay" vote). These stockholder advisory votes are held after the Compensation Committee has determined the compensation to be paid to our executive officers for the fiscal year in question. Accordingly, the Compensation Committee cannot take such results into account in determining executive compensation for that year. However, in its annual review of executive compensation, the Compensation Committee considers, among other things, the results of the stockholder Say-to-Pay vote for previous years.

***Components of Compensation***

In order to align executive compensation with our compensation philosophy, our executive compensation package contains three principal components: (i) base salary, (ii) variable cash compensation and (iii) long-term stock-based incentive awards. Each component of our executive compensation program is designed to reward a different aspect of performance. The base salaries of our executive officers are initially set based on negotiation with the individual officers at the time of their recruitment. Once set, these base salaries are subject to annual review. Our variable cash compensation plans are intended to motivate and reward performance over the current fiscal year. Our equity award program is designed to provide long-term retention incentives through the use of options subject to time-based vesting. We also provide our executive officers a variety of benefits that are available generally to all salaried employees. The basic elements of our executive compensation package are generally the same among our named executive officers.

***Fiscal 2014 Base Salary***

The base salaries of our executive officers are initially negotiated with the individual executive officer at the time of his or her recruitment or promotion and with reference to their experience, expected contribution, geographical location and market factors. Historically, the base salaries of our executive officers generally have been adjusted concurrently with our annual company-wide compensation review.

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During the first quarter of fiscal 2014, the Compensation Committee conducted its annual review of executive compensation. The Compensation Committee engaged Compensia to assist it in its review. Representatives of Compensia attended meetings of the Compensation Committee and communicated with members of the Compensation Committee outside of its formal meetings. Representatives of Compensia also met with members of the Company's management to gain management's perspective on executive compensation issues.

With the assistance of Compensia, the Compensation Committee identified the following group of peer companies, including our industry peers and similarly-sized companies in our broader industry group (the "Fiscal 2014 Peer Companies"):

Ambarella, Inc.	Inphi Corporation	Pericom Semiconductor Corp.
ANADIGICS, Inc.	Intermolecular, Inc.	Pixelworks, Inc.
CyberOptics Corporation	InTEST Corporation	PLX Technology, Inc.
DSP Group, Inc.	LTX-Credence Corporation	Supertex Inc.
Exar Corporation	MaxLinear, Inc.	Vitesse Semiconductor Corporation
GigOptix, Inc.	MEMSIC, Inc.	
Ikanos Communications, Inc.	Mindspeed Technologies, Inc.	

Compensia prepared a report including analyses of our executive officer compensation program based on comparative information drawn from the compensation practices of the Fiscal 2014 Peer Companies. In general, Compensia concluded that our salaries were positioned between the 25th percentile and the median for most of our executive officers, while the competitiveness of the total cash compensation of our executive officers was enhanced by above-median incentive compensation targets. Compensia noted that long-term incentives were at or below the 25th percentile for most of our executive officers, contributing to total compensation levels that continued to be below the median of the Fiscal 2014 Peer Companies.

In its annual review of executive compensation for fiscal 2014, the Compensation Committee took into account its general compensation philosophy, as described above, including the policy that had been adopted in May 2010, and various other considerations, including the following:

available compensation data for the Fiscal 2014 Peer Companies and other analyses provided by Compensia;

the Company's financial performance during fiscal 2013, including substantial declines in net revenues and net income from the prior year due primarily to a particularly challenging market for its products, in part attributable to market uncertainty due to pending patent litigation, as well as significant legal expenses related to the patent litigation and related antitrust litigation;

the then-current outlook for the Company's fiscal 2014 financial performance;

management's recommendation that, in light of the Company's fiscal 2013 financial performance, increases in officer base salaries should be limited to the percentage increases granted to the Company's non-officer employees, which averaged approximately 3% over fiscal 2013 levels; and

specific contributions of individual officers.

The Committee also noted that, by an overwhelmingly positive vote of 99.1% at the 2012 Annual Meeting of Stockholders, the stockholders had approved the compensation of our named executive officers for fiscal 2012. Partially in recognition of this positive stockholder feedback, the Committee adopted a compensation package for fiscal 2014 having the same basic structure as the compensation packages that had been adopted for previous years.

On the basis of its review, on June 3, 2013, the Compensation Committee set new base salaries for our executive officers, effective April 1, 2013, representing increases of 3% over fiscal 2013 base



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salaries for each of the executive officers. The fiscal 2014 base salaries of the named executive officers and the median base salaries of officers with comparable responsibilities at the Fiscal 2014 Peer Companies were as follows:

Name	Title	Fiscal 2014 New Base Salary	Median Peer Company Base Salary
Lee-Lean Shu	President and Chief Executive Officer	\$ 361,720	\$ 369,000
Douglas M. Schirle	Chief Financial Officer	\$ 256,767	\$ 264,000
Didier Lasserre	Vice President, Sales	\$ 270,266	\$ 242,000
Robert Yau	Vice President, Engineering	\$ 244,152	\$ 261,000
Ping Wu	Vice President, U.S. Operations	\$ 230,352	\$ 218,000

**2014 Variable Compensation Plan**

Under our compensation policy, a significant component of each executive officer's potential annual compensation takes the form of a performance-based cash bonus. On May 30, 2013, the Compensation Committee adopted the 2014 Variable Compensation Plan (the "2014 Plan"), which was similar in structure to previous variable compensation plans for the Company's executive officers. The 2014 Plan was designed to encourage performance and retention of eligible employees by providing cash bonus awards based on our financial performance during the fiscal year ended March 31, 2014. Each of our executive officers was eligible to participate in the 2014 Plan. Certain non-executive officers were also eligible to participate.

