

The9 LTD
Form SC 13G/A
February 13, 2013
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 3)*

The9 Limited
(Name of Issuer)

American Depositary Shares, each representing one ordinary
share,
par value \$0.01 per ordinary share
(Title of Class of Securities)

88337K104
(CUSIP Number)

December 31, 2012
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Exhibit Index Found on Page 10

CUSIP No. 88337K104

1. Names of Reporting Person CRCM Institutional Master Fund (BVI), Ltd.
I.R.S. Identification Nos. of above persons (entities only)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ** The reporting persons making this filing hold an aggregate of 2,915,411 ADSs, which is 11.92% of the class of securities. The reporting person on this cover page, however, may be deemed a beneficial owner only of the securities reported by it on this cover

(b) ** page

3. SEC Use Only

4. Citizenship or Place of Organization: British Virgin Islands

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

5. Sole Voting Power: 0

6. Shared Voting Power: 2,915,411

7. Sole Dispositive Power: 0

8. Shared Dispositive Power: 2,915,411

9. Aggregate Amount Beneficially Owned by Each Reporting Person. 2,915,411

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions).

11. Percent of Class Represented by Amount in Row (9) 11.92%

12. Type of Reporting Person (See Instructions) OO

CUSIP No. 88337K104

1. Names of Reporting Person CRCM LP
I.R.S. Identification Nos. of above persons (entities only)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) **The reporting persons making this filing hold an aggregate of 2,915,411 ADSs, which is 11.92% of the class of securities. The reporting person on this cover page, however, may be deemed a beneficial owner only of the securities reported by it on this cover

(b) page

3. SEC Use Only

4. Citizenship or Place of Organization: Delaware

Number of Shares Beneficially Owned by Each Reporting Person With	5. Sole Voting Power: 0
	6. Shared Voting Power: 2,915,411
	7. Sole Dispositive Power: 0
	8. Shared Dispositive Power: 2,915,411

9. Aggregate Amount Beneficially Owned by Each Reporting Person. 2,915,411

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions).

11. Percent of Class Represented by Amount in Row (9) 11.92%

12. Type of Reporting Person (See Instructions) IA, PN

CUSIP No. 88337K104

1. Names of Reporting Person ChinaRock Capital Management Limited
I.R.S. Identification Nos. of above persons (entities only)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) **The reporting persons making this filing hold an aggregate of 2,915,411 ADSs, which is 11.92% of the class of securities. The reporting person on this cover page, however, may be deemed a beneficial owner only of the securities reported by it on this cover

(b) page

3. SEC Use Only

4. Citizenship or Place of Organization: Hong Kong, China

Number of Shares Beneficially Owned by Each Reporting Person With	5. Sole Voting Power: 0
	6. Shared Voting Power: 2,915,411
	7. Sole Dispositive Power: 0
	8. Shared Dispositive Power: 2,915,411

9. Aggregate Amount Beneficially Owned by Each Reporting Person. 2,915,411

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions).

11. Percent of Class Represented by Amount in Row (9) 11.92%

12. Type of Reporting Person (See Instructions) OO

CUSIP No. 88337K104

1. Names of Reporting Person CRCM LLC

I.R.S. Identification Nos. of above persons (entities only)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) **The reporting persons making this filing hold an aggregate of 2,915,411 ADSs, which is 11.92% of the class of securities. The reporting person on this cover page, however, may be deemed a beneficial owner only of the securities reported by it on this cover

(b) page

3. SEC Use Only

4. Citizenship or Place of Organization: Delaware

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

5. Sole Voting Power: 0

6. Shared Voting Power: 2,915,411

7. Sole Dispositive Power: 0

8. Shared Dispositive Power: 2,915,411

9. Aggregate Amount Beneficially Owned by Each Reporting Person. 2,915,411

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions).

11. Percent of Class Represented by Amount in Row (9) 11.92%

12. Type of Reporting Person (See Instructions) OO

CUSIP No. 88337K104

1. Names of Reporting Person Chun R. Ding
I.R.S. Identification Nos. of above persons (entities only)

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) **The reporting persons making this filing hold an aggregate of 2,915,411 ADSs, which is 11.92% of the class of securities. The reporting person on this cover page, however, may be deemed a beneficial owner only of the securities reported by it on this cover

(b) ** page

3. SEC Use Only

4. Citizenship or Place of Organization: United States

Number of Shares Beneficially Owned by Each Reporting Person With	5. Sole Voting Power: 0
	6. Shared Voting Power: 2,915,411
	7. Sole Dispositive Power: 0
	8. Shared Dispositive Power: 2,915,411

9. Aggregate Amount Beneficially Owned by Each Reporting Person. 2,915,411

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions).

