

DATARAM CORPORATION  
A New Jersey Corporation

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
to be held on September 10, 1997

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-Hightstown Road, Windsor Business Park, West Windsor, New Jersey, on Wednesday, September 10, 1997 at 2:00 p.m., for the following purposes:

- (1) To elect five (5) directors of the Company to serve until the next succeeding Annual Meeting of Shareholders and until their successors have been elected and have qualified.
- (2) To ratify the selection of KPMG Peat Marwick LLP as the independent certified public accountants of the Company for the fiscal year ending April 30, 1998.
- (3) 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 25th day of July 1997 are entitled to notice of and to vote at this meeting.

By order of the Board of Directors  
Thomas J. Bitar, Secretary

August 4, 1997

The Company's 1997 Annual Report is Enclosed.

PLEASE COMPLETE, DATE, SIGN AND RETURN THE ACCOMPANYING PROXY  
[LOGO]

DATARAM CORPORATION

PROXY STATEMENT  
ANNUAL MEETING OF SHAREHOLDERS  
SEPTEMBER 10, 1997

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-Hightstown Road, Windsor Business Park, West Windsor, New Jersey on Wednesday, September 10, 1997 at 2:00 p.m. The close of business on July 25, 1997 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 4, 1997.

## VOTING RIGHTS

On July 25, 1997, there were outstanding and entitled to vote 3,050,405 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, exercisable in person or by proxy, for each share of Common Stock owned on the record date. 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 in the proxy, the shares will be voted as directed.

With respect to each matter to be voted upon, a vote of a majority of the number of shares voting is required for approval or election. Abstentions will be counted as votes cast, but proxies submitted by brokers with a "not voted" direction will not be counted as votes cast with respect to each matter to be voted upon where such instruction is given.

## 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
Robert V. Tarantino	54	President, Chief Executive Officer and Director
Jeffrey H. Duncan	47	Vice President - Manufacturing and Engineering
Mark E. Maddocks	45	Vice President - Finance and Chief Financial Officer
Hugh F. Tucker	44	Vice President - Sales

Robert V. Tarantino has been employed by the Company since 1970. He began as a project engineer and has held such positions as Manufacturing Supervisor, Manufacturing Manager and Operations Manager. He was elected Vice President of Operations in 1972, Executive Vice President in 1979, President and Chief Operating Officer in 1984 and Chief Executive Officer in 1986.

Jeffrey H. Duncan has been employed by the Company since 1974. In 1983, he was promoted to Senior Project Engineer. In 1986, he was promoted to Custom Systems Manager. In 1988 he was named Engineering Manager, and in 1989, he became Director of Engineering. In 1990, he was elected Vice President-Engineering. In 1995, he was named Vice President - Manufacturing and Engineering.

Mark E. Maddocks has been employed by the Company since 1978. He began as a staff accountant. In 1982, he was promoted to the position of Data Processing Supervisor. In 1983, he became Accounting Manager, and in 1986, he was named Controller. In 1996 he was named Vice President - Finance and Chief Financial Officer.

Hugh F. Tucker has been employed by the Company since 1983, initially as Western Regional Sales Manager. In 1995 he was promoted to Director of Sales and Marketing. In 1996 he was elected Vice President - Sales.

## ELECTION OF DIRECTORS

Five (5) 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 five (5) 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, except Mr. Cady who was elected by the Board of Directors to fill a vacancy:

Name of Nominee	Age
Robert V. Tarantino	54
Richard Holzman	63
Thomas A. Majewski	45
Bernard L. Riley	67
Roger C. Cady	59

Mr. Tarantino is an executive officer of the Company. Mr. Tarantino has been a director since 1981.

Richard Holzman has been retired since August of 1995. From January of 1994 until August of 1995, he had been Vice-President of Optika Imaging Systems. Prior to that, and for more than five years, he had served as President of Teamworks Technologies, Inc., a software development company. Mr. Holzman has been a Director since 1978.

Thomas A. Majewski has been a principal in Walden, Inc., a computer consulting and technologies venture capital firm, since 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.

Bernard L. Riley retired as Executive Vice President and Chief Financial Officer in December of 1995 but continues as an employee of the Company handling special projects. He had been employed by the Company since 1992. His business career included thirty years with International Paper with senior responsibilities in both finance and general management before taking early retirement in 1985. At that time, he was Vice President - Logistics. Thereafter, he served for four years as Vice President, Finance and as a director of Emcore Corporation, a semiconductor equipment manufacturer. During the two years immediately prior to joining Dataram, he was a management consultant. Mr. Riley has been a Director since 1995.

