

SCHEDULE 14A INFORMATION

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

Filed by the Registrant [X]

Filed by a Party other than the Registrant []

Check the appropriate box:

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

DATARAM CORPORATION

(Name of Registrant as Specified In Its Charter)

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Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [] Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

DATARAM CORPORATION
A New Jersey Corporation

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
to be held on September 23, 2010 at 11:00 A.M.

Important Notice Regarding the Availability of Proxy Materials for the
Shareholder Meeting to Be Held on September 23, 2010

The Proxy Statement and 2010 Annual Report are available at
www.dataram.com

TO THE SHAREHOLDERS OF DATARAM CORPORATION:

The Annual Meeting of the Shareholders of DATARAM CORPORATION (the
"Company") will be held at the Company's corporate headquarters at 186
Princeton Road (Route 571), West Windsor, New Jersey, on Thursday,
September 23, 2010 at 11:00 a.m., for the following purposes:

- (1) To elect four (4) directors of the Company to serve
until the next succeeding Annual Meeting of
Shareholders and until their successors have been
elected and have been qualified.
- (2) To ratify the selection of J.H. Cohn LLP as the
independent certified public accountants of the
Company for the fiscal year ending April 30, 2011.
- (3) To approve the Dataram Corporation 2010 Stock Option Plan.
- (4) To transact such other business as may properly come
before the meeting or any adjournments.

Only shareholders of record at the close of business on the 13th day
of August 2010 are entitled to notice of and to vote at this meeting.

By order of the Board of Directors

Thomas J. Bitar,
Secretary

August 20, 2010

The Company's 2010 Annual Report is enclosed.

PLEASE COMPLETE, DATE, SIGN AND RETURN THE ACCOMPANYING PROXY
IN THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED.

[LOGO]

DATARAM CORPORATION

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
SEPTEMBER 23, 2010

This Proxy Statement is furnished by DATARAM CORPORATION (the "Company"), which has a mailing address for its principal executive offices at P.O. Box 7528, Princeton, New Jersey 08543-7528, in connection with the solicitation by the Board of Directors of proxies to be voted at the Annual Meeting of Shareholders of the Company to be held at the Company's corporate headquarters at 186 Princeton Road (Route 571), West Windsor, New Jersey on Thursday, September 23, 2010 at 11:00 a.m. You may obtain directions to the Company's corporate headquarters by contacting investor relations by telephone at (609) 799-0071 extension 2430 or by e-mail at info@dataram.com. The close of business on August 13, 2010 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting and any adjournments thereof. This Proxy Statement was mailed to shareholders on or about August 20, 2010.

You may own common shares in one or both of the following ways - either directly in your name as the shareholder of record, or indirectly through a broker, bank or other holder of record in "street name." If your shares are registered directly in your name, you are the holder of record of these shares and we are sending these proxy materials directly to you. As the holder of record, you have the right to give your proxy directly to us. If you hold your shares in street name, your broker, bank or other holder of record is sending these proxy materials to you. As a holder in street name, you have the right to direct your broker, bank or other holder of record how to vote by completing the voting instruction form that accompanies your proxy materials. Regardless of how you hold your shares, we invite you to attend the Meeting.

VOTING RIGHTS

On August 13, 2010 there were outstanding and entitled to vote 8,918,309 shares of the Company's common stock, par value \$1.00 per share (the "Common Stock"). Holders of the Common Stock are entitled to one vote for each share of Common Stock owned on the record date, exercisable in person or by proxy. Shareholders may revoke executed proxies at any time before they are voted by filing a written notice of revocation with the Secretary of the Company. Where a choice has been specified by the holder on the proxy, the shares will be voted as directed. Where no choice has been specified by the holder, the shares will be voted for the nominees described below and for the ratification of the selection of accountants and for the approval of the Dataram Corporation 2010 Stock Option Plan.

Directors are elected by a plurality of the number of votes cast. With respect to each other matter to be voted upon, a vote of a majority of the number of shares voting is required for approval. Abstentions and proxies submitted by brokers with a "not voted" direction will not be counted as votes cast with respect to each matter.

EXECUTIVE OFFICERS OF THE COMPANY

The following table sets forth information concerning each of the Company's executive officers:

Name	Age	Positions with the Company
John H. Freeman	61	President and Chief Executive Officer

Mark E. Maddocks 58 Vice President - Finance and
Chief Financial Officer

Jeffrey H. Duncan 60 Vice President - Manufacturing
and Engineering

Anthony M. Lougee 49 Controller

David S. Sheerr 50 General Manager, Micro Memory Bank ("MMB")

John H. Freeman has been employed by the Company since May 7, 2008 when he was named President and Chief Executive Officer. Mr. Freeman has been a Director since 2005. Additional information regarding Mr. Freeman is set forth under "Nominees for Director" below.

Mark E. Maddocks has been employed by the Company since 1978. In 1986 he became Controller. Since 1996 he has served as Vice President-Finance and Chief Financial Officer.

Jeffrey H. Duncan has been employed by the Company since 1974. In 1990, he became Vice President-Engineering. Since 1995, he served as Vice President-Manufacturing and Engineering.

Anthony M. Lougee has been employed by the Company since 1991, initially as Accounting Manager. In 2002 he was named an executive officer and currently serves as Controller, a position he has held since 1999.

David S. Sheerr has been employed by the Company since its acquisition of certain assets of Micro Memory Bank, Inc. from him on March 31, 2009. He previously served as President of Micro Memory Bank, Inc. from October 7, 1994 until the acquisition.

ELECTION OF DIRECTORS

Four (4) directors will be elected at the Annual Meeting of Shareholders by the vote of a plurality of the shares of Common Stock represented at such meeting. Unless otherwise indicated by the shareholder, the accompanying proxy will be voted for the election of the four (4) persons named under the heading "Nominees for Directors." Although the Company knows of no reason why any nominee could not serve as a director, if any nominee shall be unable to serve, the accompanying proxy will be voted for a substitute nominee.

NOMINEES FOR DIRECTORS

The term of office for each director will expire at the next Annual Meeting of Shareholders and when the director's successor shall have been elected and duly qualified. Each nominee is a member of the present Board of Directors and has been elected by shareholders at prior meetings.

Name of Nominee	Age
Roger C. Cady Chairman of the Board	72
John H. Freeman	61
Thomas A. Majewski	58
Rose Ann Giordano	71

Roger C. Cady is a founder and principal of Arcadia Associates, a strategic consulting and mergers and acquisitions advisory firm. He was employed as Vice President of Business Development for Dynatech Corporation, a diversified communications equipment manufacturer, from 1993 to 1996. Before joining Dynatech he was a strategic management consultant for eight years. His business career has included 16 years in various engineering, marketing and management responsibilities as a Vice President of Digital Equipment Corporation, and President of two early stage startup companies. Mr. Cady has been a Director since 1996 and Chairman of the Board of

Directors since September 25, 2008. Mr. Cady brings to the Board extensive business and management experience focusing on the engineering and technology fields, and extensive knowledge of Dataram's history and operations.

John H. Freeman is an executive officer of the Company. Mr. Freeman has been an independent consultant specializing in corporate sales, marketing and operations consulting since December, 2006. Prior to that and since September, 2004 he served as the Chief Operating Officer at Taratec Development Corporation, a life sciences consulting company. Prior to that, and for more than five years, he was responsible for leading IBM's worldwide sales, marketing, and business planning for Pharmaceutical, Medical Device, and Life Sciences clients. This included IBM product sales of hardware, software, services and financing. Mr. Freeman has 30 years of executive sales and operations management experience with IBM. Mr. Freeman is a graduate of Pennsylvania State University with an M.S. in Computer Science and holds a B.A. in Mathematics from Syracuse University. Mr. Freeman has been a Director since 2005. Mr. Freeman brings to the Board extensive executive, marketing and technical experience, with a decades-long track record in the computer technology industry.

Thomas A. Majewski is a real estate developer. He is also a principal in Walden, Inc., a computer consulting and technologies venture capital firm, which he joined in 1990. Prior to 1990, he had been Chief Financial Officer of Custom Living Homes & Communities, Inc., a developer of residential housing. Mr. Majewski has been a Director since 1990. Mr. Majewski brings to the Board his business and financial expertise and extensive knowledge of Dataram's history and operations.

Rose Ann Giordano has been President of Thomis Partners, an investing and advisory services firm, since 2002. Prior to that, and for more than five years, Ms. Giordano served as Vice President of Worldwide Sales & Marketing for the Customer Services Division of Compaq Computer Corporation. Prior to that, Ms. Giordano held a number of executive positions with Digital Equipment Corporation. Ms. Giordano was the first woman Vice President and Corporate Officer of Digital Equipment Corporation. Ms. Giordano serves on the Board of Directors of TimeTrade Inc., the National Association of Corporate Directors/New England and Emerson Hospital. Ms. Giordano holds a B.A. in Mathematics from Marywood College and is a graduate of the Stanford University Business School Executive Program. Ms. Giordano has been a Director since 2005. Ms. Giordano brings to the Board extensive business, marketing and executive experience in the computer technology industry.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" THE ELECTION OF EACH OF THE NOMINEES PROPOSED BY THE BOARD OF DIRECTORS, AND, UNLESS A SHAREHOLDER GIVES INSTRUCTIONS ON THE PROXY CARD TO THE CONTRARY, THE PROXY AGENTS NAMED THEREON INTEND SO TO VOTE.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number of shares of Common Stock beneficially owned by certain owners known by the Company to beneficially own in excess of 5% of the Common Stock, each director of the Company, each named executive officer and seven directors and executive officers collectively, as of July 31, 2010. Unless otherwise indicated, stock ownership includes sole voting power and sole investment power. No other person or group is known to beneficially own in excess of five percent (5%) of the Common Stock.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class(1)
Roger C. Cady	174,700 (2)	1.9%
John H. Freeman	262,000 (3)	2.9%
Rose Ann Giordano	58,000 (4)	*
Thomas A. Majewski	133,250 (5)	1.5%

Mark E. Maddocks	168,501 (6)	1.9%
Jeffrey H. Duncan	100,680 (7)	1.1%
Anthony M. Lougee	29,870 (8)	*
David S. Sheerr	70,000 (9)	*
Directors and executive officers as a group (8 persons)	997,001 (10)	10.4%
Kenneth Paul Olsen	492,727 (11)	5.5%
Dimensional Fund Advisors	480,576 (12)	5.4%

(1) On July 30, 2010, 8,918,309 shares were outstanding.

(2) Of this amount, 54,000 shares may be acquired by the exercise of options held.

(3) Of this amount, 262,000 shares may be acquired by the exercise of options held.

(4) Of this amount, 58,000 shares may be acquired by the exercise of options held.

(5) Of this amount, 84,000 shares may be acquired by the exercise of options held.

(6) Of this amount, 6,000 shares are held by Mr. Maddocks' spouse, 26,207 shares are held by the Company's 401(k) Plan and 98,800 shares may be acquired upon the exercise of options held.

(7) Of this amount, 97,000 shares may be acquired by the exercise of options held and 3,680 shares are held by the Company's 401(k) Plan.

(8) Of this amount, 26,875 shares may be acquired upon the exercise of options held and 2,995 shares are held by the Company's 401(k) Plan.

(9) Of this amount, 70,000 shares may be acquired by the exercise of options held.

(10) Of this amount, 500,675 shares may be acquired by the exercise of options held by executive officers, and 196,000 shares may be acquired by exercise of options held by outside directors.

(11) As reported in a Schedule 13G filed May 12, 2009, this investor holds the sole power to vote 492,727 shares and sole power to dispose of 492,727 shares. His address is 22580 Ravenbury Avenue, Los Altos, CA 94024.

(12) As reported in a Schedule 13G filed February 8, 2010, this investment advisor holds the sole power to vote 478,172 shares and sole power to dispose of 480,576 shares. Its address is Palisades West, Building One, 6300 Bee Cave Road, Austin, TX 78746.

* Less than 1%.

CORPORATE GOVERNANCE

Board Leadership Structure

The Company presently separates the roles of Chief Executive Officer and Chairman of the Board. This serves to align the Chairman's role with the Company's independent directors and to further enhance the independence of the Board from management. The Chairman works closely with the Chief Executive Officer to set the agenda for meetings and to facilitate information flow between the Board and management.

Board Role in Risk Oversight

The Company's Board plays an active role in risk oversight of the Company. The Board does not have a formal risk management committee, but administers this oversight function through various standing committees of the Board, which are described below. The Audit Committee periodically reviews overall enterprise risk management, in addition to maintaining responsibility for oversight of financial reporting-related risks, including those related to the Company's accounting, auditing and financial reporting practices. The Audit Committee also reviews reports and considers any material allegations regarding potential violations of the Company's Code of Ethics. The Compensation Committee oversees risks arising from the Company's compensation policies and programs. This Committee has responsibility for evaluating and approving the executive compensation and benefit plans, policies and programs of the Company. The Nominating Committee oversees corporate governance risks and oversees and advises the Board with respect to the Company's policies and practices regarding significant issues of corporate responsibility.

RELATED PARTY TRANSACTIONS

All transactions by the Company with a director or executive officer must be approved by the Board of Directors if they exceed \$120,000 in any fiscal year. Apart from any transactions disclosed herein, no such transaction was entered into with any director or executive officer during the last fiscal year. Such transactions will be entered into only if found to be in the best interest of the Company and approved in accordance with the Company's Codes of Ethics, which are available on the Company's web site.