11. Percent of Class Represented by Amount in Row (9) 11.92%

12. Type of Reporting Person (See Instructions) IN

Item 1.

(a) Name of Issuer: The9 Limited (the “Company”)

(b) Address of Issuer’s Principal Executive Offices: Building No. 3, 690 Bibo Road, Zhang Jiang Hi-Tech Park, Pudong New Area, Pudong, Shanghai 201203, People’s Republic of China

Item 2.

(a) Name of Person Filing:

This statement is filed by the entities and persons listed below, all of whom together are referred to herein as the “Reporting Persons”.

- (i) CRCM Institutional Master Fund (BVI), Ltd., a British Virgin Islands limited company (the “Fund”), with respect to the ADSs held by it;
- (ii) CRCM LP, a Delaware limited partnership and the investment manager of the Fund (the “Investment Manager”), with respect to the ADSs held by the Fund;
- (iii) ChinaRock Capital Management Limited, a Hong Kong company limited by shares and the sub-investment adviser to the Investment Manager (the “Sub-Investment Adviser”), with respect to the ADSs held by the Fund;
- (iv) CRCM LLC, a Delaware limited liability company and the general partner of the Investment Manager (the “General Partner”), with respect to the ADSs held by the Fund; and
- (v) Chun R. Ding, a United States citizen (“Ding”), the managing partner of the Investment Manager, the director of the Sub-Investment Adviser and a member of the General Partner, with respect to the ADSs held by the Fund.

(b) Address of Principal Business Office or, if none, Residence:

The address of the principal business of (i) the Fund is: c/o Intertrust (BVI), PO Box 4041, Road Town, Tortola, British Virgin Islands VG1110; (ii) the Investment Manager, the General Partner and Ding is One Maritime Plaza, Suite 1107, San Francisco, CA 94111; and (iii) the Sub-Investment Adviser is Unit B, 26th Floor, Entertainment Building, 30 Queen’s Road, Central, Hong Kong, China.

(c) Citizenship:

The citizenship of each Reporting Person is set forth above.

(d) Title and Class of Securities:

This statement relates to American Depositary Shares, each reporting one ordinary share, par value \$0.01 per ordinary share (“ADSs”), of the Company.

(e) CUSIP Number: 88337K104

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) " Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o);
- (b) " Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) " Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c);
- (d) " Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C 80a-8);
- (e) " An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) " An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) " A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) " A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) " A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) " Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

The information required by Items 4(a) - (c) and set forth in Rows 5 through 11 of the cover page for each Reporting Person is incorporated herein by reference for each such Reporting Person.

The ADSs reported hereby for the Fund are owned directly by the Fund. The Investment Manager, as investment manager of the Fund, may be deemed to be the beneficial owner of all such ADSs owned by the Fund. The Sub-Investment Adviser, as sub-investment adviser to the Investment Manager, may be deemed to be the beneficial owner of all such ADSs owned by the Fund. The General Partner, as general partner of the Investment Manager, may be deemed to be the beneficial owner of all such ADSs owned by the Fund. Ding, as managing partner of the Investment Manager, director of the Sub-Investment Adviser and member of the General Partner with the power to exercise investment discretion, may be deemed to be the beneficial owner of all such ADSs owned by the Fund. Each of the Investment Manager, the Sub-Investment Adviser, the General Partner and Ding hereby disclaims any beneficial ownership of any such ADSs.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following. o

Item 6. Ownership of More than Five Percent on Behalf of Another Person: N/A

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company: N/A

Item 8. Identification and Classification of Members of the Group: N/A

Item 9. Notice of Dissolution of Group: N/A

Item 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: February 13, 2013

/s/ Kelvin Koo
CHINAROCK CAPITAL MANAGEMENT
LIMITED
By: Kelvin Koo, Attorney-in-Fact for Chun R. Ding,
Director

/s/ Kelvin Koo
CRCM LLC,
On its own behalf and as the General Partner of
CRCM LP, as the Investment Manager of
CRCM Institutional Maser Fund (BVI), Ltd.
By: Kelvin Koo, Attorney-in-Fact for Chun R. Ding,
Member

/s/ Kelvin Koo
By: Kelvin Koo, Attorney-in-Fact for Chun R. Ding

Exhibit Index

- Exhibit 1 Joint Acquisition Statement Pursuant to Section 240.13d-1(k)
- Exhibit 2 Power of Attorney appointing Kelvin Koo as true and lawful attorney-in-fact for Chun Ding
(previously filed)