Under the 2014 Plan, each participant had a designated target bonus, which was the same as their target bonus under the 2013 Variable Compensation Plan. The target bonus for Lee-Lean Shu, our President, Chief Executive Officer and Chairman, was \$250,000, and the target bonus for each of our other executive officers was \$125,000. If the target financial goals were exceeded, actual bonus awards payable to participants in the 2014 Plan could have been up to two times their target bonuses. The target bonuses were set at levels that, if achieved, would increase the total cash compensation of our executive officers to more closely approximate the median total cash compensation paid to officers of our peer companies. The Compensation Committee considered the critical role of Mr. Shu, our President and Chief Executive Officer, in our long-term success when determining his target bonus amount. The use of the same target bonus amount for each of our other named executive officers reflected the Compensation Committee's desire to encourage a team approach by treating our executive officers equally with respect to bonus opportunities. The actual bonus awards were computed on the basis of our fiscal 2014 operating results, with 40% of the award based on the achievement of targeted net revenues and 60% based on the achievement of targeted adjusted operating income. The percentage allocation between these two targets reflected a balance between the Compensation Committee's desire to make the target bonus achievable given the comparatively greater ability of our executive officers to increase revenues, while still focusing the attention of our executive officers on our profitability, which it believes to be the most important factor in improving stockholder value.

For fiscal 2014, our net revenues were 88.5% of the 2014 Plan target while our adjusted operating income was 89.8% of the 2014 Plan target, resulting in earned bonuses of 71.3% of the net revenue target bonus and 85.5% of the operating income target bonus. Original target bonuses for each of the named executive officers under the 2014 Plan, bonuses actually earned under the plan for their services

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during fiscal 2014 and data on bonuses and other non-equity compensation paid by the Fiscal 2014 Peer Companies were as follows:

Name	Fiscal 2014 Target Bonus	Fiscal 2014 Bonus Earned	Median Peer Group Non-equity Incentive Compensation
Lee-Lean Shu	\$ 250,000	\$ 199,465	\$ 154,791
Douglas M. Schirle	\$ 125,000	\$ 99,732	\$ 106,248
Didier Lasserre	\$ 125,000	\$ 99,732	\$ 130,500
Robert Yau	\$ 125,000	\$ 99,732	\$ 42,704
Ping Wu	\$ 125,000	\$ 99,732	\$ 72,602

Bonus awards paid under the 2014 Plan are subject to vesting based on the participant's continued employment with the Company, with 60% becoming vested and payable on the last business day in April 2014 and 20% becoming vested and payable on the last business day in April of each of the succeeding two years.

***Total Fiscal 2014 Cash Compensation***

The total cash compensation of each of our named executive officers for fiscal 2014 was:

Name	Principal Position	Fiscal 2014 Base Salary	Fiscal 2014 Total Cash Compensation Earned
Lee-Lean Shu	President and Chief Executive Officer	\$ 361,720	\$ 561,185(1)
Douglas M. Schirle	Chief Financial Officer	\$ 256,767	\$ 356,499(2)
Didier Lasserre	Vice President, Sales	\$ 270,266	\$ 375,398(3)
Robert Yau	Vice President, Engineering	\$ 244,152	\$ 343,884(2)
Ping Wu	Vice President, U.S. Operations	\$ 230,352	\$ 330,084(2)

- (1) Includes incentive compensation of \$199,465 earned under the 2014 Plan.
- (2) Includes incentive compensation of \$99,732 earned under the 2014 Plan.
- (3) Includes incentive compensation of \$99,732 earned under the 2014 Plan and a car allowance of \$5,400.

***Long-Term Incentive Compensation***

We utilize stock option awards as a primary component of compensation for our executive officers, with the objective of strengthening the mutuality of interests between the executive officers and our stockholders. These grants are designed to provide each executive with a significant incentive to manage from the perspective of an owner with an equity stake in our company. All stock options granted to our employees, including named executive officers, and to our directors have exercise prices equal to the fair market value of our common stock on the grant date. Our policies and procedures for the grant of stock-based awards provide that all options and other stock-based awards are generally to be granted by the Compensation Committee and, except in special circumstances, all grants are to be made at regular quarterly meetings of the Compensation Committee. Accordingly, option grants to new employees hired since the previous quarterly meeting and annual grants to continuing employees with anniversary dates subsequent to the previous meeting are made each quarter. The effective date of each quarterly grant is the later of the second trading day following the public announcement of our financial results for the preceding quarter or the date of the meeting at which the grant is approved.