During fiscal 2010 and 2009, the Company purchased inventories for resale totaling approximately \$4,976,000 and \$727,000 respectively from Sheerr Memory, LLC (Sheerr Memory). Sheerr Memory's owner is employed by the Company as the general manager of the acquired MMB business unit and is an executive officer of the Company. When the Company acquired certain assets of MMB, it did not acquire any of its inventory. However, the Company informally agreed to purchase such inventory on an as needed basis, provided that the offering price was a fair market value price. The inventory acquired was purchased subsequent to the acquisition of MMB at varying times and consisted primarily of raw materials and finished goods used to produce products sold by the Company. Sheerr Memory offers the Company trade terms of net 30 days and all invoices are settled in the normal course of business. No interest is paid. The Company has made further purchases from Sheerr Memory subsequent to April 30, 2010 and management anticipates that the Company will continue to do so, although the Company has no obligation to do so.

On February 24, 2010, the Company entered into a Note and Security Agreement ("Agreement") with Sheerr Memory's owner. Under the Agreement, the Company borrowed the principal sum of \$1,000,000 for a period of six months, which the Company can extend for an additional three months without penalty. The loan bears interest at the rate of 5.25%. Interest is payable monthly, and the entire principal amount is payable in the event of the employee's termination of employment by the Company. The loan is secured by a security interest in all machinery, equipment and inventory of Dataram at its Montgomeryville, PA location.

On July 27, 2010, the Company entered into an agreement with Sheerr Memory to consign a formula-based amount of up to \$3,000,000 of certain inventory into the Company's manufacturing facilities.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee of our Board of Directors is comprised of all members of our Board of Directors, except the Chief Executive Officer. The compensation committee's basic responsibility is to review the performance of our management in achieving corporate goals and objectives and to ensure that our executive officers are compensated effectively in a manner consistent with our strategy and compensation practices. Toward that end, the compensation committee oversaw, reviewed and administered

all of our compensation, equity and employee benefit plans and programs applicable to executive officers.

Compensation Philosophy and Objectives

We operate in an extremely competitive and rapidly changing industry. We believe that the skill, talent, judgment and dedication of our executive officers are critical factors affecting the long-term value of our company. Therefore, our goal is to maintain an executive compensation program that will fairly compensate our executives, attract and retain qualified executives who are able to contribute to our long-term success, induce performance consistent with clearly defined corporate goals and align our executives' long-term interests with those of our shareholders. We did not identify specific metrics against which we measured the performance of our executive officers. Our decisions on compensation for our executive officers were based primarily upon our assessment of each individual's performance. We relied upon judgment and not upon rigid guidelines or formulas in determining the amount and mix of compensation elements for each executive officer. Factors affecting our judgment include the nature and scope of the executive's responsibilities and effectiveness in leading our initiatives to achieve corporate goals.

Mr. Freeman, our Chief Executive Officer, as the manager of the members of the executive team, assessed the individual contribution of each member of the executive team, other than himself, and, where applicable, made a recommendation to the compensation committee with respect to any merit increase in salary, cash bonus, and option awards. The compensation committee evaluated, discussed and modified or approved these recommendations and conducted a similar evaluation of Mr. Freeman's contributions to the Company.

During 2010 and beyond, our objective will be to provide overall compensation that is appropriate given our business model and other criteria to be established by the compensation committee. Some of the elements of the overall compensation program are expected to include competitive base salaries, short-term cash incentives and long-term incentives in the form of options to purchase shares.

We expect that our Chief Executive Officer, as the manager of the members of the executive team, will continue to assess the individual contributions of the executive team and make a recommendation to the compensation committee with respect to any merit increase in salary, cash bonus pool allocations and the award of options to purchase shares. The compensation committee will then evaluate, discuss and modify or approve these recommendations and conduct a similar evaluation of the Chief Executive Officer's contributions to corporate goals and achievement of individual goals.

Compensation Policies and Risk Management

The Compensation Committee and management periodically undertake a risk assessment of the Company's compensation policies and practices, including a review of trends and developments in executive pay. The Compensation Committee does not believe that the Company's compensation policies and practices motivate imprudent risk taking or are reasonably likely to cause a material adverse effect upon Dataram's business and operations. In this regard, the Company notes, among other things, that the Company does not offer significant short-term incentives that might drive high-risk behavior at the expense of long-term Company value and that stock option awards to directors and management seek to align the interests of these individuals with the Company's long-term growth goals.

Role of Executive Officers and Compensation Consultants

Our Chief Executive Officer supports the compensation committee in its work by providing information relating to our financial plans, performance assessments and recommendation for compensation of our executive officers. Mr. Freeman, while not a member of the compensation committee, is a member of the Board of Directors. The compensation committee has not in recent years engaged any third-party consultant to assist it in performing its duties, though it may elect to do so in the future.

Principal Elements of Executive Compensation

Our executive compensation program currently consists of the three components discussed below. There is no pre-established policy or target for the allocation between either cash and non-cash or short-term and long-term incentive compensation. Rather, the relevant factors associated with each executive are reviewed on a case-by-case basis to determine the appropriate level and mix of compensation.

Base Salaries. The salaries of our Chief Executive Officer and our other executive officers are established based on the scope of their responsibilities, taking into account competitive market compensation for similar positions based on information available to the compensation committee. We believe that our base salary levels are consistent with levels necessary to achieve our compensation objective, which is to maintain base salaries competitive with the market. We believe that below-market compensation could, in the long run, jeopardize our ability to retain our executive officers. Any base salary adjustments are expected to be based on competitive conditions, market increases in salaries, individual performance, our overall financial results and changes in job duties and responsibilities.

Annual Bonus Compensation. We maintain an annual bonus program. The award of bonuses to our executive officers is the responsibility of the compensation committee and is determined on the basis of individual performance. The annual bonus program is designed to reward performance in a way that furthers key corporate goals and aligns the interests of management with our annual financial performance.

Long-Term Incentive Compensation. The Company has established the 2001 Stock Option Plan to provide employees of the Company long-term equity incentive compensation, which we believe is in accordance with our objective of aligning the interests of management with our long-term performance. This plan is administered by the compensation committee. In recent years the committee has granted five year options, with an option price equal to the closing market price of the common stock on the date of grant. These options generally become exercisable one year from the date of grant, although the Board has also granted options a percentage of which become exercisable one year from the date of grant with remaining percentages becoming exercisable on future anniversaries of the date of grant. Generally the committee does not consider the actual profits from the exercise of options awarded in the past in determining the amount of awards to be made in the future. Rather the committee focuses upon expected amounts that may be received by the executive pursuant to those options in the future.

Share Ownership Guidelines

We currently do not require our directors or executive officers to own a particular amount of our shares, although we do have a policy against directors or officers taking a short position in the Company's stock. The compensation committee is satisfied that the equity holdings among our directors and executive officers are sufficient at this time to provide motivation and to align this group's interests with our long-term performance.

Perquisites

Our executive officers participate in the same 401(k) plan and the same life and health group insurance plans, and are entitled to the same employee benefits, as our other salaried employees. In addition, some of our executive officers receive an automobile allowance as described in the Summary Compensation Table.

Post-Termination Protection and Change in Control

We have employment agreements with Messrs. Freeman, Maddocks, Duncan and Sheerr. The agreements with Messrs. Freeman, Maddocks and Duncan each provide for the payment of one year's salary upon early termination in lieu of payments under the Company general severance policy; Mr. Sheerr's agreement provides for the payment of six months' salary.

Financial Restatements

The compensation committee has not adopted a policy with respect to whether we will make retroactive adjustments to any cash or equity-based incentive compensation paid to executive officers (or others) where the payment was predicated upon the achievement of financial results that were subsequently the subject of a restatement. Our compensation committee believes that this issue is best addressed when the need actually arises, when all of facts regarding the restatement are known.

Tax and Accounting Treatment of Compensation

Section 162(m) of the Internal Revenue Code places a limit, subject to certain exceptions, of \$1 million on the amount of compensation that we may deduct from the U.S. source income in any one year with respect to our Chief Executive Officer, our Chief Financial Officer and each of our next three most highly paid executive officers.

We account for equity compensation paid to our employees, i.e. stock option awards, under the rules of FASB ASC, which requires us to estimate and record an expense for each award. Accounting rules also require us to record cash compensation as an expense at the time the obligation is accrued.

Summary

The compensation committee believes that our compensation philosophy and programs are designed to foster a performance-oriented culture that aligns our executive officers' interests with those of our shareholders. The compensation committee also believes that the compensation of our executives is both appropriate and responsive to the goal of improving shareholder value.

Compensation Committee Report

The following report is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to the SEC's proxy rules or the liabilities of Section 18 of the Exchange Act, and the report shall not be deemed to be incorporated by reference into any prior or subsequent filing by the Company under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act.

The compensation committee has reviewed and discussed the Compensation Discussion and Analysis set forth above with our management. Based on its review and discussions, the committee recommended to our Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference into any Annual Report in Form 10-K filed with the SEC for the fiscal year ended April 30, 2010.

Roger C. Cady, Chairman
 Thomas A. Majewski
 Rose Ann Giordano

Summary Compensation

The following table sets forth the compensation paid for the fiscal years ended April 30, 2008, 2009 and 2010 to the Company's Chief Executive Officer, the Chief Financial Officer and the Company's other executive officers.

SUMMARY COMPENSATION TABLE
 (In Dollars)

Name and Principal Fiscal Position	Year	Salary	Bonus	Other Option Other(2)	Compen- Awards(3)	sation(4)	Total
John H. Freeman	2010	275,000	68,640	0	247,500	12,375	603,515

President and Chief Executive Officer	2009	269,596	69,563	0	447,750	10,233	797,142
	2008	0	0	0	0	0	0

Mark E. Maddocks Vice President- Finance, Chief Financial Officer	2010	201,424	25,000	7,800	140,100	9,064	383,388
	2009	201,424	37,500	7,800	14,848	9,060	270,632
	2008	196,424	5,000	7,800	14,480	10,747	234,451

Jeffrey H. Duncan Vice President- Manufacturing and Engineering	2010	199,032	27,000	7,800	140,100	8,956	382,888
	2009	199,032	10,000	7,800	14,848	8,952	240,632
	2008	194,032	5,000	7,800	14,480	10,614	231,926

Anthony M. Lougee Controller	2010	125,000	15,600	0	5,928	5,624	152,152
	2009	125,000	0	0	5,586	5,622	136,208
	2008	120,000	2,500	0	6,335	6,571	135,406

David S. Sheerr General Manager- Micro Memory Bank	2010	200,000	100,000	0	49,400	9,000	358,400
	2009 (1)	11,538	0	0	20,540	519	32,597
	2008	0	0	0	0	0	0

(1) Mr. Sheerr's employment with the Company was effective April 1, 2009

(2) Automobile allowances.

(3) We measure the fair value of stock options using the Black-Scholes option pricing model based upon the market price of the underlying common stock as of the date of grant, reduced by the present value of estimated future dividends, using an expected quarterly dividend rate of nil in fiscal years 2010 and 2009. In fiscal 2008 a \$0.06 expected quarterly dividend rate was used. Risk-free interest rates ranging from 1.6% to 5.0% were used. For fiscal year 2010 option values were \$1.375 for Mr. Freeman's option grant, \$1.401 for Messrs. Maddocks' and Duncan's option grant, and \$0.988 for Messrs. Lougee's and Sheerr's option grant. For fiscal year 2009 option values were \$2.985 for Mr. Freeman's option grant, \$1.856 for Messrs. Maddocks' and Duncan's option grant, \$1.596 for Mr. Lougee's, and \$1.027 for Mr. Sheerr's option grant. The 2008 option value calculated using this model is \$1.81 per share.

(4) Payments by the Company to a plan trustee under the Company's Savings and Investment Retirement Plan, a 401(k) plan. The Company does not have a pension plan.

GRANTS OF PLAN-BASED AWARDS (1)

Name	Grant Date	Option Awards(2)	Exercise Price(3)	Grant Value(4)
John H. Freeman	9/24/2009	180,000	\$2.57	\$247,500
Mark E. Maddocks	9/24/2009	100,000	\$2.57	\$140,100
Jeffrey H. Duncan	9/24/2009	100,000	\$2.57	\$140,100
Anthony M. Lougee	9/24/2009	6,000	\$2.57	\$ 5,928
David S. Sheerr	9/24/2009	50,000	\$2.57	\$ 49,400

(1) The Company does not presently have any Equity Incentive Plan other than its 2001 Stock Option Plan and does not have a Non Equity Incentive Plan other than the bonus pool. The size of grants under the 2001 Stock Option Plan and the bonus pool are not predetermined in accordance with an incentive award.

(2) Granted under the 2001 Stock Plan.

(3) Closing market price on the date of grant.

(4) Computed in accordance with the compensation-stock compensation of FASB ASC (see assumptions set forth under the Summary Compensation table).

Narrative Description of Summary Compensation

Salary and bonus constituted 66% of total compensation for the named executive officers in fiscal 2010. Options granted to Mr. Freeman were ten year options. Options to purchase the first 90,000 shares become exercisable on September 24, 2010, and options to purchase an additional 90,000 shares become exercisable on September 24, 2011. Options granted to Messrs. Maddocks and Duncan are ten year options; for each of Messrs. Maddocks and Duncan, options to purchase 40,000 shares become exercisable one year after the date of grant, with options to purchase an additional 30,000 shares becoming exercisable on the second and third anniversaries of the date of grant. Options granted to Messrs. Lougee and Sheerr are five year options exercisable one year after the grant date. All options granted are at an exercise price equal to the closing market price of the Company's common stock on the date of grant. No dividends are paid or accrued with respect to options for the benefit of employees prior to the date of option exercise.