EXHIBIT 1
to
SCHEDULE 13G/A

JOINT ACQUISITION STATEMENT
PURSUANT TO SECTION 240.13d-1(k)

The undersigned acknowledge and agree that the foregoing statement on Schedule 13G/A is filed on behalf of each of the undersigned and that all subsequent amendments to this statement on Schedule 13G/A shall be filed on behalf of each of the undersigned without the necessity of filing additional joint acquisition statements. The undersigned acknowledge that each shall be responsible for the timely filing of such amendments, and for the completeness and accuracy of the information concerning him, her or it contained therein, but shall not be responsible for the completeness and accuracy of the information concerning the other entities or persons, except to the extent that he, she or it knows or has reason to believe that such information is inaccurate.

Dated: February 13, 2013

/s/ Kelvin Koo
CHINAROCK CAPITAL MANAGEMENT
LIMITED
By: Kelvin Koo, Attorney-in-Fact for Chun R. Ding,
Director

/s/ Kelvin Koo
CRCM LLC,
On its own behalf and
as the General Partner of
CRCM LP,
as the Investment Manager of
CRCM Institutional Master Fund (BVI), Limited
By: Kelvin Koo, Attorney-in-Fact for Chun R. Ding,
Member

/s/ Kelvin Koo
By: Kelvin Koo, Attorney-in-Fact for Chun R. Ding

11
ALIGN="bottom"> 259,443 68,400 12,000 399,843

(1) The amounts shown in this column include discretionary bonuses approved by the Board of Directors. These amounts were paid in the form of fully vested Restricted Stock Grants.

- (2) The amounts shown in this column are the aggregate grant date fair value of stock awards granted during the applicable fiscal year, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB 718). The assumptions used to calculate these figures are described in Note 5 of the Company s Form 10-K for the applicable fiscal year.
- (3) The amounts in this column include automobile allowances and the value of personal use of a Company provided vehicle.

Outstanding Equity Awards at Fiscal Year-End 2013

The following table sets forth the Named Executive Officers outstanding equity awards as of the end of fiscal 2013.

Name and Title	Year of Award	Stock Awards	
		Shares or Units of Stock that have not Vested (#)(1)	Market Value of Shares or Units of Stock that have not Vested (\$)(2)
Robert A. Virtue	2009	4,000	10,480
President & CEO	2012	24,000	62,880
Douglas A. Virtue	2009	4,000	10,480
Executive Vice President	2012	24,000	62,880
Robert E. Dose	2009	4,000	10,480
Vice President Finance	2012	24,000	62,880

Table of Contents

- (1) All RSUs vest at 20% per year for five years from the grant date. For the 4,000 RSUs remaining from the June 16, 2009 RSU award there is one remaining vesting date: June 16, 2014. For the 24,000 RSUs remaining from the June 19, 2012 RSU award there are four remaining vesting dates: June 19, 2014, June 19, 2015, June 19, 2016 and June 19, 2017.
- (2) All year-end dollar values were computed based on the fiscal year-end closing price of \$2.62 per share of common stock less the \$0.01 par value of the share of Common Stock that is paid by the Named Executive Officer.

Retirement Benefits

The Company maintains two defined benefit pension plans in which the Named Executive Officers participate, the Virco Employees Retirement Plan (Employee Plan) and the Virco Important Performers Retirement Plan (VIP Plan). The Company and its subsidiaries cover all employees under the Employee Plan, which is a qualified noncontributory defined benefit retirement plan. Benefits under the Employee Plan are based on years of service and career average earnings. The Company also provides a supplementary retirement plan for certain key employees, the VIP Plan. The VIP Plan provides a benefit up to 50% of average compensation for the last five years in the VIP Plan, offset by benefits earned under the Employee Plan. Effective December 31, 2003, the Company froze all future benefit accruals under the plans. Employees can continue to vest under the benefits earned to date, but no covered participants will earn additional benefits under the plan freeze.

Potential Payments upon Termination or Change-in-Control

The Company does not have employment agreements with any of the Named Executive Officers. Retirement, death, disability and change-in-control events do not trigger the payment of compensation to the Named Executive Officers that is not available to all salaried employees (including the amounts included in the Retirement Benefits discussion above). Named Executive Officers do not have a contractual right to receive severance benefits.