Roger C. Cady is a founder and principal of Arcadia Associates, a strategic consulting and mergers and acquisitions advisory firm. Prior to that he was employed as Vice President of Business Development for Dynatech Corporation, a diversified communications equipment manufacturer. 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.

#### 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, and all directors and executive officers collectively, as of July 25, 1997. 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 Director or Number of Persons in Group	Amount and Nature of Beneficial Ownership	Percent of Class(1)
Robert V. Tarantino	364,128(2)	11.6%
Richard Holzman	44,960(3)	1.5%
Thomas A. Majewski	33,000(3)	1.1%
Bernard L. Riley	38,500(4)	1.2%
Roger C. Cady	7,500(5)	*
Directors and executive officers as a group (8 persons)	601,780(6)	18.0%
James R. Levitas	176,900(7)	5.8%

(1) On July 25, 1997, 3,050,405 shares were outstanding.

(2) Of this amount, 5,700 shares are held by Mr. Tarantino's wife and 100,000 shares may be acquired by the exercise of options held. Mr. Tarantino's address is 186 Princeton Hightstown Road, Windsor Business Park, West Windsor, New Jersey 08550.

(3) Of this amount, 30,000 shares may be acquired by the exercise of options held.

(4) Of this amount, 31,000 shares may be acquired by the exercise of options held.

(5) These shares may be acquired by the exercise of options held.

(6) Of this amount, 297,500 shares may be acquired by the exercise of options held by executive officers under the Company's incentive and non-statutory stock option plan, and 98,000 shares may be acquired by exercise of options held by outside directors.

(7) As reported in a filing with the Securities and Exchange Commission on Schedule 13D on February 20, 1997 Mr. Levitas owns 3,000 shares and has investment discretion over 173,900 shares held by LEVCO, Partners, L.P. and in managed accounts over which Mr. Levitas has investment discretion. Mr. Levitas reports his address as being Levitas & Company, 230 Park Avenue, Suite 1549, New York, New York 10169

\* Less than 1%.

<TABLE>

#### EXECUTIVE COMPENSATION

The following table sets forth the compensation paid for the fiscal years ended April 30, 1995, 1996 and 1997 to the Company's Chief Executive Officer and the three executive officers.

#### Summary Compensation Table

Name and	Annual Compensation		Long Term Compensation	
	Other Annual	Stock	Other	

Principal Position(1)	Fiscal Year	Salary	Compen- Bonus	Options sation	Compen- Awarded	Compen- sation(2)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Robert V. Tarantino	1997	249,050	180,000	--	--	14,400
President, Chief Executive Officer, Director	1996	238,050	32,445	--	--	11,423
	1995	230,635	--	--	--	12,900
Jeffrey H. Duncan	1997	154,050	58,000	--	25,000	8,700
Vice President - Manufacturing and Engineering	1996	144,550	19,467	--	--	9,275
	1995	124,990	--	--	--	6,932
Mark E. Maddocks	1997	149,050	56,000	--	25,000	4,846
Vice President - Finance, Chief Financial Officer	1996	121,323	14,093	--	40,000	6,707
	1995	95,475	--	--	--	5,603
Hugh F. Tucker	1997	174,050	82,000	--	45,000	7,425
Vice President - Sales and Marketing	1996	175,550	--	--	30,000	9,633
	1995	125,059	--	--	--	7,504

(1) No other executive officer had annual compensation in excess of \$100,000 in fiscal 1997.

(2) 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.

/TABLE

The following table provides information concerning options granted to named executive officers in the fiscal year ended April 30, 1997:

Option Grants in Fiscal 1997

Name	Percent Number	Exercise Price(\$)	Expiration Date	5%(1)	10%(1)
Robert V. Tarantino	--	--	--	--	--
Mark E. Maddocks	25,000	15%	6.94	11/28/06	109,113 276,514
Jeffrey H. Duncan	25,000	15%	6.94	11/28/06	109,113 276,514
Hugh F. Tucker	45,000	27%	6.94	11/28/06	196,404 497,726

(1) Potential realizable value at assumed annual rates of stock price appreciation for option term.