Outstanding Options

The following table sets forth information concerning outstanding stock options at the fiscal year-end, April 30, 2010.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price(\$)	Option Expiration Date
John H. Freeman				
2006(1)	6,000	0	6.42	09/14/2010
2007(1)	8,000	0	4.70	09/13/2011
2008(1)	8,000	0	3.33	09/27/2012
2009	112,500	37,500	3.20	05/07/2018
2010(2)	0	180,000	2.57	09/24/2019
Mark E. Maddocks				
2002	10,000	0	7.98	11/26/2011
2003	8,200	0	2.99	09/18/2012
2004	8,200	0	4.09	09/17/2013
2005	8,200	0	6.75	09/15/2009
2006	8,200	0	6.63	09/14/2010
2007	8,200	0	4.70	09/13/2011
2008	8,000	0	3.33	09/27/2012
2009	8,000	0	1.99	09/25/2018
2010(2)	0	100,000	2.57	09/24/2019
Jeffrey H. Duncan				
2002	8,200	0	7.98	11/26/2011
2003	8,200	0	2.99	09/18/2012
2004	8,200	0	4.09	09/17/2013
2005	8,200	0	6.75	09/15/2009
2006	8,200	0	6.63	09/14/2010
2007	8,200	0	4.70	09/13/2011
2008	8,000	0	3.33	09/27/2012

2009	8,000	0	1.99	09/25/2018
2010(2)	0	100,000	2.57	09/24/2019

Anthony M. Lougee

2002	2,500	0	7.98	11/26/2011
2003	1,875	0	2.99	09/18/2012
2004	2,500	0	4.09	09/17/2013
2005	2,500	0	6.75	09/15/2009
2006	3,500	0	6.63	09/14/2010
2007	3,500	0	4.70	09/13/2011
2008	3,500	0	3.33	09/27/2012
2009	3,500	0	1.99	09/25/2013
2010(2)	0	6,000	2.57	09/24/2014

David Sheerr

2009	20,000	0	1.28	4/15/2014
2010(2)	0	50,000	2.57	9/24/2014

(1) Option awards granted to Mr. Freeman when he was a non-employee director of the Company.

(2) Options granted in fiscal 2010 to Mr. Freeman were ten year options.

The first 90,000 shares become exercisable on September 24, 2010 and options to purchase an additional 90,000 shares become exercisable on September 24, 2011. Options granted in fiscal 2010 to Messrs. Maddocks and Duncan are ten year options; for each of Messrs. Maddocks and Duncan, options to purchase 40,000 shares become exercisable one year after the date of grant, with options to purchase an additional 30,000 shares becoming exercisable on the second and third anniversaries of the date of grant. Options granted to Messrs. Lougee and Sheerr are five year options exercisable one year after the grant date. All options granted are at an exercise price equal to the closing market price of the Company's common stock on the date of grant.

Option Exercises

On December 2, 2009 an option granted on September 27, 2007 to purchase 8,000 shares at the exercise price of \$3.33 per share, was exercised. On December 22, 2009 an option granted on September 25, 2008 to purchase 24,000 shares at the exercise price of \$1.99 per share, was exercised. There were no stock option exercises by named executive officers during the fiscal year ended April 30, 2010.

<TABLE>

EQUITY COMPENSATION PLAN INFORMATION AT APRIL 30, 2010

Plan Category	Number of Securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available under equity compensation plans (excluding securities reflected in column (a))
(a)	(b)	(c)	

<S>	<C>	<C>	<C>
Equity compensation plans approved by security holders	1,946,800	\$3.25	12,927

Equity compensation plans not approved by security holders	0	-	0
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Total	1,946,800	\$3.25	12,927
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</TABLE>

EMPLOYMENT AGREEMENTS

On May 7, 2008, the Company's Board of Directors appointed John H. Freeman to the position of President and Chief Executive Officer of the Company. The Board of Directors agreed to hire Mr. Freeman as President and Chief Executive Officer for a term of one year, with automatic renewal terms of one year each. Mr. Freeman's base salary is \$275,000 annually. He is eligible biannually for a bonus of up to 50% of his base salary, as determined by a review of the Company's Compensation Committee, and also for a year-end bonus at the conclusion of the fiscal year if his performance exceeds expectations. Mr. Freeman receives three weeks paid vacation and is entitled to participate in any of the Company's present and future life insurance, disability insurance, health insurance, pension retirement and similar plans as well.

The Board of Directors hired Mr. Freeman based on the agreement that he accepts certain non-solicitation, non-competition and non-disparagement restrictions.

Mark E. Maddocks and Jeffrey H. Duncan entered into similar Employment Agreements with the Company as of February 1, 2005. Each agreement continues on a year to year basis until terminated by the Company on thirty (30) days notice before April 30th of each year. The current base compensation under these agreements for Mr. Maddocks is \$201,424, and for Mr. Duncan is \$199,032, which are subject to annual review by the Board of Directors. In addition, executives will receive a bonus based upon a formula which shall be reviewed and approved annually by the Board of Directors. The Employment Agreements may be terminated by the Company for cause and expire upon the death or six months after the onset of the disability of the executive. In the event of termination or non-renewal, the executive is entitled to one year's base salary at the current rate plus a pro rata bonus for the current year. The Employment Agreements contain terms concerning confidentiality, post-employment restrictions on competition and non-solicitation of Company employees.

David Sheerr entered into an Employment Agreement with the Company as of March 31, 2009. The agreement has an initial term of four years and continues on a year to year basis thereafter until terminated by the Company on thirty (30) days notice before April 30th of each year. The current base compensation under the agreements for Mr. Sheerr is \$200,000, which is subject to annual review by the Board of Directors. In addition the executive will receive a bonus based upon a formula based upon the operating performance of the Company's Micro Memory Bank business unit. The Employment Agreement may be terminated by the Company for cause and expires upon the death or six months after the onset of the disability of the executive. In the event of termination or non-renewal, the executive is entitled to one year's base salary at the current rate plus a pro rata bonus for the current year. The Employment Agreement contains terms concerning confidentiality, post-employment restrictions on competition and non-solicitation of Company employees.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Securities and Exchange Commission rules regarding disclosure of executive compensation require proxy statement disclosure of specified information regarding certain relationships of members of the Company's Board of Directors with the Company or certain other entities. None of the members of the Corporation's Board of Directors has a relationship requiring such disclosure.

RATIFICATION OF THE SELECTION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Audit Committee of the Board of Directors has selected J.H. Cohn LLP as the independent certified public accountants to the Company for the fiscal year ending April 30, 2011. The holders of Common Stock are asked to ratify this selection. J.H. Cohn LLP has served the Company in this capacity since October of 2005. If the shareholders fail to ratify this selection of J.H. Cohn LLP, the Audit Committee will reconsider its action in light of the shareholder vote.

The Company has been advised by J.H. Cohn LLP that representatives of that firm are expected to be present at the Annual Meeting of Shareholders. These representatives will have the opportunity to make a statement, if they so desire, and will also be available to respond to appropriate questions from shareholders.

PRINCIPAL ACCOUNTANTS FEES AND SERVICES

The following table sets forth the aggregate fees billed to the Company for the last two fiscal years by the Company's independent accounting firm J.H. Cohn LLP for professional services:

	2010	2009
Audit fees	\$ 140,000	\$ 116,200
Audit related fees (1)	13,500	16,000
Tax fees (2)	17,500	14,300
All other fees (3)	3,450	4,600
Total fees	\$ 174,450	\$151,100

(1) Consists principally of the audit of the financial statements of the Company's employee benefit plan.

(2) Consists principally of fees for tax consultation and tax compliance services, including foreign jurisdictions.

(3) In fiscal 2010 consists principally of Securities and Exchange Commission reporting related consultations. In fiscal 2009 consists principally of acquisition related consultations.

All non-audit fees of an auditor must be pre-approved by the Audit Committee of the Board of Directors unless the amount is less than 5% of the amount of revenues to the auditor in the previous fiscal year or was not regarded as a non-audit fee at the time it was contracted for. In either event, the fee must be submitted to the Audit Committee for its approval before the completion of the audit. In the previous fiscal year, all Audit Related Fees, all Tax Fees and all Other Fees were pre-approved by the Audit Committee pursuant to this policy.

REPORT OF THE AUDIT COMMITTEE

Pre-approval by the Audit Committee of all non-audit services performed by the Company's independent accountants is now required by law. Where urgent action is required, the Chairman of the Committee may give this approval subject to confirmation of this decision by the full Committee at its next meeting.

The Audit Committee has reviewed and discussed the Company's audited financial statements for the fiscal year ended April 30, 2010 with management.

The Audit Committee has discussed with J.H. Cohn LLP the matters required to be discussed in 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 received the written disclosures and the letter from J.H. Cohn LLP required by Independence Standards Board Standard No. 1 ("Independence Standards Board Standard No 1., Independence Discussion with Audit Committee, as adopted by the Public Company Accounting Oversight Board in Rule 3200T), as amended, and has discussed with J.H. Cohn LLP that firm's independence from the Company.

Based on the review and discussions referred to above in this report,

the Audit Committee recommended to the Company's Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2010 for filing with the Securities and Exchange Commission.

Thomas A. Majewski, Chairman
Roger C. Cady
Rose Ann Giordano

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" RATIFICATION OF THE SELECTION OF INDEPENDENT ACCOUNTANTS, AND, UNLESS A SHAREHOLDER GIVES INSTRUCTIONS ON THE PROXY CARD TO THE CONTRARY, THE APPOINTEES NAMED THEREON INTEND SO TO VOTE.

APPROVAL OF DATARAM CORPORATION 2010 STOCK OPTION PLAN

GENERAL

In 2001, our Board of Directors adopted the Dataram Corporation 2001 Stock Option Plan (as amended, the "2001 Plan"). The 2001 Plan allowed the grant of a total of 1,800,000 shares of Common Stock pursuant to stock options. As of July 31, 2010, options for 12,927 shares that were authorized for grant under the 2001 Plan remain available for grant.

The Board of Directors, acting on the recommendation of the Compensation Committee, unanimously adopted the 2010 Dataram Corporation Stock Option Plan (the 2010 Plan"). This adoption is subject to the approval of shareholders at the Annual Meeting. The Board of Directors recommends shareholder approval of the 2010 Plan.

Under the 2010 Plan options to purchase up to 900,000 shares of common stock may be granted by the Corporation to officers, employees, outside directors and consultants to the Company.

The Board of Directors believes that, to attract and retain officers and employees of the highest caliber, provide increased incentive for such persons to strive to attain Dataram's long-term goal of increasing shareholder value, and to continue to promote the well-being of the Company, it is in the best interests of the Company and its shareholders to provide officers and employees of the Company, as well as outside directors and consultants, through the granting of stock options, the opportunity to participate in the appreciation in value of the Company's Common Stock. The 2001 Plan has been effective in retaining and motivating key employees and attracting and retaining experienced and qualified individuals to work for Dataram. Accordingly, the Board of Directors believes that the proposed increase in the number of shares available for grant under the 2010 Plan is in the best interests of the Company and the shareholders.

This proposal summarizes the essential features of the 2010 Plan. A copy of the 2010 Plan may be obtained by a shareholder without charge by writing to Vice President Finance, Dataram Corporation, P.O. Box 7528, Princeton, New Jersey 08543-7528, or the 2010 Plan may be viewed as an exhibit to the Proxy Statement filed with the Securities and Exchange Commission and available at <http://www.sec.gov>.

DESCRIPTION OF MATERIAL FEATURES OF THE 2010 PLAN

The purpose of the 2010 Plan is to enable us to grant stock options to eligible officers, employees, non-employee directors and consultants at levels we believe will motivate superior performance and help us attract and retain outstanding personnel. We believe that providing our key personnel with stock option incentives will enhance our long-term performance.

The 2010 Plan will become effective upon approval by a majority of the shareholders present and voting. The 2010 Plan provides for the grant of options to purchase a total of up to 900,000 shares of Common Stock (subject to adjustment for certain changes in our capital, as described below under "Changes in Capital").

ADMINISTRATION. The Compensation Committee (the "Committee") has the exclusive discretionary authority to operate, manage and administer the 2010 Plan in accordance with its terms. The Committee's decisions and actions concerning the 2010 Plan are final and conclusive. Within the limitations of the 2010 Plan and applicable laws and rules, the Committee may allocate or delegate its administrative responsibilities and powers under the 2010 Plan, and our Board of Directors is permitted to exercise all of the Committee's powers under the 2010 Plan.

In addition to its other powers under the 2010 Plan described in this summary, the Committee has the following authorities and powers under the 2010 Plan in accordance with its terms:

- o to determine which eligible employees, officers, directors and/or consultants will receive options under the 2010 Plan and the number of shares of Common Stock covered by each such option;
- o to establish, amend, waive and rescind rules, regulations and guidelines for carrying out the 2010 Plan;
- o to establish, administer and waive terms, conditions, performance criteria, restrictions, or forfeiture provisions, or additional terms, under the 2010 Plan, or applicable to options granted under the 2010 Plan;
- o to accelerate the vesting or exercisability of options granted under the 2010 Plan;
- o to offer to buy out outstanding options granted under the 2010 Plan;
- o to determine the form and content of the option agreements which represent options granted under the 2010 Plan;
- o to interpret the 2010 Plan and option agreements;
- o to correct any errors, supply any omissions and reconcile any inconsistencies in the 2010 Plan and/or any option agreements; and
- o to take any actions necessary or advisable to operate and administer the 2010 Plan.

