

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

FREQUENCY ELECTRONICS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

11-1986657
(I.R.S. Employer
Identification No.)

55 Charles Lindbergh Boulevard, Mitchel Field, NY 11553
(Address of Principal Executive Offices) (Zip Code)

1982 FREQUENCY ELECTRONICS, INC. INCENTIVE STOCK OPTION PLAN
1984 FREQUENCY ELECTRONICS, INC. INCENTIVE STOCK OPTION PLAN
FREQUENCY ELECTRONICS, INC. 1987 INCENTIVE STOCK OPTION PLAN
FREQUENCY ELECTRONICS, INC. SENIOR EXECUTIVE STOCK OPTION PLAN
FREQUENCY ELECTRONICS, INC. RESTRICTED STOCK PLAN
FREQUENCY ELECTRONICS, INC. 1993 NONSTATUTORY STOCK OPTION PLAN
(Full title of the Plans)

Joseph P. Franklin, Chief Executive and Financial Officer
Frequency Electronics, Inc.
55 Charles Lindbergh Boulevard, Mitchel Field, NY 11553
(Name and address, including zip code of agent for services)

516-794-4500
(Telephone number, including area code, of agent for service)

Copies to:
John L. Milling, Esq.
115 River Road, Building 12
Edgewater, NJ 07020

If any of the securities being registered on this form are to be offered
on a delayed or continuous basis pursuant to Rule 415 of the Securities Act of
1933, check the following box. [X]

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CALCULATION OF REGISTRATION FEE

| Title of Securities to be Registered | Amount to be Registered | Proposed Maximum Offering Price Per Share* | Proposed Maximum Aggregate Offering Price* | Amount of Registration Fee |
|--|-------------------------------|--|--|----------------------------------|
| Common Stock, par value \$1.00 per share, under 1982 Frequency Electronics, Inc. | | | | |
| Incentive Stock Option Plan | 129,713 | \$6.9375 | \$899,884 | \$310 |

| | | | | |
|---|---------|--------|-------------|---------|
| Common Stock, par value \$1.00 per share, under 1984 Frequency Electronics, Inc. Incentive Stock Option Plan | 131,900 | 6.9375 | 915,056 | 316 |
| Common Stock, par value \$1.00 per share, under Frequency Electronics, Inc. 1987 Incentive Stock Option Plan | 200,000 | 6.9375 | 1,387,500 | 478 |
| Common Stock, par value \$1.00 per share, under Frequency Electronics, Inc. Senior Executive Stock Option Plan | 150,000 | 6.9375 | 1,040,625 | 359 |
| Common Stock, par value \$1.00 per share, under Frequency Electronics, Inc. Restricted Stock Plan | 215,500 | 6.9375 | 1,495,031 | 516 |
| Common Stock, par value \$1.00 per share, under Frequency Electronics, Inc. 1993 Nonstatutory Stock Option Plan | 250,000 | 6.9375 | 1,734,375 | 598 |
| TOTALS | | | \$7,472,471 | \$2,577 |

*Estimated solely for the purpose of computing the registration fee pursuant to Rule 457, on the basis of the average of the high and low prices of the Registrant's Common Stock as reported on the American Stock Exchange on July 23, 1996.

R E O F F E R
P R O S P E C T U S

865,900 Shares

FREQUENCY ELECTRONICS, INC.

Common Stock
\$1.00 Par Value

The shares of common stock offered hereby are being sold by certain shareholders of Frequency Electronics, Inc. (the "Company") and such shareholders are hereinafter referred to as "Selling Shareholders". The Company will not receive any of the proceeds from the sale of the common stock. The common stock is listed on the American Stock Exchange under the symbol FEI. On July 23, 1996 the closing price for the Company's common stock on the American Stock Exchange was \$6.625 per share. Sales by the Selling Shareholder will be made from time to time at market prices then obtainable on the American Stock Exchange through securities dealers. See "Plan of Distribution".

THIS OFFERING INVOLVES CERTAIN RISKS. SEE "RISK FACTORS"
THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES
AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE
ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION
TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is July 26, 1996

AVAILABLE INFORMATION

The Company is subject to the information requirements of the Securities Exchange Act of 1934 (the "Exchange Act"), and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street N.W., Washington, D.C. 20549; 7 World Trade Center, New York, New York 10048; and Citicorp Center, 500 W. Madison Street, Suite 1400, Chicago, Illinois 60601-2511; and copies of such material can be obtained from the Public Reference Section of the Commission at Room 1024, 450 Fifth Street, N.W. Washington, D.C. 20549 at prescribed rates. In addition, the Company's securities are listed on the American Stock Exchange and such material can be inspected at such exchange.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company hereby incorporates by reference in this prospectus the Company's annual report on Form 10-K for its fiscal year ended April 30, 1995, filed pursuant to Section 13(a) of the Exchange Act, the Company's quarterly reports on Form 10-Q for the fiscal quarters ended July 31, 1995, October 31, 1995, and January 31, 1996, the Company's current reports on Form 8-K dated July 27, 1995 and November 20, 1995, the Company's registration statement on Form 8-A filed with the Commission on August 27, 1969, under Section 12 of the Exchange Act including any amendments thereto, and all other reports, if any, filed by the Company pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year ended April 30, 1995.

All reports and definitive proxy or information statements filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this prospectus and prior to the termination of the offering of the shares shall be deemed to be incorporated by reference into this prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is incorporated or deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

Any person receiving a copy of this prospectus may obtain without charge, upon request, a copy of any of the documents incorporated by reference herein, except for the exhibits to such documents. Requests should be directed to Markus Hechler, Frequency Electronics, Inc., 55 Charles Lindbergh Boulevard, Mitchel Field, NY 11553, telephone (516) 794-4500.

THE COMPANY

The Company is engaged in the design, development, manufacture, and marketing of precision time and frequency control products. For a more detailed discussion of the Company's business, reference is made to Part I, Item 1 of the Company's annual report on Form 10-K for its fiscal year ended April 30, 1995 which is incorporated herein by reference.

The Company's principal executive offices are located at 55 Charles Lindbergh Boulevard, Mitchel Field, NY 11553. Its telephone number is 516-794-4500.

RISK FACTORS

The following are among the factors that should be considered carefully in evaluating the Company and its business before purchasing shares offered by this prospectus.

