

Frequency Electronics, Inc.

Corporate Governance Guidelines

The Board of Directors (the “Board”) of Frequency Electronics, Inc. (the “Company”), has adopted these Corporate Governance Guidelines (these “Guidelines”) to provide, together with the charters of the standing committees of the Board, a framework for the governance of the Company. These Guidelines are intended to assist the Board in exercising its responsibilities and serving the interests of the Company and its stockholders. These Guidelines are not intended to establish any binding obligations on the Company or the Board. The Nominating and Corporate Governance Committee will review these Guidelines from time to time and recommend to the Board modifications or changes as circumstances warrant.

Board Responsibilities and Committees

The business and affairs of the Company are subject to the oversight and authority of the Board. The Board has assigned primary responsibility for certain functions to the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The responsibilities of the committees are set forth in the charters of the committees, which the Board, in consultation with the Nominating and Corporate Governance Committee, will review from time to time and modify as circumstances warrant. Each of the committees will consist solely of independent directors, and the chair and members of the committees shall be determined from time to time by the Board based on the recommendations of the Nominating and Corporate Governance Committee.

Board Meetings

The Board holds regularly scheduled meetings each year. To the extent possible, each director is expected to attend in person all meetings of the Board and all meetings of each committee on which the director serves, and to participate in such meetings telephonically if the director is unable to attend in person. The Company makes every effort to distribute Board and committee meeting materials in advance of each meeting, and directors are expected to review the materials prior to the meeting and otherwise spend the time needed to discharge their responsibilities. Directors also are expected to attend the Company’s annual stockholders meeting.

Director Qualifications and Selection

The Board is expected to have a broad range of experience in business matters pertinent to the Company in order to evaluate the strategic direction and policies of the Company across changing economic and regulatory environments and in response to customer expectations. Each director should be committed to representing the interests of the Company and its stockholders and possess high personal and professional ethics, integrity, values and judgment. A substantial majority of the Board should be independent, as defined under the Nasdaq Stock Market’s listing standards and determined by the Board.

The Nominating and Corporate Governance Committee is responsible for soliciting and receiving recommendations for, and evaluating the qualifications and independence of, directors

and potential directors, as well as evaluating the composition of the Board and committees of the Board. The Nominating and Corporate Governance Committee will evaluate the qualifications of potential directors suggested by the Company's stockholders on the same basis as potential directors identified by the Nominating and Corporate Governance Committee or from other sources. Members of management will be considered as potential directors only if they are serving as the Company's President and Chief Executive Officer ("CEO") or are considered by the Board to be a key member of management.

Directors generally are expected to serve on no more than three other public company boards, and each director will advise the Chairman of the Board and, if applicable, the Lead Independent Director prior to accepting an invitation to serve on another public company board.

Director Elections

Directors of the Company are elected at the Company's annual stockholders meetings to serve for a term of one year or until their successors are duly elected and qualified, subject to their earlier death, resignation, disqualification or removal.

Board Leadership

The Board will elect one of the directors to serve as Chairman of the Board. The Chairman of the Board will discharge the duties set forth in the Bylaws and, in addition to such other duties and responsibilities as the Board may determine:

- serve as the principal liaison between the CEO and the other directors;
- set Board meeting agendas and schedules, and approve information sent to the Board;
- guide Board discussions and facilitate discussions between the Board and management;
- preside at all meetings of the Board and call special meetings of the Board;
- preside at all stockholders meetings and call special stockholders meetings;
- engage, or assist committees of the Board to engage, consultants who report directly to the Board or committees of the Board;
- be available for discussion with individual directors regarding key issues, individual director performance or any other matters relating to Board effectiveness; and
- if requested by major stockholders, be available for consultation and direct communication with such stockholders.