As noted in Post-Employment and Other Events, pursuant to the Company's 2007 and 2011 Stock Incentive Plans, the vesting of all outstanding stock awards is accelerated upon a change-in-control. In addition, under the Virco Important Performers (VIP) Plan, the vesting of retirement benefits is accelerated upon the occurrence of a change-in-control or the death of the participant, however, all of the Named Executive Officers are already fully vested in their retirement benefits under the VIP Plan. Change-in-control is defined as a party other than the members of the Virtue family accumulating 20% or more of the Company's common stock.

DIRECTOR COMPENSATION

Directors who are also officers of the Company receive no additional compensation for their services as directors. The Company's non-employee directors receive an annual retainer of \$62,500 composed of (i) \$37,500 in the form of quarterly cash payments and (ii) \$25,000 in the form of restricted stock granted each year on the date of the Annual Meeting of Stockholders. In addition, each non-employee director who serves as a lead director or as the Chair or member of a Board committee also receives an additional annual retainer for his or her services. The lead director receives \$20,000 in cash per year. The Audit Committee Chair receives \$7,500 per year, and Audit Committee members receive \$4,500 per year. Chairs of the Compensation Committee and the Corporate Governance and Nominating Committee each receive an additional \$5,000 (which will be eliminated when the Lead Director takes over as Chair of the Corporate Governance and Nominating Committee) and the members of these committees each receive \$3,000 per year. Directors are also reimbursed for travel and related expenses incurred to attend meetings. The Company has also established a pension plan for non-employee directors who have served as such for at least 10 years, providing for a series of quarterly payments (equal to the portion paid to the non-employee directors' annual service fee) for such director's lifetime following the date on which such director ceases to be a director for any reason.

other than death. Effective December 31, 2003, the Company froze all future benefit accruals under the pension plan.

The Company's guidelines with regard to common stock ownership by directors are for each director to own common stock with a market value of three times or more the annual cash retainer.

Table of Contents

The following table sets forth the compensation paid to each independent director who served during fiscal 2013:

Name and Position	Fees Earned or Paid in Cash \$(1)	Stock Awards \$(2)	Nonqualified Deferred		Total (\$)
			Compensation Earnings (\$)	All Other Compensation \$(3)	
Donald S. Friesz (4)	40,500	25,000		39,720	105,220
Thomas J. Schulte (4)	48,000	25,000			73,000
Glen D. Parish (4)	40,500	25,000		64,491	129,991
Dr. James R. Wilburn (4)	46,250	25,000			71,250
William L. Beer (4)	54,625	25,000			79,625
Robert K. Montgomery (5)	45,500	25,000			70,500
Albert Moyer (6)	47,500				47,500

- (1) Cash Fees include the cash portion of the annual retainer of plus fees for serving as a lead director, committee chair, or committee member.
- (2) A grant of 11,905 shares of restricted stock with a grant date fair value of \$25,000 was awarded on the day of the 2013 Annual Meeting. The restricted stock vests in one year from the date of grant, which vesting was accelerated to May 7, 2014 in connection with the resignation of these directors. As a result, all [] shares were outstanding at fiscal year-end.
- (3) Messrs. Friesz and Parish are former officers of the Company. Other compensation consists of pension benefits earned as an employee of the Company and paid in retirement.
- (4) Resigned effective May 7, 2014.
- (5) Resigned effective no later than commencement of the 2014 Annual Meeting.
- (6) Resigned effective October 15, 2013.

Table of Contents**Securities Authorized for Issuance Under Equity Compensation Plans**

Plan category	Equity Compensation Plan Information		
	Number of securities to be issued upon exercise of outstanding options, warrants and rights (#)	Weighted-average price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans - excluding securities reflected in column (#)
Equity compensation plans approved by security holders			349,320(1)
Equity compensation plans not approved by security holders			1,000,000(2)
Total			1,349,320

- (1) Represents the number of shares available for issuance as of January 31, 2014, under the Company's 2011 Stock Incentive Plan.
- (2) Represents the number of shares added to the 2011 Stock Incentive Plan and being submitted for approval in proposal 6, discussed above.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Jerald Farrell, who is the brother of Patricia Quinones, our Vice President of Logistics, Marketing Services and Information Services, has been employed by the Company in various positions since March 24, 1997, and most recently as Director of Technical Operations. During fiscal 2012 and 2013, the total compensation (which includes base salary, the value of stock based awards and personal use of a Company car) paid by the Company to Mr. Farrell was approximately \$150,099 and \$154,136, respectively. Kathy Virtue Young, who is the daughter of Robert A. Virtue and sister of Douglas A. Virtue, has been employed by the Company in various sales positions since October 27, 1986, and most recently as a Regional Sales Manager. During 2012 and 2013, the total compensation (which includes base salary, incentive sales programs, and personal use of a Company car) paid by the Company to Ms. Young was approximately \$138,494 and \$138,238, respectively.