1. Dependence on the Precision Time and Frequency Control Products Industry. The Company is, and has for many years been, engaged principally in the design, development, manufacture, and marketing of precision time and frequency control products by way of components, instruments, systems and certain microwave products. Its future financial performance will depend in large part on the continued growth in the market for its products, which in turn will depend in part on the growth in the number of organizations utilizing these products. There can be no assurance that this market will continue to grow and, in fact, a significant portion of this market is in a state of contraction. For many years the Company's principal customers have been the US Department of Defense ("DOD") and the National Aeronautics and Space Agency ("NASA"), although in recent years the Company has materially increased the portion of its business devoted to the commercial market for its products. Changing defense priorities and consequent US Government budget cutbacks have caused significant reductions in government demand for the Company's defense- and space-related products and further reductions are anticipated. This situation has had, and may continue to have, a material adverse effect upon the Company's business. This reduced governmental demand for the Company's products has been exacerbated by the suspension in 1993 by the DOD of the Company from contracting with any agency of the government, subject to certain exceptions by way of current contracted programs and the existence of compelling reasons for new contracts. The suspension grew out of certain criminal litigation by the government against the Company and is expected to continue in effect until the disposition of that litigation, at which time it will either be vacated or extended. There can be no assurance of the nature of this eventual disposition. Further, while the Company has experienced considerable and continuing growth in its commercial business there can be no assurance that this growth will continue, that the commercial markets will continue to grow, or that the Company will be able to respond effectively to the evolving requirements of these markets. Any significant contraction or cessation of growth in any of the Company's markets will have an adverse effect on its financial performance and has had such an effect in the case of its defense- and space-related markets. Reference is made to the subtopics "General Discussion" and "Material Developments" of Item 1 and to Item 3 of the Company's Form 10-K for the year ended April 30, 1995 (the "1995 Form 10-K"), incorporated herein by reference.

2. History of Operating Losses. The Company has, excluding the year ended April 30, 1992, experienced operating losses for each of the years ended April 30, 1991 through 1995 in the approximate aggregate amount of \$22,783,000, and has suffered a reduction of approximately \$16,478,000 in its Stockholders' Equity account between its 1991 and its 1995 fiscal year. The Company realized an operating profit for its 1996 fiscal year and believes that it will continue to do so in future fiscal periods, based in large part upon the continuing increase in its commercial business. However, although the Company believes its prospects to be highly favorable, there can be no assurance that the Company's increasing commercial revenues or that its profitability will continue. Reference is made to the subtopic "Commercial Markets" of Item 1 and to Items 7 and 8 of the 1995 Form 10-K, incorporated herein by reference.

3. Criminal and Civil Litigation. In 1993 a federal indictment, and in 1994 an indictment superseding this indictment (collectively the "Indictment") were returned, naming as defendants the Company and certain of its key personnel, alleging conspiracy to commit fraud and the commission of fraud by the defendants by way of allegedly intentionally false invoices and statements submitted by the Company under certain government contracts. A number of civil actions (the "Actions") were commenced against the Company and certain of its personnel and directors seeking substantial monetary damages, viz. (1) an action by the government; (2) two qui tam actions (an action under which an individual may, under certain circumstances, sue one or more third persons on behalf of the government for damages and other relief); and (3) two derivative actions (an action under which a shareholder may commence an action to enforce an alleged right or claim of the corporation for its benefit, frequently against its officers and/or directors who may

not reasonably be expected to cause the corporation to proceed against themselves). In 1993 a federal grand jury commenced a separate investigation which, the Company believes, relates to finance and/or pricing by the Company concerning government contracts and products unrelated to those involved in the Indictment. While the Company is vigorously contesting the Indictment and the Actions as are the individual defendants thereof, and believes that it and the individual defendants will prevail in these matters, there can be no assurance that this will be the case. In the event, after exhaustion of appeals, of the conviction of the Company under the Indictment and/or the entry of judgment against the Company in the Actions, the Company will be subject to extensive financial liabilities and will suffer material adverse damage with respect to its financial condition, business prospects and otherwise. Reference is made to the subtopic "U.S. Government Indictment" in Item 3 of the 1995 Form 10-K and to Item 5 of the Form 8-K of the Company, dated July 27, 1995, each of which is incorporated herein by reference.

4. Dependence on Personnel. The Company is highly dependent on the continued services of Martin Bloch, its president (on leave), founder and chief scientist. Mr. Bloch is a defendant in the Indictment and is exposed to the possibility of conviction and incarceration. The loss of the services of Mr. Bloch for any reason would have a material adverse effect on the Company by way of both the results of its operations and its business prospects. Although the Company believes that all defendants will be acquitted, there can be no prediction with any degree of certainty as to the disposition of the Indictment at this time. The Company's ability to maintain its competitive technological position will depend in part upon its ability to attract and retain highly qualified scientific, managerial and manufacturing personnel. Competition for such personnel is intense. Further, the Company must recruit and organize marketing and sales organizations for those products it will commercialize directly. Reference is made to the subtopic "Employees" in Item 1 and to the subtopic "U.S. Government Indictment" in Item 3 of the 1995 Form 10-K, each of which is incorporated herein by reference.

5. Protection of Intellectual Property Rights. The Company believes that patents and licenses are not material to its business, which is not dependent on this type of intellectual rights protection. The Company relies on unpatented proprietary manufacturing processes and technologies, product research and concepts by way of intellectual property, all of which the Company believes are important to the success of its products and its competitive position. There can be no assurance that the actions taken by the Company to protect its proprietary rights will be adequate to prevent imitation of its products, processes or technology, that the Company's proprietary information will not become known to competitors, that the Company can effectively protect its rights to unpatented proprietary information or that others will not independently develop substantially equivalent or better products than those of the Company. No assurance can be given that others will not assert rights in, and ownership of, the proprietary rights of the Company. Reference is made to the subtopic "Patents and Licenses" in Item 1 of the 1995 Form 10-K, incorporated herein by reference.

6. Competition. The Company competes primarily on the basis of the accuracy, performance and reliability of its products, the ability of its products to perform in severe environments, aerospace and otherwise, prompt and responsive contract performance, and the Company's technical competence and price. Accordingly, the Company's success depends upon maintaining its competitive position in the development of products and technologies in its areas of concentration. Precision time and frequency control is a rapidly evolving field in which developments are expected to continue at a fast pace. Competition from other companies in these fields is intense and is expected to increase. Many of these companies have substantially greater research and development capabilities, experience, and marketing, financial and managerial resources, and represent very significant long-term competition for the Company. Acquisitions of competing companies in these fields by these large competitors could enhance such competitors' financial, marketing, and other resources. In addition, there can be no assurance that developments by others will not render the Company's products or technologies noncompetitive. Reference is made to the subtopic "Competition" in Item 1 of the 1995 Form 10-K, incorporated herein by reference.

