

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Frequency Electronics, Inc.		2 Issuer's employer identification number (EIN) 11-1986657	
3 Name of contact for additional information Steven Bernstein	4 Telephone No. of contact (516)794-4500	5 Email address of contact steven.bernstein@fregelec.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 55 Charles Lindbergh Boulevard		7 City, town, or post office, state, and ZIP code of contact Mitchel Field, NY 11553	
8 Date of action 01/27/2023		9 Classification and description Distribution of cash to shareholders of common stock, classified as a nondividend	
10 CUSIP number 358010106	11 Serial number(s)	12 Ticker symbol FEIM	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On December 20, 2022, Frequency Electronics, Inc. (the "Company") declared a special cash dividend of \$1.00 per share of common stock which was paid on January 27, 2023 to stockholders of record as of the close of business on January 6, 2023. The total amount of the special dividend payment was approximately \$9,354,000.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The Company has determined that as of January 27, 2023, it did not have positive accumulated earnings and profits ("E&P") and does not estimate it would have positive current E&P for the fiscal year ended April 30, 2023 (tax year 2023). Current year E&P for tax year 2023 is computed as of the close of the Company's fiscal year ended April 30, 2023. The Company's estimate of current year E&P could change when the books and records are closed for the fiscal year ended April 30, 2023. Accordingly, each shareholder is expected to treat the entire distribution as a return of basis (to the extent of such shareholder's basis in the shares) followed by capital gain to the extent the distribution exceeds basis. We recommend that shareholders consult their individual tax advisor to determine the appropriate tax treatment.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **As described above, each shareholder is expected to treat the entire distribution as a return of basis (to the extent of such shareholder's basis in the shares) followed by capital gain to the extent the distribution exceeds basis. We recommend that shareholders consult their individual tax advisor to determine the appropriate tax treatment.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 301(c)(2) and (c)(3)
Per Section 301(c)(2) any distribution which is not classified as a dividend for U.S. federal income tax purposes will be applied against and
reduce the adjusted tax basis of the stock. If the amount of the distribution is greater than a taxpayer's adjusted tax basis in such stock, then
per Section 301(c)(3), such taxpayer shall report capital gain in the remaining amount.

18 Can any resulting loss be recognized? ▶ No loss will result to the shareholders with respect to the January 27, 2023 distribution.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2023
As stated previously, the distribution occurred on January 27, 2023 and taxpayers must reduce their adjusted stock basis in their Company
common stock by the amount of cash received to the extent of their tax basis in such stock. If the a shareholder receives a distribution
greater than the adjusted tax basis in their stock, such shareholder will report capital gain.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ Stevan Bernstein Date ▶ 3/15/23
Print your name ▶ Stevan Bernstein Title ▶ CFO/Vice President

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
<u>Keith Montante</u>	<u>Keith Montante</u>	<u>3/15/23</u>		<u>P00334539</u>
Firm's name ▶ <u>Andersen Tax LLC</u>	Firm's EIN ▶ <u>33-1197384</u>		Phone no. <u>516-962-2600</u>	
Firm's address ▶ <u>58 South Service Road, Suite 170 Melville, NY 11747</u>				