REPORT OF THE AUDIT COMMITTEE

The Board of Directors has adopted a written charter for the Audit Committee, which is available on the Company's website at www.virco.com in the Corporate Governance section of the About Virco webpage. The Audit Committee reviews the Company's financial reporting process on behalf of the Board of Directors. Management has the primary responsibility for the financial statements and the reporting process. The Company's independent registered public

accounting firm is responsible for expressing an opinion on the conformity of the Company's audited financial statements with accounting principles generally accepted in the United States.

Table of Contents

In this context, the Audit Committee has reviewed and discussed the audited financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2014, with management and the independent registered public accounting firm, including their judgment of the quality and appropriateness of accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements. In addition, the Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by Public Company Accounting Oversight Board standards, SEC rules, and other applicable standards. In addition, the Audit Committee has received from the independent registered public accounting firm the written disclosures and letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communication with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the independent registered public accounting firm's independence. The Audit Committee has also considered whether the independent registered public accounting firm's provision of non-audit services to the Company is compatible with the auditors' independence. The Audit Committee also reviewed and discussed with management its report on internal control over financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board of Directors has approved, that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2014, for filing with the Securities and Exchange Commission.

THE AUDIT COMMITTEE OF

THE BOARD OF DIRECTORS

Thomas J. Schulte, Chair

James R. Wilburn

William Beer

The report of the Audit Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this proxy statement into any filing under the Securities Act or under the Exchange Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP audited the Company's financial statements for fiscal 2013 and has been selected by the Audit Committee to audit the Company's financial statements for fiscal 2014. The Audit Committee is directly responsible for the engagement of the independent registered public accounting firm. In making its determination, the Audit Committee reviewed both the audit scope and estimated audit fees for the coming year. Each professional service performed by Ernst & Young LLP during fiscal 2013 was reviewed, and the possible effect of such service on the independence of the firm was considered, by the Audit Committee. Representatives of Ernst & Young LLP will be

present at the 2014 Annual Meeting and will have an opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

The Audit Committee has adopted policies and procedures for pre-approving all audit services, audit-related services, tax services and non-audit services performed by Ernst & Young LLP. Specifically, the Audit Committee has pre-approved the use of Ernst & Young LLP for detailed, specific types of services within the following categories: annual audits, quarterly reviews and statutory audits, preparation of certain corporate tax returns, regulatory implementation and compliance and risk assessment guidance. In each case, the Audit Committee has also set specific annual ranges or limits on the amount of each category of services which the Company would obtain from Ernst & Young LLP, which limits and amounts are established periodically by the Audit Committee. Any proposed services exceeding these levels or amounts require specific pre-approval by the Audit Committee. The Audit Committee monitors the performance of all services provided by the independent registered public accounting firm to determine whether such services are in compliance with the Company's pre-approval policies and procedures.

Table of Contents**Fees Paid to Ernst & Young LLP**

The following table shows the fees that the Company paid or accrued for the audit and other services provided by Ernst & Young LLP for fiscal years 2013 and 2012. All of the services described in the following fee table were approved in conformity with the Audit Committee's pre-approval process.

	2013	2012
	(\$)	(\$)
Audit Fees	398,000	349,000
Audit-Related Fees		6,500
Tax Fees		
All Other Fees		
Total	390,000	355,500

Audit Fees. Audit fees are the aggregate fees for services of the Company's independent registered public accounting firm for audits of the Company's annual financial statements, and review of the Company's quarterly financial statements included in the Company's Forms 10-Q, and services that are normally provided by the independent registered public accounting firm in connection with statutory and regulatory filings or engagements for those fiscal years.

Audit-Related Fees. Audit-related fees are those fees for services provided by the independent registered public accounting firm that are reasonably related to the performance of the audit or review of the Company's financial statements and not included as audit fees.

Tax Fees. Tax fees are those fees for services provided by the independent registered public accounting firm, primarily in connection with the Company's tax compliance activities, including technical tax advice related to the preparation of tax returns. There were no tax services provided by the Company's independent registered public accounting firm in 2013 and 2012.