7. Dividends Not Likely. For the foreseeable future it is anticipated that any earnings which may be generated from the operations of the Company will be used to finance the growth of the Company and that cash dividends will not be paid to stockholders. Reference is made to Item 5 of the 1995 Form 10-K, incorporated herein by reference.

8. Fluctuations in Stock Price. The market price of the Company's common stock could be subject to significant fluctuations in response to variations in financial results or announcements of material events by the Company or its competitors. Developments in the time and frequency control industry or changes in the general conditions of the economy or the financial markets could also adversely affect the market price of the Company's common stock. Reference is made to Item 5 of the 1995 Form 10-K, incorporated herein by reference.

9. Possible Issuance of Additional Shares of Common Stock. The Company's articles of incorporation authorize the issuance of 20,000,000 shares of common stock, of which 6,006,300 shares are issued, including 1,159,905 shares of common stock reacquired by the Company and currently being held as treasury stock. Upon the exercise of all of the Company's currently outstanding common stock options and stock purchase rights, which options and rights provide for the purchase of 672,915 shares, approximately 13,320,785 shares of the Company's authorized common stock will remain unissued. The Company's board of directors has the power to issue any or all of such unissued shares of common stock plus all of the shares of treasury stock for general corporate purposes without shareholder approval. Potential investors should be aware that any such stock issuances may result in a reduction of the book value or market price of the outstanding common stock. If the Company issues any additional common stock, such issuance will reduce the proportionate ownership and voting power of each other common stockholder. Reference is made to the "Voting Securities and Principal Holders Thereof" section of Company's proxy statement, dated September 1, 1995, incorporated herein by reference.

10. Adverse Effect of Stock Sales on Market Price. Future sales in the public market of outstanding restricted shares of the Company's common stock pursuant to Rule 144 under the Securities Act of 1933, as amended, could have a material adverse effect on the market price of the Company's common stock. Additionally, approximately 59,000 shares of the Company's outstanding common stock, 672,915 shares issuable upon the exercise of outstanding common stock purchase options or stock purchase rights and 345,198 shares issuable upon the exercise of common stock purchase options or stock purchase rights issuable in the future under certain employee benefit plans of the Company have been included in the registration statement of which this prospectus is a part (the "Registration Statement"). The outstanding shares and the shares, when issued on the exercise of the common stock purchase options and rights (collectively the "Shares"), will, subject in certain cases to contractual restrictions, be freely tradeable by the holders thereof following the effectiveness of the Registration Statement. The sale of the Shares in the open market could also have a material adverse effect on the market price of the Company's common stock. Reference is made to the "Voting Securities and Principal Holders Thereof" section of Company's proxy statement, dated September 1, 1995, incorporated herein by reference.

SELLING SHAREHOLDERS

The Company has instituted several employee benefit plans (collectively the "Plans") including the 1982 Frequency Electronics, Inc. Incentive Stock Option Plan (the "1982 Plan"), the 1984 Frequency Electronics, Inc. Incentive Stock Option Plan (the "1984 Plan"), the Frequency Electronics, Inc. 1987 Incentive Stock Option Plan (the "1987 Plan"), the Frequency Electronics, Inc. Senior Executive Stock Option Plan (the "Senior Executive Plan"), the Frequency Electronics, Inc. Restricted Stock Plan (the "Restricted Stock Plan"), and the Frequency Electronics, Inc. 1993 Nonstatutory Stock Option Plan (the "1993 Plan"). The Plans provide for issuances of stock options and/or shares of restricted common stock to certain employees, including affiliates, of the Company and its subsidiaries. The stock options can be exercised for shares of the Company's common stock. Certain shares acquired pursuant to the Plans whether directly or upon the exercise of stock options are being offered hereby by the Selling Shareholders.

The table which follows identifies each Selling Shareholder that may receive "control shares", as defined below, under one of the Plans or who owns shares received under one of the Plans prior to the Company's registration of the applicable Plan's shares on Form S-8, the Plan pursuant to which the shares being offered have been or may be acquired, and the nature of all positions, offices or other material relationships which each Selling Shareholder has had with the Company within the past three years. It also indicates the number of shares of common stock owned by each Selling Shareholder prior to the offering, the number of shares of common stock to be offered for the account of each Selling Shareholder, the number of shares of common stock to be owned by each Selling Shareholder after the completion of the offering, and the percentage of the Company's common stock to be owned by each Selling Shareholder after completion of the offering. The table also makes reference, in a generic manner, to Selling Shareholders of "control shares" under each Plan, where applicable and where the names of such Selling Shareholders are not presently known. "Control shares" are securities acquired under a Securities Act registration statement held by affiliates of the Company. As the names of such Selling Shareholders become known, the Company will supplement this Reoffer Prospectus as required by Rule 424(b) of the General Rules and Regulations under the Securities Act of 1933.

| Selling Shareholder | Plan | Position with Company | No. of Common Shares Owned Prior to Offering | No. of Common Shares Offered | No. of Common Shares Owned After Offering | %-age of Common Shares Owned After |
|---------------------|---|-----------------------|--|--|---|------------------------------------|
| Martin Bloch | Sr. Exec. Plan Restricted Stock Plan | Pres. & Dir. | 624,096 | 100,000 35,000 TOTAL 135,000 | 489,096 | 8.9% |
| Joseph Franklin | Sr.Exec. Plan Restricted Stock Plan | Chairman, CEO, CFO | 90,000 | 25,000 35,000 TOTAL 60,000 | 30,000 | |
| Markus Hechler | 1982 Plan 1984 Plan 1987 Plan Restricted Stock Plan | V.P.& Secy. | 72,500 | 17,500 6,500 18,000 10,000 TOTAL 52,000 | 20,500 | |
| John Ho | 1982 Plan 1984 Plan 1987 Plan Restricted Stock Plan | V.P. & Dir. | 99,525 | 15,000 20,500 8,000 15,000 TOTAL 58,500 | 41,025 | |
| Abraham Lazar | 1982 Plan 1984 Plan | Dir. and | 21,000 | 10,500 10,500 TOTAL 21,000 | 0 | 0 |
| Len Martire | 1984 Plan 1987 Plan Restricted Stock Plan | V.P. | 38,900 | 24,900 5,000 9,000 TOTAL 38,900 | 0 | 0 |
| Marvin Meirs | 1982 Plan 1984 Plan 1987 Plan Restricted Stock Plan | V.P. | 79,967 | 16,500 20,500 10,000 10,000 TOTAL 57,000 | 22,967 | |
| Harry Newman | 1982 Plan 1984 Plan Treas, 1987 Plan Restricted Stock Plan | Secy., & | 27,739 | 7,500 5,000 5,000 5,000 TOTAL 22,500 | 5,239 | |