The following table provides information concerning option exercises by named executive officers during the fiscal year ended April 30, 1997 and the number and value of the named executive officers' unexercised options at fiscal year ended April 30, 1997:

<TABLE>

Option Exercises and Values at April 30, 1997

Name	Shares acquired on exercise	Value Received	Value of Unexercised	
			Number of Options at April 30, 1997	In-the-Money Options at April 30, 1997
			Exercisable/ Unexercisable	Exercisable/ Unexercisable (\$)
<S>	<C>	<C>	<C>	<C>
Robert V. Tarantino	--	--	80,000 20,000	120,000 30,000

Mark E. Maddocks	--	--	16,000	27,000
			59,000	105,188
Jeffrey H. Duncan	6,000	13,500	46,000	60,000
			35,000	57,188
Hugh F. Tucker	--	--	6,000	21,000
			69,000	159,938

</TABLE>

#### PERFORMANCE GRAPH

##### COMPARISON OF THE FIVE-YEAR CUMULATIVE TOTAL RETURN\* AMONG DATARAM CORPORATION, THE S&P 500 INDEX AND A PEER GROUP

[The chart is a three-line graph of dollars versus dates having the following data points:

	4/92	4/93	4/94	4/95	4/96	4/97
Dataram	100	61	34	33	40	59
Peer Group**	100	90	139	165	252	339
S&P 500	100	109	115	135	176	220]

\* \$100 invested on 4/30/92 in stock or index including reinvestment of dividends, fiscal year ending April 30.

Computer-Memory Devices Peer Group (compiled by Investor's Business Daily) includes the following companies: Alliance Semiconductor, Inc.; Applied Magnetics Corp.; Cambex Corp.; Catalyst Semiconductor, Inc.; Ciprico, Inc.; Dataram Corp.; Disc, Inc.; Drexler Technology Corp.; EMC Corp. Mass.; Emulex Corp.; Exabyte Corp.; IPL System, Inc.; Iomega Corp.; Komag, Inc.; Microchip Technology, Inc.; Network Imaging Corp.; Pinnacle Micro Inc.; Quantum Corp.; Ramtron International Corp.; Read-Rite Corp.; Rimage Corp.; Seagate Technology; Stac, Inc.; Storage Technology Corp.; Syquest Technology, Inc.; Veritas Software Co.; and Zitel Corp.

Employment Agreement. As of May 1, 1997, Robert V. Tarantino entered into an Employment Agreement with the Company. The Employment Agreement is scheduled to expire on April 30, 2002. If not terminated at that time it continues on a year to year basis until terminated by one of the parties. It provides for compensation of \$252,000 subject to annual review by the Board of Directors. In addition Mr. Tarantino will receive a bonus based upon a formula which shall be reviewed and approved annually by the Board of Directors (See "Report of the Compensation and Stock Option Committee of the Board of Directors on Executive Compensation-Bonuses). 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 within a year of a change of control, Mr. Tarantino is entitled to damages for the breach of the Employment Agreement or, if greater, one year's base salary plus three months additional salary at the then current rate for each year of the Agreement in which the pre-tax operating profits shall have exceeded 110% of the greater of the

prior year's actual pre-tax operating profit or a minimum base pre-tax operating profit. The Employment Agreement contains terms concerning confidentiality, assignment and disclosure of inventions and post-employment restrictions on competition.

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.

## REPORT OF THE COMPENSATION AND STOCK OPTION COMMITTEE OF THE BOARD OF DIRECTORS ON EXECUTIVE COMPENSATION

The Company's compensation policies applicable to its executive officers are administered by the Compensation and Stock Option Committee (the "Committee") of the Board of Directors. All members of the Committee are non-employee directors. These policies are designed to enhance the overall strength and financial performance of the Company by aligning the financial interests of the Company's executive officers with those of its stockholders.

The three primary components of executive compensation are base salaries, bonuses and stock option grants. The Committee determines the base salary, bonus amount and stock option grants for the President and Chief Executive Officer. The Committee reviews and gives final approval to the President and Chief Executive Officer's recommendations for base salaries, bonus and stock option grants for all other executives.

### Base Salary

The Committee considered the financial performance of the Company, reviewed a survey of executive salaries for computer and computer products companies (compiled by the American Electronics Association) and determined the base salary for the President and Chief Executive Officer, Robert V. Tarantino.

Base salaries for other executive officers for the fiscal year ended April 30, 1997 were determined by the President and Chief Executive Officer.