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Historically, the Compensation Committee considered the grant of equity awards to our executive officers on an individual basis at the time of the annual anniversary of their employment with the Company, consistent with its practice for non-officer employees. In July 2014, the Compensation Committee altered this practice and adopted a policy of granting equity awards to executive and non-executive officers once a year. Initial grants under this new policy, made in July 2014, were adjusted to reflect the differences in timing of the most recent previous grants to the respective officers under the former policy. During fiscal 2014, the Compensation Committee approved grants to our named executive officers of options to purchase the following number of shares of our common stock:

<b>Name</b>	<b>Shares</b>
Lee-Lean Shu	125,000
Douglas M. Schirle	40,000
Didier Lasserre	15,000
Robert Yau	50,000
Ping Wu	22,500

Unlike options granted to our non-officer employees, which vest in four annual installments, options granted to our executive and non-executive officers vest in their entirety four years after the anniversary date of the officer's commencement of employment that is closest to the date of grant, subject to the officer's continued service. Each of these option grants provides a return to the officer only if he remains employed by us during the respective vesting period, and then only if the market price of the shares appreciates over the option term. The Compensation Committee believes the four-year vesting schedule deters risk taking and further focuses management on building long-term stockholder value. The value of the shares subject to the fiscal 2014 option grants to executive officers are reflected in the "Summary Compensation Table" below, and further information about these grants is contained in the "Fiscal 2014 Grants of Plan-Based Awards" table below.

***Severance and Change of Control Payments***

We have no severance or change of control arrangements with any of our executive officers.

***Inter-Relationship of Components of Compensation Packages***

The Compensation Committee has adopted a policy that the aggregate compensation of our executive officers (composed of base compensation, variable cash compensation and equity awards) should approximate the median aggregate compensation paid by our peer companies to officers performing comparable functions. Except for this policy, the various components of our executive officers' compensation generally are not inter-related. Adjustments to our executive officers' base compensation are primarily based on our financial performance, our annual company-wide compensation survey and review of peer company compensation levels. As we have relied on long-term equity incentives for a large portion of our total compensation package, option grants for our executive officers are generally considered each year. If the value of options that are granted in one year is reduced due to a reduction in the value of the underlying common stock, the size of the option grants for the next year are not affected. Similarly, if the value of previously granted options increases significantly, the amount of compensation to be awarded for the next year is not affected. While the Compensation Committee has discretion to make exceptions to existing compensation arrangements, it has not approved any exceptions to such arrangements with regard to any named executive officers.

***Other Benefits***

Our executive officers are eligible to participate in all of our employee benefit plans, such as our medical, dental, vision, group life, disability, and accidental death and dismemberment insurance and our simplified employee pension plan, in each case on the same basis as our other employees. Aside

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from a \$5,400 car allowance provided to Mr. Lasserre, there were no special benefits or perquisites provided to any named executive officer in fiscal 2014.

***Changes in Executive Compensation for Fiscal 2015; 2015 Variable Compensation Plan***

During the first quarter of fiscal 2015, the Compensation Committee conducted its annual review of executive compensation. The Compensation Committee did not retain the services of compensation consultants in connection with its annual review and determination of executive compensation for fiscal 2015.

For purposes of its fiscal 2015 review, the Compensation Committee, with the assistance of our Chief Financial Officer, compiled data on a group of peer companies consisting of the 2014 Per Companies with the exception of MEMSIC, Inc. and Mindspeed Technologies, Inc., which are no longer public reporting companies (the "Fiscal 2013 Peer Companies").

In its annual review of executive compensation for fiscal 2015, the Compensation Committee took into account its general compensation philosophy and objectives, as described above, and various other considerations, including:

available compensation data for the Fiscal 2015 Peer Companies and other analysis prepared by our Chief Financial Officer updating data from the fiscal 2014 report of Compensia, Inc.;

the Company's financial performance during fiscal 2014, including substantial declines in net revenues and net income from the prior year due primarily to a particularly challenging market for its products, in part attributable to market uncertainty due to pending patent litigation, as well as significant legal expenses related to the patent litigation and related antitrust litigation;

the then-current outlook for the Company's fiscal 2015 financial performance;

management's recommendation that, in light of the Company's fiscal 2014 financial performance, increases in officers' base salaries should be limited to the percentage increases recently granted to the Company's non-officer employees, which averaged approximately 3% over fiscal 2014 levels; and

specific contributions of individual officers.

The Committee also noted that, by an overwhelmingly positive vote of 99.0% at the 2013 Annual Meeting of Stockholders, the stockholders had approved the compensation of our named executive officers for fiscal 2013. Partially in recognition of this positive stockholder feedback, the Committee adopted a compensation package for fiscal 2015 having the same basic structure as the compensation packages that had been adopted for previous years.