Currently, the Committee consists of Messrs. Cady and Majewski, and Ms. Giordano, each of whom is a director, but not an employee, of Dataram.

SHARES SUBJECT TO THE 2010 PLAN; LIMITATIONS ON GRANTS OF OPTIONS. If this proposal is approved by the shareholders, a total of 900,000 shares of Common Stock would be available for delivery upon exercise of options granted under the 2010 Plan, subject to adjustment for certain changes in our capital (described below under "Changes in Capital"). The shares of Common Stock that may be delivered under the 2010 Plan consist of either authorized and unissued shares (which will not be subject to preemptive rights) or previously issued shares that we have reacquired and hold as treasury shares. In addition, shares of Common Stock covered by options that terminate or are canceled before being exercised under the 2010 Plan would be available for future option grants under the 2010 Plan. If any person exercises an option under the 2010 Plan by paying the exercise price with shares of Common Stock which such person already owns, only the number of shares in excess of the shares so paid by such person will count against the total number of shares that may be delivered under the 2010 Plan. "Incentive Stock Options" (as described below under "Terms of Options--Types of Options") covering no more than a total of 900,000 shares of Common Stock may be granted under the 2010 Plan.

PARTICIPATION. The Committee may grant options under the 2010 Plan to our officers, employees, non-employee directors and consultants, as well as those of our affiliates. Our affiliates, for purposes of the 2010 Plan, are generally entities in which we have, directly or indirectly, greater than 50 percent ownership interest, or which have a more than 50 percent direct or indirect ownership interest in us, or any other entity in which we have a material equity interest that the Committee designates as an affiliate for purposes of the 2010 Plan. Only employees of Dataram and its subsidiaries

(as defined in the 2010 Plan) are eligible to receive "incentive stock options" under the 2010 Plan, however.

All of our employees (currently approximately one hundred thirteen in number), including all of our executive officers (five in number, and three non-employee directors), are eligible to receive options under the 2010 Plan. As of July 30, 2010 (the last date as of which complete data are available), outstanding options both under the 2001 Plan, the prior stock option plan adopted in 1992 (the "1992 Plan") and outside of either the 2001 Plan or the 1992 Plan are held by the following named individuals and groups.

Name and Position -----	Stock Options (Number of Shares) -----
All current executive officers as a group	
John H. Freeman President and Chief Executive Officer	352,000 (1)
Mark E. Maddocks Vice President Finance and Chief Financial Officer	158,800
Jeffrey H. Duncan Vice President of Manufacturing and Engineering	157,000
Anthony M. Lougee Controller and Chief Accounting Officer	26,875
David S. Sheerr General Manager Micro Memory Bank	70,000 -----
Total current executive officers as a group	764,675

(1) Includes 22,000 option awards granted to Mr. Freeman when he was a non-employee director of the Company.

All current directors who are not executive officers as a group	Stock Options (Number of Shares) -----
Roger C. Cady	84,000
Rose Ann Giordano	78,000
Thomas A. Majewski	104,000
Total current directors who are not executive officers as a group	266,000

Stock Options (Number of Shares)

Total all other employees as a group 906,125

The individuals to whom additional options will be granted under the 2010 Plan, and the amounts of such individual grants, have not been determined, but it is anticipated that, among others, all of our present executive officers, including the individuals named in the Compensation Table, will receive additional options under the 2010 Plan.

TERMS OF OPTIONS.

TYPES OF OPTIONS. Additional options to be granted under the 2010 Plan will be either "incentive stock options," which are intended to receive special tax treatment under the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), or options other than incentive stock options (referred to as "non-qualified options"), as determined by the Committee and stated in the applicable option agreement.

OPTION PRICE. The Committee determines the option exercise price of

each option granted under the 2010 Plan at the time of grant. However, the per-share exercise price of an "incentive stock option" granted under the 2010 Plan must be at least equal to 100 percent of the fair market value of Common Stock (as defined in the 2010 Plan) on the date such incentive stock option is granted. On August 10, 2010, the fair market value of a share of Common Stock was \$1.80.

PAYMENT. The option exercise price of any options granted under the 2010 Plan may be paid in any legal manner prescribed by the Committee. The method of payment includes a "cashless exercise" program if the Committee elects to establish such a program, or use of shares of Common Stock already owned for at least six months by the person exercising an option, subject in any case to whatever conditions or limitations the Committee may prescribe. Any cash proceeds that we receive upon the exercise of options granted under the 2010 Plan constitute general funds of Dataram.

EXERCISE OF OPTIONS. The Committee determines, as set forth in the applicable option agreements, the times or conditions upon which options granted under the 2010 Plan may be exercised, and any events that will cause such options to terminate. Each option granted under the 2010 Plan will expire on or before ten years following the date such option was granted. In general, options granted under the 2010 Plan also terminate when the recipient's service as a director, employee or consultant of Dataram or its affiliates terminates; however, the Committee may permit an option that has not otherwise expired to be exercised after such a termination of service as to all or part of the shares covered by such option.

TRANSFERABILITY OF OPTIONS. Options granted under the 2010 Plan are, in general, only exercisable during the lifetime of the recipient by him or her. A deceased recipient's options are, however, transferable by will or the laws of descent and distribution or to a designated beneficiary of such recipient. The Committee may permit the recipient of a non-qualified option under the 2010 Plan to transfer such option during his or her lifetime, subject to such terms and conditions as the Committee may prescribe.

CHANGES IN CAPITAL. In order to preserve the benefits or potential benefits intended to be made available under the 2010 Plan or outstanding options, or as otherwise necessary, the Committee may, in its discretion, make appropriate adjustments in (a) the number, class and kind of shares available under the 2010 Plan, (b) the limit on the number of shares of Common Stock that can be subject to options granted to a single recipient during a 12-month period, and (c) the number, class, kind and price of shares under each outstanding option, in the event of changes in our outstanding common stock resulting from certain changes in our corporate structure or capitalization, such as the payment of a stock dividend, a stock split, a recapitalization, reorganization, merger or consolidation (whether or not Dataram is the surviving corporation), a spin-off, liquidation or other substantial distribution of assets or the issuance of our stock for less than full consideration, or rights or convertible securities with respect to our stock.

In the event of a "change in control" of Dataram (as defined in the 2010 Plan), all options then outstanding under the 2010 Plan will be accelerated and become immediately exercisable in full. The 2010 Plan gives the Committee discretion, in the event of such a change in control transaction, to substitute for shares of Common Stock subject to options outstanding under the 2010 Plan shares or other securities of the surviving or successor corporation, or another corporate party to the transaction, with approximately the same value, or to cash out outstanding options based upon the highest value of the consideration received for Common Stock in such transaction, or, if higher, the highest fair market value of Common Stock during the 30 business days immediately prior to the closing or expiration date of such transaction, reduced by the option exercise price of the options cashed out. The Committee may also provide that any options subject to any such acceleration, adjustment or conversion cannot be exercised after such a change in control transaction. If such a change in control transaction disqualifies an employee's incentive stock options from favorable "incentive stock option" tax treatment under the Internal Revenue Code or results in the imposition of certain additional taxes on such an employee, we may, in the Committee's discretion, make a cash payment that would leave such an employee in the same after-tax position that he or she would have been in had such disqualification not occurred, or to otherwise equalize such employee for such taxes.

TAX WITHHOLDING OBLIGATIONS. Recipients who exercise their options under the 2010 Plan are required to pay, or make other satisfactory arrangements to pay, tax withholding obligations arising under applicable law with respect to such options. Such taxes must be paid in cash by a recipient, or, if the Committee permits, a recipient may elect to satisfy all or a part of such tax obligations by requesting that we withhold shares otherwise deliverable upon the exercise of his or her option and/or by tendering shares of Common Stock already owned by such recipient for at least six months. We may also, in accordance with applicable law, deduct any such taxes from amounts that are otherwise due to such a recipient.

AMENDMENT AND TERMINATION OF THE 2010 PLAN. Our Board of Directors may amend, alter, suspend or terminate the 2010 Plan. However, the Board of Directors will be required to obtain approval of the shareholders, if such approval is required by any applicable law (including requirements relating to incentive stock options) or rule, of any amendment of the 2010 Plan that would:

- o except in the event of certain changes in our capital (as described above under "Changes in Capital"), increase the number of shares of Common Stock that may be delivered under the 2010 Plan, or that may be subject to options granted to a single recipient in a 12-month period;
- o except to adjust for any stock dividend, stock split, share combination, extraordinary cash dividend, recapitalization, reorganization, or similar event, reduce the exercise price of any outstanding Option or grant any new Option in substitution for or upon the cancellation of Options previously granted;
- o decrease the minimum option exercise price required by the 2010 Plan;
- o change the class of persons eligible to receive options under the 2010 Plan; or
- o extend the duration of the 2010 Plan or the exercise period of any options granted under the 2010 Plan.

The Committee may amend outstanding options. However, no such amendment or termination of the 2010 Plan or amendment of outstanding options may materially impair the previously accrued rights of any recipient of an option under the 2010 Plan without his or her written consent.

The 2010 Plan will terminate on September 22, 2020, unless the 2010 Plan is terminated earlier by our Board of Directors or due to delivery of all shares of Common Stock available under the 2010 Plan; however, any options outstanding when the 2010 Plan terminates will remain outstanding until such option terminates or expires.

CERTAIN FEDERAL INCOME TAX CONSEQUENCES. The following is a brief summary of certain significant United States Federal income tax consequences, under the Internal Revenue Code, as in effect on the date of this summary, applicable to Dataram and recipients of options under the 2010 Plan (who are referred to in this summary as "optionees") in connection with the grant and exercise of options under the 2010 Plan. This summary is not intended to be exhaustive, and, among other things, does not describe state, local or foreign tax consequences, or the effect of gift, estate or inheritance taxes. References to "Dataram" and "us" in this summary of tax consequences mean Dataram Corporation or any affiliate of Dataram Corporation that employs an optionee, as the case may be.

The grant of stock options under the 2010 Plan will not result in taxable income to optionees or an income tax deduction for us. However, the transfer of Common Stock to optionees upon exercise of their options may or may not give rise to taxable income to the optionees and tax deductions for us, depending upon whether the options are "incentive stock options" or non-qualified options.

The exercise of a non-qualified option generally results in immediate recognition of ordinary income by the optionee and a corresponding tax

deduction for us in the amount by which the fair market value of the shares of Common Stock purchased, on the date of such exercise, exceeds the aggregate option price. Any appreciation or depreciation in the fair market value of such shares after the date of such exercise will generally result in a capital gain or loss to the optionee at the time he or she disposes of such shares.

In general, the exercise of an incentive stock option is exempt from income tax (although not from the alternative minimum tax) and does not result in a tax deduction for us at any time unless the optionee disposes of the common stock purchased thereby within two years of the date such incentive stock option was granted or one year of the date of such exercise (known as a "disqualifying disposition"). If these holding period requirements under the Internal Revenue Code are satisfied, and if the optionee has been an employee of us at all times from the date of grant of the incentive stock option to the day three months before such exercise (or twelve months in the case of termination of employment due to disability), then such optionee will recognize any gain or loss upon disposition of such shares as capital gain or loss. However, if the optionee makes a disqualifying disposition of any such shares, he or she will generally be obligated to report as ordinary income for the year in which such disposition occurs the excess, with certain adjustments, of the fair market value of the shares disposed of, on the date the incentive stock option was exercised, over the option price paid for such shares. We would be entitled to a tax deduction in the same amount so reported by such optionee. Any additional gain realized by such optionee on such a disqualifying disposition of such shares would be capital gain. If the total amount realized in a disqualifying disposition is less than the exercise price of the incentive stock option, the difference would be a capital loss for the optionee.

Under Section 162(m) of the Internal Revenue Code, we may be limited as to Federal income tax deductions to the extent that total annual compensation in excess of \$1 million is paid to our Chief Executive Officer or any one of our other four highest paid executive officers who are employed by us on the last day of our taxable year. However, certain "performance-based compensation" the material terms of which are disclosed to and approved by our shareholders is not subject to this deduction limitation. We have structured the 2010 Plan with the intention that compensation resulting from options granted under the 2010 Plan will be qualified performance-based compensation and, assuming shareholder approval of the 2010 Plan, deductible without regard to the limitations otherwise imposed by Section 162(m) of the Internal Revenue Code.

Under certain circumstances, accelerated vesting or exercise of options under the 2010 Plan in connection with a "change in control" of Dataram might be deemed an "excess parachute payment" for purposes of the golden parachute payment provisions of Section 280G of the Internal Revenue Code. To the extent it is so considered, the optionee would be subject to an excise tax equal to 20 percent of the amount of the excess parachute payment, and we would be denied a tax deduction for the excess parachute payment.

THE BOARD OF DIRECTORS RECOMMENDS THAT THE SHAREHOLDERS VOTE "FOR" THE FOREGOING PROPOSAL, AND, UNLESS A SHAREHOLDER GIVES INSTRUCTIONS ON THE PROXY CARD TO THE CONTRARY, THE APPOINTEES NAMED THEREON INTEND SO TO VOTE.

OTHER MATTERS

Should any other matter or business be brought before the meeting, a vote may be cast pursuant to the accompanying proxy in accordance with the judgment of the proxy holder. The Company does not know of any such other matter or business.