| Selling Shareholder | Plan | Position with Company | No. of Common Shares Owned Prior to Offering | No. of Common Shares Offered | No. of Common Shares Owned After Offering | %-age of Common Shares Owned After |
|--------------------------|-----------------------|-----------------------|--|------------------------------|---|------------------------------------|
| Charles Stone | 1982 Plan | V.P. | 46,678 | 6,000 | 24,876 | |
| | 1984 Plan | | | 3,000 | | |
| | 1987 Plan | | | 9,802 | | |
| | Restricted Stock Plan | | | 5,000 | | |
| | TOTAL | | | 23,802 | | |
| Al Vulcan | 1982 Plan | V.P. | 72,000 | 13,500 | 20,000 | |
| | 1984 Plan | | | 10,500 | | |
| | 1987 Plan | | | 18,000 | | |
| | Restricted Stock Plan | | | 10,000 | | |
| | TOTAL | | | 52,000 | | |
| Holder of Control Secur. | 1987 Plan | N/A | N/A | TOTAL 3,698 | N/A | N/A |
| Holder of Control Secur. | Sr. Exec. Plan | N/A | N/A | TOTAL 25,000 | N/A | N/A |
| Holder of Control Secur. | Restricted Stock Plan | N/A | N/A | TOTAL 66,500 | N/A | N/A |
| Holder of Control Secur. | 1993 Plan | N/A | N/A | TOTAL 250,000 | N/A | N/A |
| | | | | GRAND TOTAL | 865,900 | |

Includes 672,915 shares of common stock which may be issued upon the exercise of outstanding stock options or stock purchase rights under the Plans but does not include (except as listed generically under the heading "Number of Common Shares Offered") an additional 345,198 shares of common stock which may be issued upon the exercise of stock options or stock purchase rights issuable in the future under the Plans.

Based upon 5,519,310 shares being issued and outstanding including 672,915 shares of common stock which may be issued upon the exercise of outstanding stock options or stock purchase rights under the Plans but excluding 1,159,905 issued common shares currently being held as treasury stock and also excluding 345,198 common shares which may be issued upon the exercise of stock options or stock purchase rights issuable in the future under the Plans.

At this time, Martin Bloch has taken a voluntary leave of absence as president of the Company, and is attending Company board meetings and acting solely in an advisory capacity. He is not participating in any Company board decisions or board actions (by vote, written consent or otherwise) and is voluntarily abstaining from participation except when called upon for information) from any board discussion of corporate policy or board action.

At this time, Abraham Lazar is voluntarily abstaining from any further attendance at or participation in Company board meetings or other board activities.

At this time, Harry Newman has taken a voluntary leave of absence as secretary and treasurer of the Company.

The foregoing restrictions on Messrs. Bloch's, Lazar's and Newman's participation in the Company's affairs will abide until the final disposition of the Federal Indictment as to each of them respectively whereby, depending on the result, they will respectively either resign from or re-

sume their original positions. See Item 3 - Legal Proceedings in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 1995 which is incorporated herein by reference.

The Selling Shareholder serves or has served as an officer and/or director of one or more subsidiaries of the Company at some time within the past three years.

Less than 1%

PLAN OF DISTRIBUTION

Selling Shareholders may sell all or part of the shares from time to time at market prices then obtainable on the American Stock Exchange through securities dealers. The ability of the Selling Shareholders to sell any of the shares however, is subject to any and all restrictions and limitations imposed upon the Selling Shareholders by the Plan or Plans pursuant to which they acquired the shares. The Common Stock of the Company is traded on the American Stock Exchange.

EXPERTS

The consolidated balance sheet as of April 30, 1995 and 1994 and the consolidated statements of income, retained earnings, cash flows and financial statement schedule for each of the three years in the period ended April 30, 1995, incorporated by reference in this prospectus, have been incorporated herein in reliance on the report which includes an explanatory paragraph as to certain litigation, of Coopers & Lybrand L.L.P., independent accountants, given on the authority of that Firm as experts in accounting and auditing.

LEGAL OPINIONS

The legality of the Shares offered hereby will be passed upon for the Company by the Law Office of John L. Milling, 115 River Road, Building 12, Edgewater, NJ 07020.

INDEMNIFICATION

The Company's Certificate of Incorporation provides for indemnification to the fullest extent permitted by Section 145 of the Delaware General Corporation Law ("Section 145"). Pursuant thereto, the Company indemnifies its officers, directors, employees and agents to the fullest extent permitted for losses and expenses incurred by them in connection with actions in which they are involved by reason of their having been directors, officers, employees or agents of the Company. Section 145 permits a corporation to indemnify any person who is or has been a director, officer, employee or agent of the corporation or who is or has been serving as a director, officer, employee or agent of another corporation, organization or enterprise at the request of the corporation, against all liability and expenses (including, but not limited to, attorneys' fees and disbursements and amounts paid in settlement or in satisfaction of judgments or as fines or penalties) incurred or paid in connection with any action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise, in which he/she may be involved by reason of the fact that he/she serves or is serving in these capacities, if he/she acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no cause to believe his/her conduct was unlawful. In the case of a claim, action, suit or proceeding made or brought by or in the right of the corporation to procure a recovery or judgment in its favor, the corporation shall not indemnify such person in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the corporation for negligence or misconduct in the performance of his or her duty to the corporation, except for such expenses as the Court may allow. Any such person who has been wholly successful on the merits or otherwise with respect to any such claim, action, suit or proceeding or with respect to any claim, issue or matter therein, shall be indemnified as of right against all expenses in connection therewith or resulting therefrom.