On the basis of its review, on May 6, 2014, the Compensation Committee set new base salaries for our executive officers, effective April 1, 2014, representing increases of 3% over fiscal 2014 base salaries for each of the executive officers. The new fiscal 2015 base salaries of the named executive officers and the median base salaries of officers with comparable responsibilities at the Fiscal 2015 Peer Companies were as follows:

Name	Title	Fiscal 2015 New Base Salary	Median Peer Company Base Salary
Lee-Lean Shu	President and Chief Executive Officer	\$ 372,571	\$ 350,000
Douglas M. Schirle	Chief Financial Officer	\$ 264,470	\$ 262,364
Didier Lasserre	Vice President, Sales	\$ 278,374	\$ 260,000
Robert Yau	Vice President, Engineering	\$ 251,477	\$ 264,000
Ping Wu	Vice President, US Operations	\$ 237,362	\$ 236,667



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On May 28, 2014, the Compensation Committee adopted the 2015 Variable Compensation Plan (the "2015 Plan"), which is similar in structure to previous variable compensation plans, including the 2014 Plan. Like the 2014 Plan, the 2015 Plan is designed to encourage performance and retention of eligible employees by providing cash bonus awards based on our financial performance during the fiscal year ending March 31, 2015. Each of our executive officers is eligible to participate in the 2015 Plan. Certain non-executive officers are also eligible to participate.

Under the 2015 Plan, each participant has a designated target bonus, which is the same as their target bonus under the 2014 Plan. The target bonus for Lee-Lean Shu, our President, Chief Executive Officer and Chairman, is \$250,000, and the target bonus for each of our other executive officers is \$125,000. The actual bonus award will be computed on the basis of our fiscal 2015 operating results, with 40% of the award based on the achievement of targeted net revenues and 60% based on the achievement of targeted adjusted operating income. If the target performance goals are exceeded, the actual bonus award payable to participants may be up to two times the target bonus. The Compensation Committee believes that the targets under the 2015 Plan will be difficult to achieve because their achievement will be dependent upon realizing our net revenue and operating income goals in an economic environment and competitive market that continue to present significant challenges.

Bonus awards paid under the 2015 Plan will be subject to vesting based on the participant's continued employment with the Company, with 60% becoming vested and payable on the last business day in April 2015 and 20% becoming vested and payable on the last business day in April of each of the succeeding two years.

***Accounting for Executive Compensation***

We account for equity compensation paid to our employees under authorization guidance for stock based compensation which requires us to measure and record an expense over the service period of the award. Accounting rules also require us to record cash compensation as an expense at the time the obligation is incurred.

***Tax Considerations***

We intend to consider the impact of Section 162(m) of the Internal Revenue Code in determining the mix of elements of future executive compensation. This section limits the deductibility of non-performance based compensation paid to each of our named executive officers to \$1 million annually. The stock options granted to our executive officers are intended to be treated under current federal tax law as performance-based compensation exempt from the limitation on deductibility. Salaries and bonuses do not qualify as performance-based compensation for purposes of Section 162(m).

***Other Compensation-Related Policies***

Our insider trading policy applies to shares of our common stock held by our directors, officers and other employees, including shares issued pursuant to equity-based awards. The policy prohibits our directors, executive officers and other employees from, among other things:

engaging in short sales of our stock;

engaging in transactions in derivative securities involving our stock;

hedging their ownership position in our stock; and

holding our stock in a margin account or pledging our stock as collateral for a loan.

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**Compensation Committee Report**

We, the Compensation Committee of the Board of Directors of GSI Technology, Inc., have reviewed the Compensation Discussion and Analysis contained in this proxy statement and discussed it with management. Based on such review and discussions, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and in GSI Technology, Inc.'s Annual Report on Form 10-K for the fiscal year ended March 31, 2014.

THE COMPENSATION COMMITTEE

Haydn Hsieh (Chair)

Ruey L. Lu

Arthur O. Whipple

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Table of Contents**Summary Compensation Table**

The following table sets forth information concerning the compensation earned during the fiscal years ended March 31, 2014, 2013 and 2012 by our Chief Executive Officer, our Chief Financial Officer, and our three other most highly-compensated executive officers, determined as of March 31, 2014:

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Option Awards (\$)(1)</b>	<b>Cash Incentive Plan Compensation (\$)</b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)(2)</b>
Lee-Lean Shu	2014	361,720	317,960	199,465(2)		879,145
President and Chief Executive Officer	2013	351,184	190,530	176,655(3)		718,369
	2012	317,830	298,660	47,752(4)		664,242
Douglas M. Schirle	2014	256,767	117,392	99,732(5)		473,891
Chief Financial Officer	2013	249,288	84,452	88,238(6)		422,068
	2012	236,044	113,992	23,876(7)		373,912
Didier Lasserre	2014	270,266	44,022	99,732(5)	5,400(8)	419,420
Vice President, Sales	2013	262,394	82,497	88,328(6)	5,400(8)	438,619
	2012	252,302	68,631	23,876(7)	5,400(8)	350,209
Robert Yau	2014	244,152	127,184	99,732(5)		471,068
Vice President, Engineering	2013	237,041	76,212	88,328(6)		401,581
	2012	223,624	119,464	23,876(7)		366,964
Ping Wu	2014	230,352	66,033	97,732(5)		396,117
Vice President, US Operations	2013	223,642	72,978	88,328(6)		384,948
	2012	215,387	67,239	23,876(7)		306,502