PROPOSALS OF SECURITY HOLDERS AT 2011 ANNUAL MEETING

Any shareholder wishing to present a proposal which is intended to be presented at the 2011 Annual Meeting of Shareholders should submit such proposal to the Company at its principal executive offices no later than April 15, 2011. It is suggested that any proposals be sent by certified mail, return receipt requested.

BOARD OF DIRECTORS

The Board of Directors has a process for shareholders to communicate with directors. Shareholders should write to the President at the Company's mailing address and specifically request that a copy of the letter be distributed to a particular board member or to all board members. Where no such specific request is made, the letter will be distributed to board members if material, in the judgment of the President, to matters on the Board's agenda.

The Board of Directors of the Company met six times during the last fiscal year. It is the policy of the board that all members will attend the Annual Meeting of Shareholders and all members of the board attended last year's meeting.

The Board of Directors has a standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, whose members are Roger C. Cady, Thomas A. Majewski and Rose Ann Giordano. This Committee met five times during the last fiscal year. The principal functions of the Audit Committee are evaluation of work of the auditors, review of the accounting principles used in preparing the annual financial statements, review of internal controls and procedures and approval of all audit and non-audit services of the auditor. The Company's Board of Directors has adopted a written charter for the Audit Committee which may be viewed at the Company's website, www.dataram.com. Each member of the Audit Committee is "independent" within the meaning of the NASDAQ listing standards. The Board of Directors has determined that Mr. Majewski is a "financial expert" within the meaning of those standards and an "audit committee financial expert" within the meaning of Item 401(h) of SEC Regulation S-K and is "independent" as that term is used in Item 7(d)(3)(iv) of Schedule 14A of the Proxy Rules.

The Board of Directors has a standing Compensation Committee whose members are Roger C. Cady, Thomas A. Majewski and Rose Ann Giordano, all of whom are "independent" within the meaning of the NASDAQ listing standards. This committee relies upon the advice of the Company's chief executive officer who makes recommendations both concerning director compensation and the compensation of other executive officers. This Committee met five times during the past fiscal year. The principal functions of the Compensation Committee are to recommend to the Board of Directors the compensation of directors and the executive officers and to establish and administer various compensation plans, including the stock option plan. The Compensation Committee does not have a written charter.

The Board of Directors has a standing Nominating Committee whose members are Roger C. Cady, Thomas A. Majewski and Rose Ann Giordano, all of whom are "independent" within the meaning of the NASDAQ listing standards. This Committee met once during the past fiscal year. The principal function of this Committee is the recommendation to the Board of Directors of new members of the Board of Directors. The members of the Nominating Committee are "independent" within the meaning of the NASDAQ listing standards. The Board of Directors has adopted a charter for the Nominating Committee, which may be viewed at the Company's website, www.dataram.com. In addition, the Nominating Committee also considers diversity with respect to viewpoint, skills and experience in determining the appropriate composition of the Board and identifying Director nominees. The Board is committed to following the Company's policy of non-discrimination based on gender, race, age, religion or national origin. The Board believes that its policies are effective in identifying and enlisting candidates that will best fulfill the Board's and the Company's needs at the time of the search. In years in which the Board considers that the selection of a new director would be desirable, the Nominating Committee solicits recommendations from the directors and the executive officers. The Nominating Committee will also consider recommendations made by shareholders. From these recommendations, the committee selects a small group to be interviewed. The Nominating Committee then makes a recommendation to the full board. Shareholders desiring to make such recommendations should write directly to the Committee at the Company's executive offices at P.O. Box 7528, Princeton, New Jersey 08543-7528.

DIRECTORS COMPENSATION

The following table sets forth information concerning non-employee

director compensation during the fiscal year ended April 30, 2010:

Name	Fees Earned(1)	Option Awards(2)	All Other	Total
Roger C. Cady	\$24,000	\$82,500	0	\$106,500
Thomas A. Majewski	\$24,000	\$33,000	0	\$ 57,000
Rose Ann Giordano	\$24,000	\$33,000	0	\$ 57,000

(1) All directors' fees, except for option awards, are paid in cash in the year earned.

(2) As determined in accordance with FASB ASC Topic 718 (see assumptions in Summary Compensation Table).

Directors who are not employees of the Company received a quarterly payment of \$6,000. During fiscal 2010, Roger Cady received ten year options to purchase 60,000 shares of the Common Stock of the Company at \$2.57, the closing market value of the Common Stock at the date of grant. Options to purchase 30,000 shares become exercisable on September 24, 2010, one year from the date of grant, with options to purchase the remaining 30,000 shares becoming exercisable on September 24, 2011, the second anniversary of the date of grant. During fiscal 2010, Thomas Majewski and Rose Ann Giordano each received ten year options to purchase 40,000 shares of the Common Stock of the Company at \$2.57, the closing market value of the Common Stock at the date of grant. For each of Mr. Majewski and Ms. Giordano, options to purchase 20,000 shares become exercisable on September 24, 2010, one year from the date of grant, with options to purchase the remaining 20,000 shares becoming exercisable on September 24, 2011, the second anniversary of the date of grant.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Securities and Exchange Commission requires that the Company report to shareholders the compliance of directors, executive officers and 10% beneficial owners with Section 16(a) of the Securities Exchange Act of 1934, as amended. This provision requires that such persons report on a current basis most acquisitions or dispositions of the Company's securities. Based upon information submitted to the Company, all directors, executive officers and 10% beneficial owners have fully complied with such requirements during the past fiscal year, except that David Sheerr was hired by the Company as General Manager of the Micro Memory Bank unit of the Company on March 31, 2010 and filed a Form 3 on December 11, 2009, nine days after being formally designated as an executive officer of the Company by the Board of Directors.

MISCELLANEOUS

The accompanying proxy is being solicited on behalf of the Board of Directors of the Company. The expense of preparing, printing and mailing the form of proxy, including broker solicitation fees and accountants' and attorneys' fees in connection therewith, will be borne by the Company. The amount is expected to be the amount normally expended for a solicitation for an election of directors in the absence of a contest and costs represented by salaries and wages of regular employees and officers. Solicitation of proxies will be made by mail, but regular employees may solicit proxies by telephone or otherwise.

Please date, sign and return the accompanying proxy at your earliest convenience. No postage is required for mailing in the United States.

Financial information concerning the Company is set forth in the Company's 2010 Annual Report to Security Holders, which is enclosed.

By Order of the Board of Directors

THOMAS J. BITAR,
Secretary

ANNUAL REPORT ON FORM 10-K

Upon the written request of a shareholder, the Company will provide, without charge, a copy of its Annual Report on Form 10-K for the year ended April 30, 2010, including the financial statements and schedules and documents incorporated by reference therein but without exhibits thereto, as filed with the Securities and Exchange Commission. The Company will furnish any exhibit to the Annual Report on Form 10-K to any shareholder upon request and upon payment of a fee equal to the Company's reasonable expenses in furnishing such exhibit. All requests for the Annual Report on Form 10-K or its exhibits should be addressed to Vice President - Finance, Dataram Corporation, P.O. Box 7528, Princeton, New Jersey 08543-7528.

DATARAM CORPORATION
P.O. Box 7528, Princeton, New Jersey 08543-7528

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL: The Notice of Meeting, proxy statement and annual report are available at www.dataram.com

PROXY SOLICITED ON BEHALF OF THE COMPANY'S BOARD OF DIRECTORS

The undersigned hereby appoints and constitutes John H. Freeman and Thomas J. Bitar, and each of them, attorneys and proxies for the undersigned, with full power of substitution to vote as if the undersigned were personally present at the Annual Meeting of the Shareholders of Dataram Corporation (the "Company") to be held at the Company's corporate headquarters at 186 Princeton Road (Route 571), West Windsor, New Jersey, on Thursday, September 23, 2010 at 11 o'clock in the morning and at all adjournments thereof, the shares of stock of said Company registered in the name of the undersigned. The undersigned instructs all such proxies to vote such shares as follows upon the following matters, which are described more fully in the accompanying proxy statement:

I authorize and instruct my Proxy to:

1. VOTE FOR ___ all nominees for the Company's Board of Directors listed below; except that I WITHHOLD AUTHORITY for the following nominees (if any)

Roger C. Cady ___ John H. Freeman ___ Rose Ann Giordano ___ Thomas A. Majewski ___

VOTE WITHHELD ___ from all nominees.

2. VOTE FOR ___ AGAINST ___ ABSTAIN ___ ratification of the selection of J.H. Cohn, LLP to be the independent auditors of the Company for the fiscal year ending April 30, 2011.

3. VOTE FOR ___ AGAINST ___ ABSTAIN ___ approval of the Dataram Corporation 2010 Stock Option Plan.

4. In their discretion, to vote upon such other business as may properly come before the meeting and all adjournments thereof. This proxy when properly executed will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this proxy will be voted for Proposals 1, 2 and 3.

Please sign exactly as name appears below. When shares are held by joint tenants, both should sign. When signing as attorney, as executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

Signature

Signature if held jointly

Dated 2010

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY
CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

DATARAM CORPORATION
2010 STOCK OPTION PLAN

1. **PURPOSES.** The purposes of the Dataram Corporation 2010 Stock Option Plan are to give officers and other employees, consultants and non-employee directors of the Company and its Affiliates an opportunity to acquire shares of Stock, to provide an incentive for such employees, consultants and directors to continue to promote the best interests of the Company and its Affiliates and enhance its long-term performance and to provide an incentive for such employees, consultants and directors to join or remain with the Company and its Affiliates. Toward these objectives, the Committee may grant Options to such employees, directors and consultants, all pursuant to the terms and conditions of the Plan.

2. **DEFINITIONS.** As used in the Plan, the following capitalized terms shall have the meanings set forth below:

(a) **"ADJUSTMENT EVENT"** - any dividend payable in capital stock, stock split, share combination, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares or other similar event affecting the Stock.

(b) **"AFFILIATE"** - other than the Company, (i) any corporation or limited liability company in an unbroken chain of corporations or limited liability companies ending with the Company if each corporation or limited liability company owns stock or membership interests (as applicable) possessing more than fifty percent (50%) of the total combined voting power of all classes of stock in one of the other corporations or limited liability companies in such chain; (ii) any corporation, trade or business (including, without limitation, a partnership or limited liability company) which is more than fifty percent (50%) controlled (whether by ownership of stock, assets or an equivalent ownership interest or voting interest) by the Company or one of its Affiliates; or (iii) any other entity, approved by the Committee as an Affiliate under the Plan, in which the Company or any of its Affiliates has a material equity interest.

(c) **"AGREEMENT"** - a written stock option award agreement evidencing an Option, as described in Section 3(e).

(d) **"BENEFICIAL OWNERSHIP"** - (including correlative terms) shall have the same meaning given such term in Rule 13d-3 promulgated under the Exchange Act.

(e) **"BOARD"** - the Board of Directors of the Company.

(f) **"CHANGE IN CONTROL"** - the occurrence of any of the following:

(i) an acquisition in one transaction or a series of related transactions (other than directly from the Company or pursuant to Options granted under the Plan or other similar awards granted by the Company) of any Voting Securities by any Person, immediately after which such Person has Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the Company's then outstanding Voting Securities; PROVIDED, HOWEVER, in determining whether a Change in Control has occurred pursuant to this Section 2(f), Voting Securities which are acquired in a Non-Control Acquisition shall not constitute an acquisition that would cause a Change in Control;

(ii) the individuals who, immediately prior to the Effective Date, are members of the Board (the "INCUMBENT BOARD"), cease for any reason to constitute at least a majority of the members of the Board; PROVIDED, HOWEVER, that if the election, or nomination for election, by the Company's common stockholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, such new director shall, for purposes of the Plan, be considered as a member of the Incumbent Board; PROVIDED FURTHER, HOWEVER, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person

other than the Board (a "PROXY CONTEST") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(iii) the consummation of:

(A) a merger, consolidation or reorganization involving the Company UNLESS:

(1) the stockholders of the Company, immediately before such merger, consolidation or reorganization, own, directly or indirectly, immediately following such merger, consolidation or reorganization, more than fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from such merger or consolidation or reorganization (the "SURVIVING CORPORATION") in substantially the same proportion as their ownership of the voting Securities immediately before such merger, consolidation or reorganization,

(2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization constitute at least a majority of the members of the board of directors of the Surviving Corporation, or a corporation Beneficially Owning, directly or indirectly, a majority of the voting securities of the Surviving Corporation, and

(3) no Person, OTHER THAN (i) the Company, (ii) any Related Entity (as defined in Section 2(p)), (iii) any employee benefit plan (or any trust forming a part thereof) that, immediately prior to such merger, consolidation or reorganization, was maintained by the Company, the Surviving Corporation, or any Related Entity or (iv) any Person who, together with its Affiliates, immediately prior to such merger, consolidation or reorganization had Beneficial Ownership of fifty percent (50%) or more of the then outstanding Voting Securities, owns, together with its Affiliates, Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities

(a transaction described in clauses (1) through (3) above is referred to herein as a "NON-CONTROL TRANSACTION");

(B) a complete liquidation or dissolution of the Company; or

(C) an agreement for the sale or other disposition of all or substantially all of the assets or business of the Company to any Person (other than a transfer to a Related Entity or the distribution to the Company's stockholders of the stock of a Related Entity or any other assets). Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "SUBJECT PERSON") acquired Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the then outstanding Voting Securities as a result of the acquisition of Voting Securities by the Company which, by reducing the number of Voting Securities then outstanding, increases the proportional number of shares Beneficially Owned by the Subject Persons, PROVIDED that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Voting Securities by the Company, and (1) before such share acquisition by the Company the Subject Person becomes the Beneficial Owner of any new or additional Voting Securities in a related transaction or (2) after such share acquisition by the Company the Subject Person becomes the Beneficial Owner of any new or additional Voting Securities which in either case increases the percentage of the then outstanding Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall be deemed to occur. Solely for purposes of this Section 2(f), (x) "Affiliate" shall mean, with respect to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with, such Person; (y) any "Relative" (for this purpose, "Relative" means a spouse, child, parent, parent of spouse, sibling or grandchild) of an individual shall be deemed to be an Affiliate of such individual for this purpose; and (z) neither the Company nor any Person controlled by the Company shall be deemed to be an Affiliate of any holder of Common Stock.