### Bonuses

The Committee reviewed and gave final approval for a bonus plan for the President and Chief Executive Officer and for other executive officers. This bonus plan, similar to plans adopted in prior years, is based on a distribution of a percentage (approximately 6% this year) of pre-tax operating profits based on meeting or exceeding stated objectives.

### Stock Option Plan

The value to each executive officer of stock option grants is tied directly to stock price performance. The Committee grants options under the stockholder approved option plan at an exercise price equal to the market price of the Common Stock at the date of grant. If there is no appreciation in the market price for the Company's Common Stock, the options are valueless.

Grants are made to executive officers based on salary, responsibility and performance of the individual officer. The Committee believes that options are important to better align the financial interests of executive officers with those of shareholders in general. Each option granted was a ten year option with a deferred vesting provision for four or five years.

Compensation and Stock Option Committee

Richard Holzman

Thomas A. Majewski  
Roger C. Cady

#### INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors has selected KPMG Peat Marwick LLP as the independent certified public accountants to the Company for the fiscal year ending April 30, 1998. The holders of Common Stock are asked to ratify this selection. KPMG Peat Marwick LLP has served the Company in this capacity since the Company's incorporation. If the shareholders fail to ratify the Board's selection of KPMG Peat Marwick LLP, the Board will reconsider its action in light of the shareholder vote.

The Company has been informed that neither KPMG Peat Marwick LLP, nor any of its partners, has any direct financial interest or any material indirect financial interest in the Company or any of its subsidiaries, nor has any of its partners acted in the capacity of promoter, underwriter, voting trustee, director, officer or employee of the Company.

The Company has been advised by KPMG Peat Marwick 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.

#### 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 1998 ANNUAL MEETING

Any shareholder wishing to present a proposal which is intended to be presented at the 1998 Annual Meeting of Shareholders should submit such proposal to the Company at its principal executive offices no later than April 4, 1998. It is suggested that any proposals be sent by certified mail, return receipt requested.

#### BOARD OF DIRECTORS

The Board of Directors of the Company met six times during the last fiscal year. The Board of Directors has a standing Audit Committee whose members are Thomas A. Majewski and Roger C. Cady. This Committee met once 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 and review of internal control procedures. The Board of Directors has a standing Compensation and Stock Option Committee whose members are Richard Holzman, Thomas A. Majewski and Roger C. Cady. This Committee met twice during the past fiscal year. The principal functions of the Compensation and Stock Option Committee are to recommend to the Board of Directors the compensation of directors and the Chief Executive Officer and to establish and administer various compensation plans, including stock option plans. The Board of Directors has a standing Nominating Committee whose members are Richard Holzman and Thomas A. Majewski. 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. This Committee will consider nominees for the Board of Directors recommended by shareholders. 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 who are not employees of the Company receive a quarterly payment of \$5,000. Mr. Riley is employed as an assistant to the President in connection with which during the past fiscal year he was paid \$26,300. During 1992 Mr. Holzman and Mr. Majewski each received five year options to purchase 30,000 shares of the Common Stock of the Company at \$11.25, the fair market value of the Common Stock at the date of grant. Upon his election to the Board, Mr. Cady received options to purchase 30,000 shares of the common stock of the Company at \$6.94 per share, the fair market price at the date of grant. Of all of these options, 25% were first exercisable on the first anniversary of the date of grant and 25% more are first exercisable on each succeeding anniversary date until the option is fully exercisable.

#### SECTION 16(a) 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 monthly 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 certain options which were granted during the year to one director and three executive officers were reported late on Form 5.

#### 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 1997 Annual Report, 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, 1997, including the financial statements and schedules but without exhibits, 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

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

The undersigned hereby appoints and constitutes Robert V. Tarantino 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-Hightstown Road, Windsor Business Park, West Windsor, New Jersey, on Wednesday, September 10, 1997 at 2 o'clock in the afternoon 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)

Richard Holzman    Robert V. Tarantino  
Thomas A. Majewski    Bernard L. Riley    Roger C. Cady

VOTE WITHHELD from all nominees.

2. \_\_\_\_ VOTE FOR \_\_\_\_ AGAINST \_\_\_\_ ABSTAIN approval of KPMG Peat Marwick, LLP to be the independent auditors of the Company for the fiscal year ending April 30, 1998.

(See other side)

3. 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 and 2.

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                      1997

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