- (1) As required by SEC rules, amounts shown in the column entitled "Option Awards" present the aggregate grant date fair value of option grants made each year computed in accordance with authoritative guidance. These amounts do not reflect whether the recipient has actually realized or will realize a financial benefit from the option award. The assumptions used with respect to the valuation of option grants are set forth in Note 8 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2014. Under generally accepted accounting principles, compensation expense with respect to option awards granted to our employees and directors is generally recognized over the vesting periods applicable to the awards.
- (2) Earned under the 2014 Variable Compensation Plan, of which \$119,679 was paid in June 2014 and \$39,893 will be vested and payable on the last day of April 2015 and April 2016.
- (3) Earned under the 2013 Variable Compensation Plan, of which \$105,993 was paid in June 2013, \$35,331 was paid in May 2014 and \$35,331 will be vested and payable on the last day of April 2015.
- (4) Earned under the 2012 Variable Compensation Plan, of which \$28,652 was paid in May 2012, \$9,550 was paid in June 2013, and \$9,550 was paid in May 2014.
- (5) Earned under the 2014 Variable Compensation Plan, of which \$59,840 was paid in May 2014 and \$19,946 will be vested and payable on the last day of April 2015 and April 2016.
- (6) Earned under the 2013 Variable Compensation Plan, of which \$52,996 was paid in June 2013, \$17,666 was paid in May 2014 and \$17,666 will be vested and payable on the last day of April 2015.





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- (7) Earned under the 2012 Variable Compensation Plan, of which \$14,326 was paid in May 2012, \$4,775 was paid in June 2013, and \$4,775 was paid in May 2014.
- (8) Represents Mr. Lasserre's car allowance of \$5,400.

**Grants of Plan-Based Awards**

The following table sets forth certain information with respect to plan-based awards granted during the fiscal year ended March 31, 2014 to our named executive officers:

**Fiscal 2014 Grants of Plan-Based Awards**

Name	Grant Date	Threshold (\$)	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$)	Grant Date Fair Value of Option Awards (\$)(2)
			Target (\$)(1)	Maximum (\$)(1)			
Lee-Lean Shu	5/6/13		250,000	500,000	100,000(3)	5.76	244,590
	7/29/13				25,000(4)	6.86	73,370
Douglas M. Schirle	7/29/13		125,000	250,000	40,000(5)	6.86	117,392
Didier Lasserre	7/29/13		125,000	250,000	15,000(6)	6.86	44,022
Robert Yau	5/6/13		125,000	250,000	40,000(7)	5.76	97,836
	7/29/13				10,000(8)	6.86	29,348
Ping Wu	7/29/13		125,000	250,000	22,500(9)	6.86	66,033

- (1) Amounts are more fully described under "2014 Variable Compensation Plan".
- (2) Reflects the grant date fair value of each equity award in accordance with authoritative guidance. The assumptions used in the calculation of this amount are included in Note 8 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended March 31, 2014.
- (3) Option granted pursuant to the 2007 Equity Incentive Plan. This option vests 100% on January 13, 2017.
- (4) Option granted pursuant to the 2007 Equity Incentive Plan. This option vests 100% on April 13, 2017.
- (5) Option granted pursuant to the 2007 Equity Incentive Plan. This option vests 100% on June 3, 2017.
- (6) Option granted pursuant to the 2007 Equity Incentive Plan. This option vests 100% on May 3, 2017.
- (7) Option granted pursuant to the 2007 Equity Incentive Plan. This option vests 100% on January 13, 2017.
- (8) Option granted pursuant to the 2007 Equity Incentive Plan. This option vests 100% on April 13, 2017.
- (9)

Option granted pursuant to the 2007 Equity Incentive Plan. This option vests 100% on June 5, 2017.

Table of Contents**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth certain information with respect to the value of all unexercised options previously awarded to our named executive officers as of March 31, 2014:

**Outstanding Equity Awards at March 31, 2014**

Name	Number of Securities	Number of Securities	Option Exercise Price (\$)	Option Expiration Date	
	Underlying Unexercised Options (#) Exercisable	Underlying Unexercised Options (#) Unexercisable			
Lee-Lean Shu	61,875		5.50	11/21/16	
	61,875		5.50	11/21/16	
	61,875		5.50	11/21/16	
	61,875		4.20	5/29/17	
	100,000		4.00	6/9/18	
	100,000		3.43	6/4/19	
	100,000		6.00	5/10/20	
			100,000(1)	6.54	5/9/21
			100,000(2)	4.17	5/7/22
			100,000(3)	5.76	5/6/23
Douglas Schirle			6.86	7/29/23	
	20,625		5.50	11/21/16	
	20,625		5.50	11/21/16	
	20,625		5.50	11/21/16	
	20,625		3.76	8/6/17	
	20,625		3.75	8/4/18	
	20,625		4.00	8/3/19	
			40,000(5)	7.00	8/2/20
			40,000(6)	6.28	8/1/21
			40,000(7)	4.81	7/30/22
Didier Lasserre			6.86	7/29/23	
	20,626		5.50	11/21/16	
	20,626		5.50	11/21/16	
	20,626		5.50	11/21/16	
	20,625		2.83	2/4/18	
	20,625		2.43	2/9/19	
	20,625		4.43	2/8/20	
			30,000(9)	9.20	1/31/21
			30,000(10)	4.92	1/30/22
			30,000(11)	6.45	2/4/23
Robert Yau			6.86	7/29/23	
	20,626		5.50	11/21/16	
	20,626		5.50	11/21/16	
	20,626		5.50	11/21/16	
	20,625		4.20	5/29/17	
	20,625		4.30	5/12/18	
	20,625		3.38	5/11/19	
	40,000		6.00	5/10/20	
			40,000(1)	6.54	5/9/21
			40,000(2)	4.17	5/7/22
		40,000(3)	5.76	5/6/23	
		10,000(4)	6.86	7/29/23	