OTHER MATTERS**Section 16 (a) Beneficial Ownership Reporting Compliance.**

Section 16(a) of the Exchange Act requires the Company's officers, directors and persons who beneficially own more than 10% of any equity security of the Company to file reports of beneficial ownership and changes in beneficial ownership with the Securities and Exchange Commission and to furnish copies of these reports to the Company. Based solely on a review of the copies of the forms that the Company received, and other information available to it, to the best of the Company's knowledge all such reports were timely filed.

2015 Stockholder Proposals.

If a stockholder wishes to submit a proposal for consideration at the 2015 Annual Meeting and wants that proposal to appear in the Company's proxy statement and form of proxy for that meeting, the proposal must be submitted in writing to the Company's Corporate Secretary at 2027 Harpers Way, Torrance, California 90501, Attention: Robert E. Dose, no later than [], 2015, and must comply with all applicable SEC requirements. The submission of a stockholder

proposal does not guarantee that it will be included in the Company's Proxy Statement and form of proxy.

The Company's bylaws also establish an advance notice procedure with regard to nominations of persons for election to the Board of Directors and proposals for other business that are not submitted for inclusion in the Proxy Statement and form of proxy but that a stockholder instead wishes to present directly at an Annual Meeting of Stockholders. If a stockholder wishes to submit a nominee or other business for consideration at the 2015 Annual Meeting of Stockholders without including that nominee or proposal in the Company's Proxy Statement and form of proxy, the Company's bylaws require, among other things, that the stockholder

Table of Contents

submission contain certain information concerning the nominee or other business, as the case may be, and other information specified in the Company's bylaws, and that the stockholder provide the Company with written notice of such nominee or business no later than February 27, 2015, provided that, if the 2015 Annual Meeting of Stockholders is advanced or delayed more than 40 days from the anniversary date of the previous year's annual meeting, such nominee or proposal of other business must be submitted no later than the close of business on the later of the 120th day prior to the 2015 Annual Meeting of Stockholders or the 10th day following the first public announcement of the date of such meeting. If the number of directors to be elected to the Board of Directors is increased and there is no public announcement specifying the size of increase before February 27, 2015, then a stockholder notice will be considered timely only with respect to nominees for new positions created by such increase if submitted not later than the close of business on the 10th day following the first public announcement of such increase. A stockholder notice should be sent to the Company's Corporate Secretary at 2027 Harpers Way, Torrance, California 90501, Attention: Robert E. Dose. Proposals or nominations not meeting the advance notice requirements in the Company's bylaws will not be entertained at the 2015 Annual Meeting of Stockholders. A copy of the full text of the relevant bylaw provisions may be obtained from the Company's filing with the SEC or by writing our Corporate Secretary at the address identified above.

Additional Matters Considered at the 2014 Annual Meeting.

The Board of Directors does not know of any matters to be presented at the 2014 Annual Meeting other than as stated herein. If other matters do properly come before the 2014 Annual Meeting, the persons named on the accompanying proxy card will vote the proxies in accordance with their judgment in such matters.

Householding.

The Company will deliver only one Proxy Statement and accompanying Annual Report to multiple stockholders sharing an address unless the Company has received contrary instructions from one or more of the stockholders. The Company will undertake to deliver promptly, upon written or oral request, a separate copy of the Proxy Statement and accompanying Annual Report to a stockholder at a shared address to which a single copy of such documents are delivered. A stockholder can notify the Company that the stockholder wishes to receive a separate copy of the Proxy Statement and/or Annual Report by contacting the Company's Corporate Secretary at 2027 Harpers Way, Torrance, California 90501 or at (310) 553-0474. Similarly, stockholders sharing an address who are receiving multiple copies of the Proxy Statement and accompanying Annual Report may request delivery of a single copy of the Proxy Statement and/or Annual Report by contacting the Company at the address set forth above or at (310) 533-0474.

Availability of Annual Report.

The Annual Report to Stockholders of the Company for the fiscal year ended January 31, 2014, is being mailed to stockholders concurrently herewith and is also available online at www.virco.com. **The Company will also provide without charge a copy of its Annual Report on Form 10-K, including financial statements and related schedules, filed with the Securities and Exchange Commission, upon written or oral request from any person who was a holder of record, or who represents in good faith that he/she was a beneficial owner, of common stock of the Company on May 9, 2014. Any such request shall be addressed to the Company at 2027 Harpers Way, Torrance, California 90501, Attention: Robert E. Dose, Secretary or by calling (310) 533-0474.**

By Order of the Board of Directors

/s/ ROBERT E. DOSE
Robert E. Dose
Secretary

Torrance, California

May [], 2014

Table of Contents

Table of Contents