Whether the CEO also should serve as Chairman of the Board is determined from time to time by the Board in light of the then-current circumstances. In the event that the Chairman of the Board is the CEO or otherwise not an independent director, the independent directors may elect an independent director to serve as the Lead Independent Director. If elected, the Lead

Independent Director will coordinate the activities of the other independent directors and, in addition to such other duties and responsibilities as the Board may determine:

- serve as the principal liaison between the Chairman of the Board and the other independent directors;
- approve Board meeting agendas and schedules to ensure there is sufficient time for discussion of all agenda items;
- approve information sent to the Board;
- advise the Chairman of the Board as to the quality, quantity and timeliness of the flow of information from management that is necessary or appropriate for the independent directors to perform their duties effectively;
- preside at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors;
- develop the agenda for executive sessions of the independent directors;
- have the authority to call meetings of the independent directors and special meetings of the Board;
- engage, or assist committees of the Board to engage, consultants who report directly to the Board or committees of the Board;
- be available for discussion with individual directors regarding key issues, individual director performance or any other matters relating to Board effectiveness; and
- if requested by major stockholders, be available for consultation and direct communication with such stockholders.

Executive Sessions

The non-management directors will meet alone in executive sessions at Board meetings, as necessary. In addition, the independent directors (if different than the non-management directors) will meet alone in executive sessions from time to time, but in any event at least once per year and whenever an independent director may request.

Director Compensation

The Board, based on the recommendations of the Nominating and Corporate Governance Committee, will review and set the form and amount of compensation for non-management directors from time to time. Director compensation is intended to be set at a level that (i) will attract and retain qualified directors, (ii) is comparable to that offered by other public companies of a similar size and scope as the Company and (iii) is not excessive in order to avoid the possibility that Director independence may be compromised or impaired. Directors who are employees of the Company will not receive separate compensation for their service as directors.

Director Orientation and Education

When new directors join the Board, the CEO, in consultation with the Chairman of the Board and, if applicable, the Lead Independent Director, will provide them with materials and briefings from management about the Company and its operations, financial condition, strategic plans, management organization, compliance programs and Company and Board policies and procedures. As necessary and appropriate, the Board will receive ongoing education from internal or external sources in areas relevant to the Board's duties.

Board and Committee Evaluations

The Board, and each committee of the Board, will conduct an annual self-evaluation to determine whether the Board and committees of the Board are functioning effectively. The Nominating and Corporate Governance Committee is responsible coordinating and overseeing the annual self-evaluations. The annual self-evaluations will be of the Board as a whole, each committee as a whole and/or of directors on an individual basis, as determined by the Board in consultation with the Nominating and Corporate Governance Committee. The results of the annual self-evaluations will be presented to the Board for discussion.

Evaluation of the CEO; Succession Planning

The Board, in consultation with the Compensation Committee, will conduct an annual evaluation of the performance of the CEO.

The Board is responsible for the selection of the CEO and other members of senior management. In addition, the Board will develop and regularly review a succession plan for the CEO and other members of senior management, including procedures for the selection of a new or interim CEO in the event of an unexpected death, resignation, retirement or disability. The Board may consult with the CEO as to his or her opinion with respect to individuals qualified to succeed the CEO or other members of senior management.

Stock Ownership

Non-management members of the Board are expected to own shares of the Company's common stock. The Board may adopt additional stock ownership guidelines from time to time.

Confidentiality

Each director shall maintain the confidentiality of information provided to such director by the Company, including information disclosed or discussed at Board and committee meetings, and any other confidential information regarding the Company obtained by such director in his or her capacity as a director from whatever source. No director shall disclose any such confidential information to any person or entity except for other directors, management and independent legal, financial, accounting and other consultants or advisors of the Company, the Board or a committee, or when disclosure is authorized by the Board or required by law. No director shall use such confidential information for his or her personal benefit or to benefit persons or entities other than the Company and its stockholders generally except as may be authorized by the Board.

Communications with the Board

Communications to, or requests for communications with, individual directors or the Board should be directed to the following address: 55 Charles Lindbergh Boulevard, Mitchel Field, NY 11553, Attention: Corporate Secretary. In general, management speaks for the Company and the Chairman of the Board speaks on behalf of the Board.