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Name	Number of Securities	Number of Securities	Option Exercise Price (\$)	Option Expiration Date
	Underlying Unexercised Options (#) Exercisable	Underlying Unexercised Options (#) Unexercisable		
Ping Wu	150,000		5.75	9/5/16
	20,625		2.49	11/5/17
	20,625		3.37	11/3/18
	20,625		3.43	11/2/19
		30,000(13)	6.82	11/1/20
		30,000(14)	4.90	10/31/21
		30,000(15)	5.59	10/31/22
		22,500(16)	6.86	7/29/23

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- (1) Option vests 100% on January 13, 2015.
  - (2) Option vests 100% on January 13, 2016.
  - (3) Option vests 100% on January 13, 2017.
  - (4) Option vested 100% on April 13, 2017.
  - (5) Option vested 100% on June 3, 2014.
  - (6) Option vests 100% on June 3, 2015.
  - (7) Option vests 100% on June 3, 2016.
  - (8) Option vests 100% on June 3, 2017.
  - (9) Option vests 100% on November 3, 2014.
  - (10) Option vests 100% on November 3, 2015.
  - (11) Option vests 100% on November 3, 2016.
  - (12) Option vests 100% on May 3, 2017.
  - (13) Option vests 100% on September 5, 2014.
  - (14) Option vests 100% on September 5, 2015.
  - (15) Option vests 100% on September 5, 2016.

- (16) Option vests 100% June 5, 2017.

#### Option Exercises and Stock Vested During Last Fiscal Year

The following table sets forth information regarding options exercised by our named executive officers during the fiscal year ended March 31, 2014.

#### Fiscal 2014 Option Exercises

Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise \$(1)
Lee-Lean Shu	123,750	439,629
Douglas M. Schirle	41,250	169,195
Didier Lasserre	61,875	231,630
Robert Yau	30,938	125,565
Ping Wu		

- (1) The value realized on exercise represents the difference between the exercise price and the fair market value of our common stock on the date of exercise.

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We have not made any direct grants of stock awards to any of our employees. Accordingly, there was no vesting of restricted stock held by any named executive officers during the fiscal year ended March 31, 2014.

**Compensation of Directors**

Annual compensation for each non-employee director is \$15,000 per year. In-person attendance at Board of Directors meetings or committee meetings is compensated at \$1,500 per meeting. Attendance by telephone at such meetings is compensated at \$1,000 per meeting. In addition, each new non-employee director is granted an initial option for 10,000 shares of our common stock upon his or her initial election or appointment to our Board of Directors, which option will become exercisable in three equal annual installments beginning on the first anniversary of the date of grant. At the first meeting of the Board of Directors following each annual meeting of stockholders, each non-employee director who remains in office immediately following such annual meeting of stockholders is granted an additional option to purchase 2,000 shares of common stock, which will become fully vested and exercisable on August 15 of the following year, subject to the non-employee director's continuous service on our Board of Directors. In addition, each non-employee director is granted an option to purchase (i) an additional 2,000 shares in any fiscal year in which the non-employee director is serving as the chairman or lead director of the Board, (ii) an additional 1,000 shares in any fiscal year for each committee of the Board on which the non-employee director is then serving other than as chairman of the committee, and (iii) an additional 2,000 shares in any fiscal year for each committee of the Board on which the non-employee director is then serving as chairman of the committee.

The table below summarizes the compensation we paid to non-employee directors for the fiscal year ended March 31, 2014.

Name	Fees Earned or Paid in Cash (\$)	Option Awards \$(1)(2)(3)	Total (\$)
Ruey L. Lu	28,500	16,679	45,179
Arthur O. Whipple	30,000	22,238	52,238
Haydn Hsieh	29,500	16,679	46,179

- (1) Valuation based on the dollar amount recognized during fiscal 2014 for financial statement reporting purposes pursuant to authoritative guidance, giving effect to service-based vesting conditions, but disregarding the estimate of forfeitures related to such vesting conditions. These amounts do not reflect whether the recipient has actually realized or will realize a financial benefit from the option award. The assumptions used with respect to the valuation of option grants are set forth in Note 8 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2014.
- (2) On November 4, 2013, Mr. Lu, Mr. Whipple and Mr. Hsieh were each granted an option for 6,000, 8,000, and 6,000 shares, respectively, that will be fully vested on August 15, 2014. The grant date fair value of each of these options was \$16,679, \$22,238 and \$16,679, respectively.
- (3) As of March 31, 2014, each director had the following numbers of shares underlying outstanding options: Mr. Lu: 40,000; Mr. Whipple: 56,000; and Mr. Hsieh 45,000.