The Company's By-Laws provide for indemnification of the Company's officers and directors against all liabilities (including reasonable costs, expenses, attorneys' fees, obligations for payment in settlement and final judgment) incurred by or imposed upon them in the preparation, conduct or compromise of any actual or threatened action, suit, or proceeding, whether civil, criminal or administrative, including any appeals therefrom

and any collateral proceedings in which they shall be involved by reason of any action or omission by them in their capacity as a director or officer of the Company, or of any other corporation which they serve as a director or officer at the request of the Company, whether or not such person is a director or officer at the time such liabilities are incurred or any such action, suit or proceeding is commenced against them. The indemnification provided by the By-Laws does not extend, however, to certain situations involving misconduct, willful misfeasance, bad faith or gross negligence.

The Company maintains an insurance policy insuring its directors and officers against liability for certain acts and omissions while acting in their official capacities.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers, or persons controlling the Company, the Company has been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

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865,900 Shares

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FREQUENCY ELECTRONICS, INC.

COMMON STOCK
\$1.00 PAR VALUE

 PROSPECTUS

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. INCORPORATION OF DOCUMENTS BY REFERENCE

The following documents are incorporated by reference in this registration statement.

- (a) Registrant's Annual Report on Form 10-K for the fiscal year ended April 30, 1995, filed pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended.
- (b) Registrant's quarterly reports on Form 10-Q for the fiscal quarters ended July 31, 1995, October 31, 1995, and January 31, 1996, Registrant's Current Reports on Form 8-K dated July 27, 1995 and November 20, 1995, and all other reports, if any, filed by the Company pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 since the end of the fiscal year ended April 30, 1995.
- (c) The description of Registrant's Common Stock contained in the Registration Statement on Form 8-A filed with the Commission on August 27, 1969 under Section 12 of the Securities Exchange Act of 1934, including any amendment or report filed for the purpose of updating such description.

All documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934 after the date of this registration statement and prior to the filing of a post-effective amendment to this registration statement which indicates that all securities offered hereunder have been sold, or which deregisters all securities then remaining unsold under this registration statement, shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of filing of such documents.

Item 4. DESCRIPTION OF SECURITIES

Not applicable; the class of securities to be offered is registered under Section 12 of the Securities Exchange Act of 1934.

Item 5. INTEREST OF NAMED EXPERTS AND COUNSEL

Not applicable.

Item 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Registrant's Certificate of Incorporation provides for indemnification to the fullest extent permitted by Section 145 of the Delaware General Corporation Law ("Section 145"). Pursuant thereto, Registrant indemnifies its officers, directors, employees and agents to the fullest extent permitted for losses and expenses incurred by them in connection with actions in which they are involved by reason of their having been directors, officers, employees or agents of Registrant. Section 145 permits a corporation to indemnify any person who is or has been a director, officer, employee or agent of the corporation or who is or has been serving as a director, officer, employee or agent of another corporation, organization or enterprise at the request of the corporation, against all liability and expenses (including, but not limited to, attorneys' fees and disbursements and

amounts paid in settlement or in satisfaction of judgments or as fines or penalties) incurred or paid in connection with any action, suit or proceeding, whether civil, criminal, administrative, investigative or otherwise, in which he/she may be involved by reason of the fact that he/she serves or is serving in these capacities, if he/she acted in good faith and in a manner he/she reasonably be believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no cause to believe his/her conduct was unlawful. In the case of a claim, action, suit or proceeding made or brought by or in the right of the corporation to procure a recovery or judgment in its favor, the corporation shall not indemnify such person in respect of any claim, issue or matter as to which such person has been adjudged to be liable to the corporation for negligence or misconduct in the performance of his or her duty to the corporation, except for such expenses as the Court may allow. Any such person who has been wholly successful on the merits or otherwise with respect to any such claim, action, suit or proceeding or with respect to any claim, issue or matter therein, shall be indemnified as of right against all expenses in connection therewith or resulting therefrom.

The Registrant's By-Laws provide for indemnification of the Registrant's officers and directors against all liabilities (including reasonable costs, expenses, attorneys' fees, obligations for payment in settlement and final judgment) incurred by or imposed upon them in the preparation, conduct or compromise of any actual or threatened action, suit, or proceeding, whether civil, criminal or administrative, including any appeals therefrom and any collateral proceedings in which they shall be involved by reason of any action or omission by them in their capacity as a director or officer of the Registrant, or of any other corporation which they serve as a director or officer at the request of the Registrant, whether or not such person is a director or officer at the time such liabilities are incurred or any such action, suit or proceeding is commenced against them. The indemnification provided by the By-Laws does not extend, however, to certain situations involving misconduct, willful misfeasance, bad faith or gross negligence.

The Registrant maintains an insurance policy insuring its directors and officers against liability for certain acts and omissions while acting in their official capacities.

Various matters of litigation which may result in claims for indemnification by certain directors and officers of Registrant are presently pending and are more fully described in Registrant's Annual Report on Form 10-K for the fiscal year ended April 30, 1995 (see "Item 3. Legal Proceedings"), Registrant's Current Report on Form 8-K dated July 27, 1995 (see "Item 5. Other Events"), and the Quarterly Reports on Forms 10-Q dated July 31, 1995, October 31, 1995 and January 31, 1996 (see "Part II - Item 1. Legal Proceedings"), all of which reports are incorporated herein by reference. Except as described in such reports, there is no other litigation pending, and neither Registrant nor any of its directors know of any threatened litigation which might result in a claim for indemnification by any director or officer.

Item 7. EXEMPTION FROM REGISTRATION CLAIMED

With respect to restricted securities issued under any of the Plans and to be reoffered or resold pursuant to this Registration Statement, Registrant relied on the exemption from registration contained in Section 4(2) of the Securities Act of 1933, as amended, in that the issuance of such restricted securities involved a transaction by an issuer not involving a public offering.