(g) "CODE" - the Internal Revenue Code of 1986, as it may be amended from time to time, including regulations and rules thereunder and successor provisions and regulations and rules thereto.

(h) "COMMITTEE" - the Compensation and Stock Option Committee of the Board, or such other Board committee as may be designated by the Board to administer the Plan.

(i) "COMPANY" - Dataram Corporation, a New Jersey corporation, or any successor entity.

(j) "DISQUALIFIED OPTION" - the meaning given such term in Section 11(d).

(k) "DISQUALIFYING DISPOSITION" - the meaning given such term in Section 11(d).

(l) "EFFECTIVE DATE" - the date on which the Plan is effective, as determined pursuant to Section 19.

(m) "EXCHANGE ACT" - the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(n) "FAIR MARKET VALUE" - of a share of Stock as of a given date shall be: (i) if the Stock is listed or admitted to trading on an established stock exchange (including, for this purpose, the Nasdaq National Market), the closing sale price for a share of Stock on the composite tape or in Nasdaq National Market trading as reported in THE WALL STREET JOURNAL (or, if not so reported, such other nationally recognized reporting source as the Committee shall select) for such date, or, if no such prices are reported for such date, the most recent day for which such prices are available shall be used; (ii) if the Stock is not then listed or admitted to trading on such a stock exchange, the mean of the closing representative bid and asked prices for the Stock on such date as reported by the Nasdaq Small Cap Market or, if not so reported, by the OTC Bulletin Board (or any successor or similar quotation system regularly reporting the market value of the Stock in the over-the-counter market), or, if no such prices are reported for such date, the most recent day for which such prices are available shall be used; or (iii) in the event neither of the valuation methods provided for in clauses (i) and (ii) above are practicable, the fair market value of a share of Stock determined by such other reasonable valuation method as the Committee shall, in its discretion, select and apply in good faith as of the given date; PROVIDED, HOWEVER, that for purposes of Incentive Stock Options, "fair market value" shall be determined subject to Section 422(c)(7) of the Code.

(o) "ISO" or "INCENTIVE STOCK OPTION" - a right to purchase Stock granted to an Optionee under the Plan in accordance with the terms and conditions set forth in Section 6 and which conforms to the applicable provisions of Section 422 of the Code.

(p) "NON-CONTROL ACQUISITION" - an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person of which a majority of its voting power or its voting equity securities or equity interest is owned, directly or indirectly, by the Company (a "RELATED ENTITY"), (ii) the Company or any Related Entity, or (iii) any Person in connection with a Non-Control Transaction.

(q) "NOTICE" - written notice actually received by the Company at its executive offices on the day of such receipt, if received on or before 1:30 p.m., on a day when the Company's executive offices are open for business, or, if received after such time, such notice shall be deemed received on the next such day, which notice may be delivered in person to the Company's Secretary or sent by facsimile to the Company at (732) 271-9686, or sent by certified or registered mail or overnight courier, prepaid, addressed to the Company at 394 Elizabeth Avenue, Somerset, New Jersey 08873, Attention: Secretary.

(r) "OPTION" - a right to purchase Stock granted to an Optionee under the Plan in accordance with the terms and conditions set forth in Section 7. Options may be either ISOs or stock options other than ISOs.

(s) "OPTIONEE" - an individual who is eligible, pursuant to Section 5, and who has been selected pursuant to Section 3(c), to

participate in the Plan, and who holds an outstanding Option granted to such individual under the Plan in accordance with the terms and conditions set forth in Section 7.

(t) "PERSON" - "person" as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act, including, without limitation, any individual, corporation, limited liability company, partnership, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other entity or any group of Persons.

(u) "PLAN" - this Dataram Corporation 2010 Stock Option Plan.

(v) "SECURITIES ACT" - the Securities Act of 1933, as it may be amended from time to time, including the regulations and rules promulgated thereunder and successor provisions and regulations and rules thereto.

(w) "STOCK" - the common stock of the Company, without par value.

(x) "SUBSIDIARY" - any corporation in which the Company owns, directly or indirectly, stock representing 50% or more of the combined voting power of all classes of stock entitled to vote, and any other business organization, regardless of form, in which the Company possesses, directly or indirectly, 50% or more of the total combined equity interests in such organization.

(y) "VOTING SECURITIES" - all the outstanding voting securities of the Company entitled to vote generally in the election of the Board.

3. ADMINISTRATION OF THE PLAN. (a) The Committee shall have exclusive authority to operate, manage and administer the Plan in accordance with its terms and conditions. Notwithstanding the foregoing, in its absolute discretion, the Board may at any time and from time to time exercise any and all rights, duties and responsibilities of the Committee under the Plan, including, but not limited to, establishing procedures to be followed by the Committee, but excluding matters which under any applicable law, regulation or rule, including, without limitation, any exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3, or any successor rule, as the same may be amended from time to time) or Section 162(m) of the Code, are required to be determined in the sole discretion of the Committee. If and to the extent that no Committee exists which has the authority to administer the Plan, the functions of the Committee shall be exercised by the Board.

(b) The Committee shall be appointed from time to time by the Board, and the Committee shall consist of not less than three members of the Board. Appointment of Committee members shall be effective upon their acceptance of such appointment. Committee members may be removed by the Board at any time either with or without cause, and such members may resign at any time by delivering notice thereof to the Board. Any vacancy on the Committee, whether due to action of the Board or any other reason, shall be filled by the Board.

(c) The Committee shall have full authority to grant, pursuant to the terms of the Plan, Options to those individuals who are eligible to receive Options under the Plan. In particular, the Committee shall have discretionary authority, in accordance with the terms of the Plan, to; determine eligibility for participation in the Plan; select, from time to time, from among those eligible, the employees, directors and consultants to whom Options shall be granted under the Plan, which selection may be based upon information furnished to the Committee by the Company's or an Affiliate's management; determine whether an Option shall take the form of an ISO or an Option other than an ISO; determine the number of shares of Stock to be included in any Option and the periods for which Options will be outstanding; establish and administer any terms, conditions, performance criteria, restrictions, limitations, forfeiture, vesting or exercise schedule, and other provisions of or relating to any Option; grant waivers of terms, conditions, restrictions and limitations under the Plan or applicable to any Option, or accelerate the vesting or exercisability of any Option; amend or adjust the terms and conditions of any outstanding Option and/or adjust the number and/or class of shares of Stock subject to any

outstanding Option; at any time and from time to time after the granting of an Option, specify such additional terms, conditions and restrictions with respect to any such Option as may be deemed necessary or appropriate to ensure compliance with any and all applicable laws or rules, including, but not limited to, terms, restrictions and conditions for compliance with applicable securities laws, regarding an Optionee's exercise of Options by tendering shares of Stock or under any "cashless exercise" program established by the Committee, and methods of withholding or providing for the payment of required taxes; offer to buy out an Option previously granted, based on such terms and conditions as the Committee shall establish with and communicate to the Optionee at the time such offer is made; and, to the extent permitted under the applicable Agreement, permit the transfer of an Option or the exercise of an Option by one other than the Optionee who received the grant of such Option (other than any such a transfer or exercise which would cause any ISO to fail to qualify as an "incentive stock option" under Section 422 of the Code).

(d) The Committee shall have all authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan. Without limiting the generality of the foregoing sentence or Section 3(a), and in addition to the powers otherwise expressly designated to the Committee in the Plan, the Committee shall have the exclusive right and discretionary authority to interpret the Plan and the Agreements; construe any ambiguous provision of the Plan and/or the Agreements and decide all questions concerning eligibility for and the amount of Options granted under the Plan. The Committee may establish, amend, waive and/or rescind rules and regulations and administrative guidelines for carrying out the Plan and may correct any errors, supply any omissions or reconcile any inconsistencies in the Plan and/or any Agreement or any other instrument relating to any Options. The Committee shall have the authority to adopt such procedures and subplans and grant Options on such terms and conditions as the Committee determines necessary or appropriate to permit participation in the Plan by individuals otherwise eligible to so participate who are foreign nationals or employed outside of the United States, or otherwise to conform to applicable requirements or practices of jurisdictions outside of the United States; and take any and all such other actions it deems necessary or advisable for the proper operation and/or administration of the Plan. The Committee shall have full discretionary authority in all matters related to the discharge of its responsibilities and the exercise of its authority under the Plan. Decisions and actions by the Committee with respect to the Plan and any Agreement shall be final, conclusive and binding on all persons having or claiming to have any right or interest in or under the Plan and/or any Agreement.

(e) Each Option shall be evidenced by an Agreement, which shall be executed by the Company and the Optionee to whom such Option has been granted, unless the Agreement provides otherwise; two or more Options granted to a single Optionee may, however, be combined in a single Agreement. An Agreement shall not be a precondition to the granting of an Option; no person shall have any rights under any Option, however, unless and until the Optionee to whom the Option shall have been granted (i) shall have executed and delivered to the Company an Agreement or other instrument evidencing the Option, unless such Agreement provides otherwise, and (ii) has otherwise complied with the applicable terms and conditions of the Option. The Committee shall prescribe the form of all Agreements, and, subject to the terms and conditions of the Plan, shall determine the content of all Agreements. Any Agreement may be supplemented or amended in writing from time to time as approved by the Committee; PROVIDED that the terms and conditions of any such Agreement as supplemented or amended are not inconsistent with the provisions of the Plan.

(f) A majority of the members of the entire Committee shall constitute a quorum and the actions of a majority of the members of the Committee in attendance at a meeting at which a quorum is present, or actions by a written instrument signed by all members of the Committee, shall be the actions of the Committee.

(g) The Committee may consult with counsel who may be counsel to the Company. The Committee may, with the approval of the Board, employ such other attorneys and/or consultants, accountants, appraisers, brokers and other persons as it deems necessary or appropriate. In accordance with Section 13, the Committee shall not incur any liability for any action taken in good faith in reliance upon the advice of such counsel

or other persons.

(h) To the maximum extent provided by law and by the Company's Certificate of Incorporation and/or By-Laws, each person who is or shall have been a member of the Committee or of the Board shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by him or her in connection with or resulting from any claim, action, suit or proceeding to which he or she may be made a party or in which he or she may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by him or her in settlement thereof, with the Company's approval, or paid by him or her in satisfaction of any judgment in any such action, suit or proceeding against him or her; provided he or she shall give the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under the Company's Certificate of Incorporation or By-Laws, by contract, as a matter of law, or otherwise.

(i) Except to the extent prohibited by applicable law, including, without limitation, the requirements applicable under Section 162(m) of the Code to any Option intended to be "qualified performance-based compensation," or the requirements for any Option granted to an officer or director to be covered by any exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3, or any successor rule, as the same may be amended from time to time), or the applicable rules of a stock exchange, the Committee may, in its discretion, allocate all or any portion of its responsibilities and powers under this Section 3 to any one or more of its members and/or delegate all or any part of its responsibilities and powers under this Section 3 to any person or persons selected by it; PROVIDED, HOWEVER, that the Committee may not delegate its authority to correct errors, omissions or inconsistencies in the Plan. Any such authority delegated or allocated by the Committee under this paragraph (i) of Section 3 shall be exercised in accordance with the terms and conditions of the Plan and any rules, regulations or administrative guidelines that may from time to time be established by the Committee, and any such allocation or delegation may be revoked by the Committee at any time.

4. SHARES OF STOCK SUBJECT TO THE PLAN. (a) The shares of stock subject to Options granted under the Plan shall be 900,000 shares of Stock. Such shares of Stock subject to the Plan may be either authorized and unissued shares (which will not be subject to preemptive rights) or previously issued shares acquired by the Company or any Subsidiary.

(b) The numbers of shares of Stock specified in this Section 4 shall be adjusted as provided in Section 11.

(c) Any shares of Stock subject to an Option which for any reason expires or is terminated or canceled without having been fully exercised by delivery of shares of Stock may again be granted pursuant to an Option under the Plan, subject to the limitations of this Section 4.

(d) If the option exercise price of an Option granted under the Plan is paid by tendering to the Company shares of Stock already owned by the holder of such option (or such holder and his or her spouse jointly), only the number of shares of Stock issued net of the shares of Stock so tendered shall be deemed delivered for purposes of determining the total number of shares of Stock that may be delivered under the Plan.

(e) Any shares of Stock delivered under the Plan in assumption or substitution of outstanding stock options, or obligations to grant future stock options, under plans or arrangements of an entity other than the Company or an Affiliate in connection with the Company or an Affiliate acquiring such another entity, or an interest in such an entity, or a transaction otherwise described in Section 7(j), shall not reduce the maximum number of shares of Stock available for delivery under the Plan.