**Equity Compensation Plan Information**

We currently maintain three compensation plans that provide for the issuance of our common stock to officers and other employees, directors and consultants. These consist of the 2000 Stock

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Option Plan, the 2007 Equity Incentive Plan (the "Equity Plan") and the 2007 Employee Stock Purchase Plan (the "Purchase Plan"), each of which has been approved by stockholders. The following table sets forth information regarding outstanding options and shares reserved for future issuance under the foregoing plans as of March 31, 2014:

Plan Category	Number of shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of shares remaining available for future issuance under equity compensation plans (excluding shares reflected in column (a)) (c)
Equity compensation plans approved by stockholders	6,143,980	\$ 5.13	7,060,972(1)(2)

(1)

Includes 1,475,472 shares available for future issuance under the Purchase Plan.

(2)

A total of 11,269,116 shares of common stock have been authorized and reserved for issuance under the Equity Plan, of which 5,585,500 were available for grant as of March 31, 2014. This reserve automatically increased on April 1, 2013 by 1,353,261 shares and will increase on each subsequent anniversary through 2017 by an amount equal to the smaller of (a) five percent (5%) of the number of shares of common stock issued and outstanding on the immediately preceding March 31, or (b) 1,500,000 shares. Appropriate adjustments will be made in the number of authorized shares and other numerical limits in the Equity Plan and in outstanding awards to prevent dilution or enlargement of participants' rights in the event of a stock split or other change in our capital structure. Shares subject to awards which expire or are cancelled or forfeited will again become available for issuance under the Equity Plan. The shares available will not be reduced by awards settled in cash or by shares withheld to satisfy tax withholding obligations. Only the net number of shares issued upon the exercise of stock appreciation rights or options exercised by means of a net exercise or by tender of previously owned shares will be deducted from the shares available under the Equity Plan.

**RELATED PERSON TRANSACTIONS****Procedures for Approval of Related Person Transactions**

Pursuant to our Code of Business Conduct and Ethics and the Audit Committee Charter, our executive officers, directors, and principal stockholders, including their immediate family members and affiliates, are prohibited from entering into a related party transaction with us without the prior consent of our Audit Committee which reviews and approves any related-party transactions.

We have entered into indemnification agreements with our officers and directors containing provisions that may require us, among other things, to indemnify our officers and directors against certain liabilities that may arise by reason of their status or service as officers or directors and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified.

**Other Transactions**

For information regarding the grant of stock options to our directors and executive officers, please see "Executive Compensation Compensation of Directors" and "Executive Compensation Grants of Plan-Based Awards and Outstanding Equity Awards at Fiscal Year-End."



Table of Contents**PRINCIPAL STOCKHOLDERS AND STOCK OWNERSHIP BY MANAGEMENT**

The following table sets forth, as of June 30, 2014 certain information with respect to the beneficial ownership of GSI Technology's common stock by (i) each stockholder known by GSI Technology to be the beneficial owner of more than 5% of GSI Technology's common stock, (ii) each director of GSI Technology, (iii) each executive officer named in the Summary Compensation Table, and (iv) all directors and executive officers of GSI Technology as a group:

Beneficial Owner(1)	Number of Shares Beneficially Owned(2)	Percentage of Shares Beneficially Owned(3)
<b>Principal Stockholders:</b>		
Raging Capital Master Fund, Ltd.(4) c/o Ogier Fiduciary Services (Cayman) Limited 89 Nexus Way Camana Bay, Grand Cayman KY 1-9007	3,064,746	11.1%
Jing Rong Tang(5) c/o HolyStone Enterprises Co., Ltd. 1FL No. 62, Sec 2 Huang Shan Road Taipei, Taiwan, R.O.C	2,082,801	7.6
Ching-Ho Cheng(6) 4F, No. 130, Sec. 3, Nanjing E. Road Taipei 104, Taiwan, R.O.C.	1,551,684	5.6
Royce & Associates, LLC(7) 745 Fifth Avenue New York, NY 10151	1,494,137	5.4
Ameroc Corp.(8) 1FL, No. 62, Sec 2, Huang Shan Road Taipei, Taiwan R.O.C.	1,437,601	5.2
<b>Directors and Named Executive Officers:</b>		
Lee-Lean Shu(9)	2,473,364	8.8
Haydn Hsieh(10)	45,000	*
Ruey L. Lu(11)	40,000	*
Arthur O. Whipple(12)	56,000	*
Robert Yau(13)	1,274,586	4.6
Didier Lasserre(14)	368,553	1.3
Douglas M. Schirle(15)	188,750	*
Ping Wu(16)	308,050	1.1
All executive officers and directors as a group (9 persons)(17)	5,830,553	20.0

\*

Less than 1.0%

(1)

The address for those individuals and entities not otherwise indicated is 1213 Elko Drive, Sunnyvale, California 94089. Except as otherwise indicated, the persons named in this table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable and to the information contained in the other footnotes to this table.