Item 8. EXHIBITS

| Exhibit Number | Description of Document |
|----------------|---|
| 4.1 | Certificate of Incorporation of Registrant filed with the Secretary of State of Delaware on May 23, 1968 (filed as Exhibit 3.1 of Registrant's registration statement on Form S-1 (File No. 2-29609), and incorporated herein by reference). |
| 4.2 | Amendment to Certificate of Incorporation of Registrant filed with the Secretary of State of Delaware on March 27, 1981 (filed as Exhibit 3.2 of Registrant's registration statement on Form S-1 (File No. 2-71727), and incorporated herein by reference). |
| 4.3 | Amendment to Certificate of Incorporation of Registrant filed with the Secretary of State of Delaware on October 26, 1984 (filed as Exhibit 27 of Registrant's Form 10-K for the year ended April 30, 1985 and incorporated herein by reference). |
| 4.4 | Amendment to Certificate of Incorporation of Registrant filed with the Secretary of State of Delaware on October 22, 1986 (filed as Exhibit 42 of Registrant's Form 10-K for the year ended April 30, 1987 and incorporated herein by reference). |
| 4.5 | Amended and Restated Certificate of Incorporation of Registrant filed with the Secretary of State of Delaware on October 26, 1987 (filed as Exhibit 45 of Registrant's Form 10-K for the year ended April 30, 1990 and incorporated herein by reference). |
| 4.6 | Amendment to Certificate of Incorporation of Registrant filed with the Secretary of State of Delaware on November 2, 1989 (filed as Exhibit 59 of Registrant's Form 10-K for the year ended April 30, 1990 and incorporated herein by reference). |
| 4.7 | Bylaws of Registrant (filed as Exhibit 3.3 to Registrant's Form 10-K for the year ended April 30, 1981, and incorporated herein by reference). |
| 4.8 | 1982 Frequency Electronics, Inc. Incentive Stock Option Plan (filed as Exhibit 25 of Registrant's Form 10-K for the year ended April 30, 1982 and incorporated herein by reference). |
| 4.9 | 1984 Frequency Electronics, Inc. Incentive Stock Option Plan (filed as Exhibit 28 of Registrant's Form 10-K for the year ended April 30, 1985 and incorporated herein by reference). |
| 4.10 | Frequency Electronics, Inc. 1987 Incentive Stock Option Plan (filed as Exhibit 50 of Registrant's Form 10-K for the year ended April 30, 1989 and incorporated herein by reference). |
| 4.11 | Frequency Electronics, Inc. Senior Executive Stock Option Plan (filed as Exhibit 51 of Registrant's Form 10-K for the year ended April 30, 1989 and incorporated herein by reference). |

- 4.12 Frequency Electronics, Inc. Restricted Stock Plan.
- 4.13 Frequency Electronics, Inc. 1993 Nonstatutory Stock Option Plan.
- 5.1 Opinion of Law Offices of John L. Milling.
- 23.1 Consent of Coopers & Lybrand L.L.P.
- 23.2 Consent of Law Offices of John L. Milling (included in Exhibit 5.1).
- 24.1 Powers of Attorney

Item 9. UNDERTAKINGS

(a) The undersigned Registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Mitchel Field, County of Nassau, Town of Hempstead, State of New York, on the 24th day of July, 1996.

FREQUENCY ELECTRONICS, INC.

By /s/ Joseph P. Franklin
 JOSEPH P. FRANKLIN, Chairman of the Board,
 Chief Executive and Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

| Signature | Title | Date |
|--|--|---------------|
| /s/ Joseph P. Franklin JOSEPH P. FRANKLIN | Chairman of the Board, Chief Executive Officer, Chief Financial Officer, and Director | July 24, 1996 |
| /s/ John Ho JOHN HO | Director and Vice President | July 24, 1996 |
| /s/ Joel Girsky JOEL GIRSKY | Director | July 24, 1996 |
| /s/ E. John Rosenwald, Jr. E. JOHN ROSENWALD, JR. | Director | July 24, 1996 |

INDEX TO EXHIBITS

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| 24.1 | Powers of Attorney | 45 |

FREQUENCY ELECTRONICS, INC.
RESTRICTED STOCK PLAN
(Limited to 250,000 Shares)

ARTICLE 1
DEFINITIONS

As used herein, the following terms have the meanings hereinafter set forth unless the context clearly indicates to the contrary:

- (a) "Administrators" shall mean the Board or the Committee, as applicable.
- (b) "Board" shall mean the Board of Directors of FEI.
- (c) "Code" shall mean the Internal Revenue Code of 1986, as amended.
- (d) "Committee" shall mean the Restricted Stock Plan Committee of the Board.
- (e) "Common Stock" shall mean the \$ 1.00 par value common stock of the Company.
- (f) "Company" shall mean Frequency Electronics, Inc. and its Subsidiaries.
- (g) "Discharge for Cause" or "Cause" shall mean (i) such acts or conduct on the part of the Participant which is contrary to the interests of the Company, as determined by the Board; (ii) the occurrence of an event described in Section 6.8(b) of this Plan; (iii) the commission of any crime or act of material dishonesty by the Participant as against the Company; or (iv) the commission of any willful, malicious, grossly negligent or reckless act by the Participant which is deemed, in the reasonable judgment of the Board, detrimental to the business, prospects or reputation of the Company. Notwithstanding anything to the contrary contained herein, however, the term "Discharge for Cause" or "Cause" shall not include a determination by a Board constituted at any time following a Change of Control of the Company (as defined below).
- (h) "Disinterested" shall mean an individual who is not, and has not been for one (1) year, eligible to receive benefits under the Plan and as defined in Section 16(b) of the Exchange Act.
- (i) "Effective Date of the Plan" shall be as defined in Article 2.3 hereof.
- (j) "Escrow agent" shall mean any escrow agent or its successor designated by the Administrators to act under the provisions of the Escrow Agreement.
- (k) "Escrow Agreement" shall mean the form of escrow agreement as determined from time to time by the Administrators.
- (l) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.
- (m) "Fair Market Value" shall mean the average of the highest price and the lowest price per share at which the Stock is sold in the regular way on the American Stock Exchange (or any other exchange on which

it may be listed) on the day Restricted Stock is purchased hereunder, or in the absence of any reported sales on such day, the first preceding day on which there were such sales, provided such price shall not be less than the Par Value of the Stock.

(n) "FEI" shall mean Frequency Electronics, Inc.

(o) "Key Management Employees" shall mean officers and directors who are also employees of the Company, all employees of the Company holding the position of project manager, all positions above such level, and those key or outstanding employees including, without limitation, new employees of the Company otherwise, from time to time, designated by the Administrators.

(p) "Operating Profits" are to be calculated by subtracting cost of sales and selling and administrative expenses from net sales, and shall be determined from the certified financial statements as prepared by the Company's independent auditors.