5. PROHIBITION AGAINST REPRICING. Except to the extent (i) approved in advance by a majority of the shares of the Company entitled to vote generally in the election of directors or (ii) as a result of any Adjustment Event, the Committee shall not have the power or authority to

reduce, whether through amendment or otherwise, the exercise price of any outstanding Option or to grant any new Option in substitution for or upon the cancellation of Options previously granted.

6. ELIGIBILITY. Executive employees and other employees, including officers, of the Company and the Affiliates, directors (whether or not also employees), and consultants of the Company and the Affiliates, shall be eligible to become Optionees and receive Options in accordance with the terms and conditions of the Plan, subject to the limitations on the granting of ISOs set forth in Section 7(h).

7. TERMS AND CONDITIONS OF STOCK OPTIONS. All Options to purchase Stock granted under the Plan shall be either ISOs or Options other than ISOs. To the extent that any Option does not qualify as an Incentive Stock Option (whether because of its provisions or the time or manner of its exercise or otherwise), such Option, or the portion thereof which does not so qualify, shall constitute a separate Option other than an Incentive Stock Option. Each Option shall be subject to all the applicable provisions of the Plan, including the following terms and conditions, and to such other terms and conditions not inconsistent therewith as the Committee shall determine and which are set forth in the applicable Agreement. Options need not be uniform as to all grants and recipients thereof.

(a) The option exercise price per share of shares of Stock subject to each Option shall be determined by the Committee and stated in the Agreement; PROVIDED, HOWEVER, that, subject to paragraph (h)(iii) and/or (j) of this Section 7, if applicable, such price applicable to any ISO shall not be less than one hundred percent (100%) of the Fair Market Value of a share of Stock at the time that the Option is granted.

(b) Each Option shall be exercisable in whole or in such installments, at such times and under such conditions as may be determined by the Committee, in its discretion in accordance with the Plan, and stated in the Agreement, and, in any event, over a period of time ending not later than ten (10) years from the date such Option was granted, subject to paragraph (h)(iii) of this Section 7.

(c) An Option shall not be exercisable with respect to a fractional share of Stock or the lesser of one hundred (100) shares and the full number of shares of Stock then subject to the Option. No fractional shares of Stock shall be issued upon the exercise of an Option.

(d) Each Option may be exercised by giving Notice to the Company specifying the number of shares of Stock to be purchased, which shall be accompanied by payment in full including applicable taxes, if any, in accordance with Section 10. Payment shall be in any manner permitted by applicable law and prescribed by the Committee, in its discretion, and set forth in the Agreement, including, in the Committee's discretion, and subject to such terms, conditions and limitations as the Committee may prescribe, payment in accordance with a "cashless exercise" arrangement established by the Committee and/or in Stock owned by the Optionee or by the Optionee and his or her spouse jointly and acquired more than six (6) months prior to such tender.

(e) No Optionee or other person shall become the beneficial owner of any shares of Stock subject to an Option, nor have any rights to dividends or other rights of a shareholder with respect to any such shares until he or she has exercised his or her Option in accordance with the provisions of the Plan and the applicable Agreement.

(f) An Option may be exercised only if at all times during the period beginning with the date of the granting of the Option and ending on the date of such exercise, the Optionee was an employee, director or consultant of the Company or an Affiliate, as applicable. Notwithstanding the preceding sentence, the Committee may determine in its discretion that an Option may be exercised prior to expiration of such Option following termination of such continuous employment, directorship or consultancy, whether or not exercisable at the time of such termination, to the extent provided in the applicable Agreement.

(g) Subject to the terms and conditions and within the limitations of the Plan, the Committee may modify, extend or renew outstanding Options granted under the Plan, or accept the surrender of

outstanding Options (up to the extent not theretofore exercised) and authorize the granting of new Options in substitution therefore (to the extent not theretofore exercised).

(h) (i) Each Agreement relating to an Option shall state whether such Option will or will not be treated as an ISO. No ISO shall be granted unless such Option, when granted, qualifies as an "incentive stock option" under Section 422 of the Code. No ISO shall be granted to any individual otherwise eligible to participate in the Plan who is not an employee of the Company or a Subsidiary on the date of granting of such Option. Any ISO granted under the Plan shall contain such terms and conditions, consistent with the Plan, as the Committee may determine to be necessary to qualify such Option as an "incentive stock option" under Section 422 of the Code. Any ISO granted under the Plan may be modified by the Committee to disqualify such Option from treatment as an "incentive stock option" under Section 422 of the Code.

(ii) Notwithstanding any intent to grant ISOs, an Option granted under the Plan will not be considered an ISO to the extent that it, together with any other "incentive stock options" (within the meaning of Section 422 of the Code, but without regard to subsection (d) of such Section) under the Plan and any other "incentive stock option" plans of the Company, any Subsidiary and any "parent corporation" of the Company within the meaning of Section 424(e) of the Code, are exercisable for the first time by any Optionee during any calendar year with respect to Stock having an aggregate Fair Market Value in excess of \$100,000 (or such other limit as may be required by the Code) as of the time the Option with respect to such Stock is granted. The rule set forth in the preceding sentence shall be applied by taking Options into account in the order in which they were granted.

(iii) No ISO shall be granted to an individual otherwise eligible to participate in the Plan who owns (within the meaning of Section 424(d) of the Code), at the time the Option is granted, more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or a Subsidiary or any "parent corporation" of the Company within the meaning of Section 424(e) of the Code. This restriction does not apply if at the time such ISO is granted the Option exercise price per share of Stock subject to the Option is at least 110% of the Fair Market Value of a share of Stock on the date such ISO is granted, and the ISO by its terms is not exercisable after the expiration of five years from such date of grant.

(i) An Option and any shares of Stock received upon the exercise of an Option shall be subject to such other transfer and/or ownership restrictions and/or legending requirements as the Committee may establish in its discretion and which are specified in the Agreement and may be referred to on the certificates evidencing such shares of Stock. The Committee may require an Optionee to give prompt Notice to the Company concerning any disposition of shares of Stock received upon the exercise of an ISO within: (i) two (2) years from the date of granting such ISO to such Optionee or (ii) one (1) year from the transfer of such shares of Stock to such Optionee or (iii) such other period as the Committee may from time to time determine. The Committee may direct that an Optionee with respect to an ISO undertake in the applicable Agreement to give such Notice described in the preceding sentence, at such time and containing such information as the Committee may prescribe, and/or that the certificates evidencing shares of Stock acquired by exercise of an ISO refer to such requirement to give such Notice.

(j) In the event that a transaction described in Section 424(a) of the Code involving the Company or a Subsidiary is consummated, such as the acquisition of property or stock from an unrelated corporation, individuals who become eligible to participate in the Plan in connection with such transaction, as determined by the Committee, may be granted Options in substitution for stock options granted by another corporation that is a party to such transaction. If such substitute Options are granted, the Committee, in its discretion and consistent with Section 424(a) of the Code, if applicable, and the terms of the Plan, though notwithstanding paragraph (a) of this Section 7, shall determine the option exercise price and other terms and conditions of such substitute Options.

Company to an Affiliate (or, for purposes of any ISO granted under the Plan, a Subsidiary), or vice versa, or from one Affiliate to another (or in the case of an ISO, from one Subsidiary to another), and a leave of absence, duly authorized in writing by the Company or a Subsidiary or Affiliate, shall not be deemed a termination of employment of the employee for purposes of the Plan or with respect to any Option (in the case of ISOs, to the extent permitted by the Code).

9. RIGHTS OF EMPLOYEES AND OTHER PERSONS. (a) No person shall have any rights or claims under the Plan except in accordance with the provisions of the Plan and the applicable Agreement.

(b) Nothing contained in the Plan or in any Agreement shall be deemed to (i) give any employee or director the right to be retained in the service of the Company or any Affiliate nor restrict in any way the right of the Company or any Affiliate to terminate any employee's employment or any director's directorship at any time with or without cause or (ii) confer on any consultant any right of continued relationship with the Company or any Affiliate, or alter any relationship between them, including any right of the Company or an Affiliate to terminate its relationship with such consultant.

(c) The adoption of the Plan shall not be deemed to give any employee of the Company or any Affiliate or any other person any right to be selected to participate in the Plan or to be granted an Option.

(d) Nothing contained in the Plan or in any Agreement shall be deemed to give any employee the right to receive any bonus, whether payable in cash or in Stock, or in any combination thereof, from the Company or any Affiliate, nor be construed as limiting in any way the right of the Company or any Affiliate to determine, in its sole discretion, whether or not it shall pay any employee bonuses, and, if so paid, the amount thereof and the manner of such payment.

10. TAX WITHHOLDING OBLIGATIONS. (a) The Company and/or any Affiliate are authorized to take whatever actions are necessary and proper to satisfy all obligations of Optionees (including, for purposes of this Section 10, any other person entitled to exercise an Option pursuant to the Plan or an Agreement) for the payment of all Federal, state, local and foreign taxes in connection with any Options (including, but not limited to, actions pursuant to the following paragraph (b) of this Section 10).

(b) The Company shall have the right and power to deduct from all amounts paid to an Optionee in cash or shares (whether under this Plan or otherwise) or to require an Optionee to remit to the Company promptly upon notification of the amount due, an amount (which may include shares of Stock) to satisfy the minimum federal, state, local or foreign taxes or other obligations required by law to be withheld with respect to any Option under this Plan. No shares of Stock shall be issued unless and until arrangements satisfactory to the Committee shall have been made to satisfy the statutory minimum withholding tax obligations applicable with respect to such Option. Notwithstanding the above, the Committee may, in its discretion and pursuant to procedures approved by the Committee, permit the Optionee to (i) elect withholding by the Company of Stock otherwise deliverable to such Optionee pursuant to his or her Option (provided, HOWEVER, that the amount of any Stock so withheld shall not exceed the amount necessary to satisfy required Federal, state, local and foreign withholding obligations using the minimum statutory rate) and/or (ii) tender to the Company Stock owned by such Optionee (or by such Optionee and his or her spouse jointly) and acquired more than six (6) months prior to such tender in full or partial satisfaction of such tax obligations, based, in each case, on the Fair Market Value of the Stock on the payment date as determined by the Committee.

11. CHANGES IN CAPITAL. (a) The existence of the Plan and any Options granted hereunder shall not affect in any way the right or power of the Board or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company or an Affiliate, any issue of debt, preferred or prior preference stock ahead of or affecting Stock, the authorization or issuance of additional shares of Stock, the dissolution or liquidation of the Company or its Affiliates, any sale or transfer of all or part of its assets or

business or any other corporate act or proceeding.

(b) (i) Upon changes in the outstanding Stock by reason of a stock dividend, stock split, reverse stock split, subdivision, recapitalization, reclassification, merger, consolidation (whether or not the Company is a surviving corporation), combination or exchange of shares of Stock, separation, or reorganization, or in the event of an extraordinary dividend, "spin-off," liquidation, other substantial distribution of assets of the Company or acquisition of property or stock or other change in capital of the Company, or the issuance by the Company of shares of its capital stock without receipt of full consideration therefore, or rights or securities exercisable, convertible or exchangeable for shares of such capital stock, or any similar change affecting the Company's capital structure, the aggregate number, class and kind of shares of stock available under the Plan as to which Options may be granted and the number, class and kind of shares under each outstanding Option and the exercise price per share applicable to any such Options shall be appropriately adjusted by the Committee in its discretion to preserve the benefits or potential benefits intended to be made available under the Plan or with respect to any outstanding Options or otherwise necessary to reflect any such change.

(ii) Fractional shares of Stock resulting from any adjustment in Options pursuant to Section 11(b)(i) shall be aggregated until, and eliminated at, the time of exercise of the affected Options. Notice of any adjustment shall be given by the Committee to each Optionee whose Option has been adjusted and such adjustment (whether or not such Notice is given) shall be effective and binding for all purposes of the Plan.

(c) In the event of a Change in Control:

(i) Immediately prior thereto, all outstanding Options shall be accelerated and become immediately exercisable as to all of the shares of Stock covered thereby, notwithstanding anything to the contrary in the Plan or the Agreement.

(ii) In its discretion, and on such terms and conditions as it deems appropriate, the Committee may provide, either by the terms of the Agreement applicable to any Option or by resolution adopted prior to the occurrence of the Change in Control, that any outstanding Option shall be adjusted by substituting for Stock subject to such Option stock or other securities of the surviving corporation or any successor corporation to the Company, or a parent or subsidiary thereof, or that may be issuable by another corporation that is a party to the transaction resulting in the Change in Control, whether or not such stock or other securities are publicly traded, in which event the aggregate exercise price shall remain the same and the amount of shares or other securities subject to the Option shall be the amount of shares or other securities which could have been purchased on the closing date or expiration date of such transaction with the proceeds which would have been received by the Optionee if the Option had been exercised in full (or with respect to a portion of such Option, as determined by the Committee, in its discretion) prior to such transaction or expiration date and the Optionee exchanged all of such shares in the transaction.

(iii) In its discretion, and on such terms and conditions as it deems appropriate, the Committee may provide, either by the terms of the Agreement applicable to any Option or by resolution adopted prior to the occurrence of the Change in Control, that any outstanding Option shall be converted into a right to receive cash on or following the closing date or expiration date of the transaction resulting in the Change in Control in an amount equal to the highest value of the consideration to be received in connection with such transaction for one share of Stock, or, if higher, the highest Fair Market Value of the Stock during the thirty (30) consecutive business days immediately prior to the closing date or expiration date of such transaction, less the per share exercise price of such Option, multiplied by the number of shares of Stock subject to such Option, or a portion thereof.