(2)

Under the rules of the SEC, a person is deemed to be the beneficial owner of shares that can be acquired by such person within 60 days upon the exercise of options.

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- (3) Calculated on the basis of 27,499,632 shares of common stock outstanding as of June 30, 2014, provided that any additional shares of common stock that a stockholder has the right to acquire within 60 days after June 30, 2014 are deemed to be outstanding for the purpose of calculating that stockholder's percentage beneficial ownership.
- (4) Based on information contained in a Schedule 13G filed by Raging Capital Master Fund, Ltd. ("Raging Master") with the SEC on May 21, 2014. Raging Capital Management, LLC ("Raging Capital") is the Investment Manager of Raging Master. William C. Martin is the Chairman, Chief Investment Officer and Managing Member of Raging Capital. By virtue of these relationships, each of Raging Capital and William C. Martin may be deemed to beneficially own the shares owned directly by Raging Master.
- (5) Based on information contained in a Schedule 13G/A filed with the SEC on February 13, 2014. Includes: 390,514 shares held by HolyStone Enterprises Co., Ltd., of which Mr. Tang is Chief Executive Officer; and 682,287 shares held by Koowin Co., Ltd., of which Mr. Tang is a director. Mr. Tang disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (6) Based on information contained in a Schedule 13G/A filed with the SEC on February 14, 2014.
- (7) Based on information contained in a Schedule 13G/A filed with the SEC on January 9, 2014.
- (8) Based on information contained in a Schedule 13G/A filed with the SEC on February 13, 2014.
- (9) Includes: 547,500 shares issuable upon exercise of options that are exercisable within 60 days following June 30, 2014; 13,600 shares held by Mr. Shu's children; 110,313 shares held by Mr. Shu's spouse; and 87,659 shares issuable upon exercise of options held by his spouse that are exercisable within 60 days of June 30, 2014.
- (10) Represents 45,000 shares issuable upon exercise of options that are exercisable within 60 days following June 30, 2014.
- (11) Represents 40,000 shares issuable upon exercise of options that are exercisable within 60 days following June 30, 2014.
- (12) Represents 56,000 shares issuable upon exercise of options that are exercisable within 60 days following June 30, 2014.
- (13) Includes 163,753 shares issuable upon exercise of options that are exercisable within 60 days following June 30, 2014.
- (14) Includes 123,753 shares issuable upon exercise of options that are exercisable within 60 days following June 30, 2014.
- (15) Includes 163,750 shares issuable upon exercise of options that are exercisable within 60 days following June 30, 2014.
- (16) Includes 211,875 shares issuable upon exercise of options that are exercisable within 60 days following June 30, 2014.
- (17) Includes an aggregate of 1,603,040 shares issuable upon exercise of options that are exercisable within 60 days following June 30, 2014.

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**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors and persons who beneficially own more than 10% of our common stock to file initial reports of beneficial ownership and reports of changes in beneficial ownership with the SEC. Such persons are required by SEC regulations to furnish us with copies of all Section 16(a) forms filed by such person.

Based solely on our review of such forms furnished to us and written representations from certain reporting persons, we believe that all filing requirements applicable to our executive officers, directors and greater-than-10% stockholders were complied with during fiscal 2014.

**STOCKHOLDER PROPOSALS TO BE PRESENTED  
AT NEXT ANNUAL MEETING**

Stockholder proposals may be included in our proxy materials for an annual meeting so long as they are provided to us on a timely basis and satisfy the other conditions set forth in applicable SEC rules. For a stockholder proposal to be included in our proxy materials for the 2015 annual meeting, the proposal must be received at our principal executive offices, addressed to the Secretary, not later than March 30, 2015.

Submitting a stockholder proposal does not guarantee that we will include it in our proxy statement. Our Nominating and Governance Committee reviews all stockholder proposals and makes recommendations to the board for actions on such proposals. For information on qualifications of director nominees considered by our Nominating and Governance committee, see the "Corporate Governance" section of this proxy statement.

**TRANSACTION OF OTHER BUSINESS**

At the date of this Proxy Statement, the Board of Directors knows of no other business that will be conducted at the 2014 annual meeting other than as described in this Proxy Statement. If any other matter or matters are properly brought before the meeting, or any adjournment or postponement of the meeting, it is the intention of the persons named in the accompanying form of proxy to vote the proxy on such matters in accordance with their best judgment.

**ANNUAL REPORT ON FORM 10-K**

A copy of our annual report on Form 10-K (without exhibits) for the fiscal year ended March 31, 2014 is being distributed along with this proxy statement. We refer you to such report for financial and other information about us, but such report is not incorporated in this proxy statement and is not deemed to be a part of the proxy solicitation material. It is also available on our website at [www.gsitechnology.com](http://www.gsitechnology.com). In addition, the report (with exhibits) is available at the SEC's website at [www.sec.gov](http://www.sec.gov).

July 16, 2014

Robert Yau  
*Secretary*