(q) "Par Value" shall mean the value given to the Stock of FEI in its Certificate of Incorporation or by resolution of its Board pursuant to its Certificate of Incorporation.

(r) "Participant" shall mean a person who has purchased Restricted Stock pursuant to the provisions hereof and which has not been forfeited under the Plan.

(s) "Plan" shall mean the Frequency Electronics, Inc. Restricted Stock Plan, the terms of which are set forth herein.

(t) "Restricted Stock" shall mean Common Stock delivered to or held by a Participant which is subject to the restrictions described in Section 6.8 and any new, additional or different stock or securities of FEI or some other corporation, which a Participant may become entitled to receive with respect to such shares by virtue of a stock split or stock dividend or any other change in the corporate or capital structure of FEI. Shares of Restricted Stock delivered pursuant to the Plan, at the election of the Administrators, may consist either in whole or in part of FEI's authorized and unissued shares or FEI's authorized and issued shares thereafter re-acquired by FEI and held in its treasury, as may from time to time, be determined by the Board.

(u) "Securities Act" shall mean the Securities Act of 1933, as amended.

(v) "Stock" shall mean the Common Stock of FEI or, in the event that the outstanding shares of Stock are hereafter changed into or exchanged for shares of a different stock or securities of FEI or some other corporation, any new, additional or different stock or securities of FEI or some other corporation. Shares of Stock delivered pursuant to the Plan at the election of the administrators, may consist either in whole or in part of FEI's authorized and unissued shares or FEI's authorized and issued shares thereafter re-acquired by FEI, and held in its treasury, as may from time to time, be determined by the Board.

(w) "Stock Purchase Agreement" shall mean the form of stock purchase agreement as determined from time to time by the Administrators.

(x) "Subsidiary" shall mean any corporation, the majority of the outstanding capital stock of which is owned, directly or indirectly, by the Company, and as defined in Section 425 of the Code.

ARTICLE II

THE PLAN

2.1. Name. This Plan shall be known as the "Frequency Electronics, Inc. Restricted Stock Plan."

2.2 Purpose. The purpose of the Plan is to advance the interests of the Company and its stockholders by affording to Key Management Employees an opportunity to acquire or increase their proprietary interest in the Company by purchasing Restricted Stock under the terms set forth herein. This plan is intended to serve as an employment incentive through which the Company seeks to motivate, retain, and attract those highly competent individuals upon whose judgment, initiative, leadership, and continued efforts the success of the Company in large measure depends.

2.3. Effective Date. The Plan shall become effective upon the earlier of the date of its adoption by the Board or its approval by the holders of a majority of the shares of Common Stock of FEI represented at the next annual or special meeting of the stockholders of FEI.

ARTICLE III

PARTICIPANTS

Any Key Management Employee of the Company shall be eligible to participate in the Plan. Members of the Committee who are also Key Management Employees shall not be eligible to purchase Restricted Stock under the Plan. The Administrators may select any eligible Key Management Employee who may purchase Restricted Stock in accordance with such determinations as the Administrators from time to time in their sole discretion shall make. The Plan does not entitle an eligible Key Management Employee to purchase Restricted Stock unless such employee is selected by the Administrators. A Key Management Employee who has been eligible to and/or selected by the Administrators to purchase Restricted Stock in one year may not necessarily be eligible and/or selected to purchase Restricted Stock in subsequent years. The Administrators may, before they approve the purchase of Restricted Stock or as a condition of such approval, require the Participant by whom the purchase is to be made, to enter into an Escrow Agreement and/or Stock Purchase Agreement with FEI containing such terms and conditions as the Administrators may prescribe. Nothing contained in the Plan shall give any employee the right to be retained in the employ of the Company or affect the right of the Company to dismiss any employee. The adoption of the Plan shall not constitute a contract between the Company and any employee.

ARTICLE IV

ADMINISTRATION

4.1. Duties and Powers of Administrators. The Plan shall be administered by the Committee. In the absence of the existence of the Committee, the Plan shall be administered by the Board. The Committee shall be designated by the Board, need not be composed of Board members, and shall be composed of such number of persons as the Board shall from time to time determine, but at least three, all of whom shall be Disinterested. Vacancies on the Committee shall be filled by the Board and the Board may replace members of the Committee from time to time. The initial Committee shall consist of E. John Rosenwald, Jr., Joel Girsky and Arnold S. Schickler. The whole Board may designate one or more individuals as alternate members of the Committee, who may replace any absent or disqualified member at any meeting of the Committee, such

alternate member to be Disinterested. The resolution of the Board designating or replacing the Committee or any of its members, filling vacancies and designating alternates shall be adopted by a majority of the whole Board. The Committee shall elect a Chairman and a Secretary; until such time, the initial Chairman shall be E. John Rosenwald, Jr. and the initial Secretary shall be Joel Girsky, each of whom shall serve until they resign or are replaced. Meetings may be called by any member of the Administrators, to be held at the principal offices of the Company or such other places as designated by the Chairman. Actions of the Committee may be taken without a meeting, providing such actions are specified in writing in accordance with Section 4.2 hereof.

Subject to the express provisions of the Plan, the Administrators shall have the sole discretion and authority to determine (a) from among eligible Key Management Employees those who may purchase Restricted Stock, (b) the time or times at which Restricted Stock may be purchased, (c) the number of shares of Restricted Stock which may be purchased, (d) the duration of the restrictions on the Restricted Stock, (e) the manner and type of restrictions to be imposed on the Restricted Stock, and (f) the valuation of the consideration to be paid for the Restricted Stock, provided that the consideration may not be less than the Par Value thereof (all of which need not be the same for each grant hereunder). Subject to the express provisions of the Plan, the Administrators shall also have the sole discretion and complete authority to interpret the Plan, to prescribe, amend, and rescind rules and regulations relating to it, to determine the details and provisions of each Escrow Agreement and Stock Purchase Agreement, and to take all such other and further steps as may or shall be necessary or advisable to administer the Plan. If the Plan is administered by the Committee, it shall report all action taken by it to the Board, and report to the Board the names of those Key Management Employees who have purchased Restricted Stock, the number of shares of Restricted Stock purchased, the duration of the restrictions, the applicable prices, the restrictions on the Stock, the valuation of the consideration received therefor, and submit to the Board a copy of any Escrow Agreement or Stock Purchase Agreement executed or to be executed by each Participant.