(iv) The Committee may, in its discretion, provide that an Option cannot be exercised after such a Change in Control, to the extent that such Option is or becomes fully exercisable on or before such Change in Control or i.e. subject to any acceleration, adjustment or conversion in accordance with the foregoing paragraphs (i), (ii) or (iii) of this Section

11.

No Optionee shall have any right to prevent the consummation of any of the foregoing acts affecting the number of shares of Stock available to such Optionee. Any actions or determinations of the Committee under this subsection 11(c) need not be uniform as to all outstanding Options, nor treat all Optionees identically. Notwithstanding the foregoing adjustments, in no event may any Option be exercised after ten (10) years from the date it was originally granted, and any changes to ISOs pursuant to this Section 11 shall, unless the Committee determines otherwise, only be effective to the extent such adjustments or changes do not cause a "modification" (within the meaning of Section 424(h)(3) of the Code) of such ISOs or adversely affect the tax status of such ISOs.

(d) If, as a result of a Change in Control transaction, an ISO fails to qualify as an "incentive stock option," within the meaning of Section 422 of the Code, either because of the failure of the Optionee to meet the holding period requirements of Code Section 422(a)(1) (a "Disqualifying Disposition") or the exercisability of such Option is accelerated pursuant to Section 11(c)(i), or any similar provision of the applicable Agreement, in connection with such Change in Control and such acceleration causes the aggregate Fair Market Value (determined at the time the Option is granted) of the shares of Stock with respect to which such Option, together with any other "incentive stock options," as provided in Section 7(h)(ii), are exercisable for the first time by such Optionee during the calendar year in which such accelerated exercisability occurs to exceed the limitations set forth in Section 7(h)(ii) (a "Disqualified Option"); or any other exercise, payment, acceleration, adjustment or conversion of an Option in connection with a Change in Control transaction results in any additional taxes imposed on an Optionee, then the Company may, in the discretion of the Committee, make a cash payment to or on behalf of the Optionee who holds any such Option equal to the amount that will, after taking into account all taxes imposed on the Disqualifying Disposition or other exercise, payment, acceleration, adjustment or conversion of the Option, as the case may be, and the receipt of such payment, leave such Optionee in the same after-tax position the Optionee would have been in had the Code Section 422(a) (1) holding period requirements been met at the time of the Disqualifying Disposition or had the Disqualified Option continued to qualify as an "incentive stock option," within the meaning of Code Section 422 on the date of such exercise or otherwise equalize the Optionee for any such taxes; PROVIDED, HOWEVER, that the amount, timing and recipients of any such payment or payments shall be subject to such terms, conditions and limitations as the Committee shall, in its discretion, determine. Without limiting the generality of the PROVISIO contained in the immediately preceding sentence, in determining the amount of any such payment or payments referred to therein, the Committee may adopt such methods and assumptions as it considers appropriate, and the Committee shall not be required to examine or take into account the individual tax liability of any Optionee.

12. MISCELLANEOUS PROVISIONS. (a) The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the issuance of shares of Stock or the payment of cash upon exercise or payment of any Option. Proceeds from the sale of shares of Stock pursuant to Options granted under the Plan shall constitute general funds of the Company.

(b) Except as otherwise provided in this paragraph (b) of Section 12 or by the Committee, an Option by its terms shall be personal and may not be sold, transferred, pledged, assigned, encumbered or otherwise alienated or hypothecated otherwise than by will or by the laws of descent and distribution and shall be exercisable during the lifetime of an Optionee only by him or her. An Agreement may permit the exercise or payment of an Optionee's Option (or any portion thereof) after his or her death by or to the beneficiary most recently named by such Optionee in a written designation thereof filed with the Company, or, in lieu of any such surviving beneficiary, as designated by the Optionee by will or by the laws of descent and distribution. In the event any Option is exercised by the executors, administrators, heirs or distributees of the estate of a deceased Optionee, or such an Optionee's beneficiary, or the transferee of an Option, in any such case pursuant to the terms and conditions of the Plan and the applicable Agreement and in accordance with such terms and conditions as may be specified from time to time by the Committee, the Company shall be under

no obligation to issue Stock thereunder unless and until the Committee is satisfied that the person or persons exercising such Option is the duly appointed legal representative of the deceased Optionee's estate or the proper legatee or distributee thereof or the named beneficiary of such Optionee, or the valid transferee of such Option, as applicable.

(c) (i) If at any time the Committee shall determine, in its discretion, that the listing, registration and/or qualification of shares of Stock upon any securities exchange or under any state, Federal or foreign law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the sale or purchase of shares of Stock hereunder, no Option may be granted, exercised or paid in whole or in part unless and until such listing, registration, qualification, consent and/or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Committee.

(ii) If at any time counsel to the Company shall be of the opinion that any sale or delivery of shares of Stock pursuant to an Option is or may be in the circumstances unlawful or result in the imposition of excise taxes on the Company or any Affiliate under the statutes, rules or regulations of any applicable jurisdiction, the Company shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration under the Securities Act, or otherwise with respect to shares of Stock or Options and the right to exercise any Option shall be suspended until, in the opinion of such counsel, such sale or delivery shall be lawful or will not result in the imposition of excise taxes on the Company or any Affiliate.

(iii) Upon termination of any period of suspension under this Section 12(c), any Option affected by such suspension which shall not then have expired or terminated shall be reinstated as to all shares available before such suspension and as to the shares which would otherwise have become available during the period of such suspension, but no suspension shall extend the term of any Option.

(d) The Committee may require each person receiving Stock in connection with any Option under the Plan to represent and agree with the Company in writing that such person is acquiring the shares of Stock for investment without a view to the distribution thereof. The Committee, in its absolute discretion, may impose such restrictions on the ownership and transferability of the shares of Stock purchasable or otherwise receivable by any person under any Option as it deems appropriate. Any such restrictions shall be set forth in the applicable Agreement, and the certificates evidencing such shares may include any legend that the Committee deems appropriate to reflect any such restrictions.

(e) By accepting any benefit under the Plan, each Optionee and each person claiming under or through such Optionee shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Committee, the Company or the Board, in any case in accordance with the terms and conditions of the Plan.

(f) The Committee may, in its discretion, extend one or more loans to Optionees who are directors, key employees or consultants of the Company or an Affiliate in connection with the exercise or receipt of an Option granted to any such individual. The terms and conditions of any such loan shall be established by the Committee.

(g) Neither the adoption of the Plan nor anything contained herein shall affect any other compensation or incentive plans or arrangements of the Company or any Affiliate, or prevent or limit the right of the Company or any Affiliate to establish any other forms of incentives or compensation for their directors, employees or consultants or grant or assume options or other rights otherwise than under the Plan.

(h) The Plan shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to such state's conflict of law provisions, and, in any event, except as superseded by applicable Federal law.

(i) The words "Section," "subsection" and "paragraph" herein

shall refer to provisions of the Plan, unless expressly indicated otherwise. Wherever any words are used in the Plan or any Agreement in the masculine gender they shall be construed as though they were also used in the feminine gender in all cases where they would so apply, and wherever any words are used herein in the singular form they shall be construed as though they were also used in the plural form in all cases where they would so apply.

(j) The Company shall bear all costs and expenses incurred in administering the Plan, including expenses of issuing Stock pursuant to any Options granted hereunder.

13. LIMITS OF LIABILITY. (a) Any liability of the Company or an Affiliate to any Optionee with respect to any Option shall be based solely upon contractual obligations created by the Plan and the Agreement.

(b) None of the Company, any Affiliate, any member of the Committee or the Board or any other person participating in any determination of any question under the Plan, or in the interpretation, administration or application of the Plan, shall have any liability, in the absence of bad faith, to any party for any action taken or not taken in connection with the Plan, except as may expressly be provided by statute.

14. LIMITATIONS APPLICABLE TO CERTAIN OPTIONS SUBJECT TO EXCHANGE ACT SECTION 16 AND CODE SECTION 162(m). Unless stated otherwise in the Agreement, notwithstanding any other provision of the Plan, any Option granted to an officer or director of the Company who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including Rule 16b-3, or any successor rule, as the same may be amended from time to time) that are requirements for the application of such exemptive rule, and the Plan and applicable Agreement shall be deemed amended to the extent necessary to conform to such limitations. Furthermore, unless stated otherwise in the Agreement, notwithstanding any other provision of the Plan, any Option granted to an employee of the Company or an Affiliate intended to qualify as "other performance-based compensation" as described in Section 162(m) (4)(C) of the Code shall be subject to any additional limitations set forth in Section 162(m) of the Code or any regulations or rulings-issued thereunder (including any amendment to any of the foregoing) that are requirements for qualification as "other performance-based compensation" as described in Section 162(m) (4)(C) of the Code, and the Plan and applicable Agreement shall be deemed amended to the extent necessary to conform to such requirements.

15. SECTION 409A COMPLIANCE. The Plan is intended to be administered in a manner consistent with the requirements, where applicable, of section 409A of the Code. Where reasonably possible and practicable, the Plan shall be administered in a manner to avoid the imposition on Optionees of immediate tax recognition and additional taxes pursuant to such section 409A. Notwithstanding the foregoing, neither the Company nor the Committee shall have any liability to any person in the event such section 409A applies to any such Option in a manner that results in adverse tax consequences for the Optionee or any of his or her beneficiaries or transferees.

Solely for purposes of determining the time and form of payments due under any Option that is considered nonqualified deferred compensation under section 409A of the Code and that is not otherwise exempt from section 409A of the Code, an Optionee shall not be deemed to have incurred a termination of employment unless and until he or she shall incur a "separation from service" within the meaning of section 409A of the Code. Notwithstanding any other provision in this Plan, if, as of Optionee's separation from service, the Optionee is a "specified employee" as determined by the Company, then to the extent any amount payable under any Option that is considered nonqualified deferred compensation under section 409A of the Code and that is not otherwise exempt from section 409A of the Code, for which payment is triggered by Optionee's separation from service (other than on account of death), and that under the terms of the Option would be payable prior to the six-month anniversary of the Optionee's separation from service, such payment shall be delayed until the earlier to occur of (i) the six-month anniversary of such separation from service or (ii) the date of the Optionee's death.

16. SECTION 83(b) ELECTIONS. The Company, its Affiliates and

the Committee have no responsibility for any Optionee's election, attempt to elect or failure to elect to include the value of any Option subject to section 83 of the Code in the Optionee's gross income for the year of payment pursuant to section 83(b) of the Code. Any Optionee who make an election pursuant to section 83(b) of the Code will promptly provide the Committee with a copy of the election form.

17. RIGHT TO OFFSET. Notwithstanding any provisions of the Plan to the contrary, and to the extent permitted by applicable law (including section 409A of the Code), the Company may offset any Stock to be transferred to an Optionee (or, in the event of an Optionee's death, to his or her beneficiary or estate) under the Plan against any amounts that such Optionee may owe to the Company or its Affiliates.

18. AMENDMENTS AND TERMINATION. The Board may, at any time and with or without prior notice, amend, alter, suspend or terminate the Plan, retroactively or otherwise; PROVIDED, HOWEVER, unless otherwise required by law or specifically provided herein, no such amendment, alteration, suspension or termination shall be made which would impair the previously accrued rights of any holder of an Option theretofore granted without his or her written consent, or which, without first obtaining approval of the stockholders of the Company (where such approval is necessary to satisfy (i) any applicable requirements under the Code relating to ISOs or for exemption from Section 162(m) of the Code; (ii) the then-applicable requirements of Rule 16b-3 promulgated under the Exchange Act, or any successor rule, as the same may be amended from time to time; or (iii) any other applicable law, regulation or rule), would:

(a) except as is provided in Section 11, increase the maximum number of shares of Stock which may be sold or awarded under the Plan or increase the limitations set forth in Section 7(k) on the maximum number of shares of Stock that may be subject to Options granted to an Optionee;

(b) except as is provided in Section 11, decrease the minimum option exercise price requirements of Section 7(a);

(c) change the class of persons eligible to receive Options under the Plan; or

(d) extend the duration of the Plan or the period during which Options may be exercised under Section 7(b).

The Committee may amend the terms of any Option theretofore granted, including any Agreement, retroactively or prospectively, but no such amendment shall materially impair the previously accrued rights of any Optionee without his or her written consent.

19. DURATION. Following the adoption of the Plan by the Board, the Plan shall become effective as of the date on which it is approved by the holders of a majority of the Company's outstanding Stock which is present and voted at a meeting, or by written consent in lieu of a meeting (the "Effective Date"), which approval must occur within the period ending twelve (12) months after the date the Plan is adopted by the Board. The Plan shall terminate upon the earliest to occur of:

(a) the effective date of a resolution adopted by the Board terminating the Plan;

(b) the date all shares of Stock subject to the Plan are delivered pursuant to the Plan's provisions; or

(c) ten (10) years from the Effective Date. No Option may be granted under the Plan after the earliest to occur of the events or dates described in the foregoing paragraphs (a) through (c) of this Section 19; HOWEVER, Options theretofore granted may extend beyond such date.

No such termination of the Plan shall affect the previously accrued rights of any Optionee hereunder and all Options previously granted hereunder shall continue in force and in operation after the termination of the Plan, except as they may be otherwise terminated in accordance with the terms of the Plan or the Agreement.