The Administrators may employ such legal counsel, consultants and agents as they may deem desirable for the administration of the Plan and may rely upon any opinion received from any such counsel or consultant. None of the Administrators shall be liable for any action or determination made in good faith with respect to the Plan or any Restricted Stock purchased under it and the Company shall indemnify and hold harmless each Administrator against any liability, cost or expense (including reasonable counsel fees) arising out of any act or omission to act in connection with the Plan, unless arising out of such person's own fraud, bad faith or willful misconduct.

4.2. Majority Rule. The presence of two-thirds of the Committee, convened with or without alternates shall constitute a quorum, and any action taken by a majority present at a meeting at which a quorum is present or any action taken without a meeting evidenced by a writing executed by a majority of all of the Committee, shall constitute the action of all of the Committee. Any resolution adopted by the Board in accordance with the by-laws of FEI and provided a quorum is present in accordance with such by-laws, shall be deemed sufficient for purposes of taking any action required to be taken by the Board hereunder including, without limitation, ratification of any acts undertaken by the Committee.

4.3. Company Assistance. The Company shall supply full and timely information to the Administrators on all matters relating to Key Management Employees, their employment, death, retirement, disability or other termination of employment, and such other pertinent facts as the Administrators may require. The Company shall furnish the Administrators with such clerical and other assistance as is necessary in the performance of their duties.

ARTICLE V

SHARES OF RESTRICTED STOCK SUBJECT TO PLAN

5.1. Limitations. Subject to adjustment pursuant to the provisions of Section 5.3 hereof, the number of shares of Restricted Stock which may be issued and sold hereunder shall not exceed two hundred fifty thousand (250,000) shares. Such shares may consist either in whole or in part, of FEI's authorized and unissued shares or FEI's authorized and issued shares thereafter re-acquired by FEI and held in its treasury, as may from time to time, be determined by the Board. Any of such shares which remain unsold at the termination of the Plan shall cease to be reserved for the purposes of the Plan.

5.2. Stockholder Approval. FEI may, but shall not be required to, issue or deliver any certificate for restricted stock which may be purchased under the Plan, until the Plan has been approved by a resolution adopted by the holders of a majority of the outstanding shares of Stock of FEI at an annual or special meeting of stockholders held within twelve (12) months from the date the Plan is approved by the Board, and if such approval is not obtained, FEI may determine that Restricted Stock previously purchased pursuant to the Plan shall be void and thereupon FEI shall have no liability whatsoever in connection with any such Restricted Stock other than to return the purchase price paid therefor.

5.3. Antidilution. In the event that the Stock hereafter are changed into or exchanged for a different number or kind of shares or other securities of FEI or of another corporation by reason of merger, consolidation, or other reorganization, recapitalization, reclassification, combination of shares, stock split-up, or stock dividend, then:

(a) The aggregate number and kind of shares in the Plan shall be adjusted appropriately;

(b) The number of shares of Restricted Stock purchased by a Participant pursuant hereto shall be adjusted appropriately, both as to the number of subject shares and the price;

(c) Such new or additional or different shares or securities which are distributed to a Participant, in his capacity as the owner of Restricted Stock purchased hereunder, shall be legended in accordance with Section 6.8(d) hereof and shall be subject to all of the conditions and restrictions applicable to Restricted Stock issued as provided herein.

Any adjustments required hereunder and the manner of application of the foregoing provisions shall be determined solely by the Administrators, and any such adjustment may provide for the elimination of fractional share interests.

ARTICLE VI

RESTRICTED STOCK PURCHASE

6.1. Restricted Stock Purchase. All Restricted Stock purchased pursuant hereto shall be authorized by minutes of a meeting or the written consent of the Administrators, which shall specify the terms and provisions to be contained in the Stock Purchase Agreement and/or the Escrow Agreement, in accordance with the Plan. The Escrow Agreement and the Stock Purchase Agreement shall be executed by an authorized officer of FEI.

6.2. Restricted Stock Price. The per share Restricted Stock price shall be determined by the Administrators, but the per share price shall not be less than the Par Value of the Restricted Stock on the date the Restricted Stock is purchased.

The purchase price for the Restricted Stock may be paid in such form and in such manner as the Administrators may determine, and may include payment in whole or in part with Stock of FEI (valued at the Fair Market Value of said Stock on the date of purchase) or in services theretofore performed by the Key Management Employee, valued by the Administrators in their sole discretion. Such valuation shall be reflected by minutes of a meeting or the written consent of the Administrators. Any Stock used as payment for the purchase price shall be delivered to FEI, endorsed for transfer to FEI with the endorser's signature guaranteed or duly notarized, together with payment for all applicable transfer taxes thereon, and all services in payment of the purchase price shall be fully performed prior to issuance of any Restricted Stock.

6.3. Section 83(b) Election. A Participant who files an election with the Internal Revenue Service to include the fair market value of any Restricted Stock in gross income while it is still subject to restrictions shall promptly furnish FEI with a copy of such election together with information as to the amount of any federal, state, local or other taxes required to be withheld to enable the Company to claim an income tax deduction with respect to such election.

6.4. Withholding. All Restricted Stock purchased pursuant hereto and dividends on such Restricted Stock shall be subject to withholding as required by applicable federal, state and local laws, and the Administrators may make such arrangements for the payment of any withholding taxes on Restricted Stock purchased pursuant hereto as they deem satisfactory, including but not limited to (i) reducing the number of shares of Restricted Stock otherwise deliverable, based upon their Fair Market Value, to permit deduction of the amount of any such withholding taxes from the amount which may otherwise be purchased under the Plan, (ii) deducting the amount required to be withheld from salary or any other amount then or thereafter payable to a Participant, and (iii) requiring a Participant to pay to FEI the amount required to be withheld as a condition of releasing the Restricted Stock and any other distributions related thereto.

6.5. Intentionally Omitted.

6.6. Nontransferability of Restricted Stock. Unless otherwise permitted hereunder, no Restricted Stock shall be transferred by a Participant otherwise than by Last Will and Testament or the laws of Descent and Distribution.

At such time that a Participant purchases Restricted Stock pursuant hereto, the Participant shall represent to FEI in writing that he or she will hold the Restricted Stock for his or her own account for investment only and not with a view to distribution or resale and that the Participant will not make any sale, transfer or other disposition of any shares of Restricted Stock purchased except pursuant to registration under the Securities Act or pursuant to an opinion of counsel satisfactory in form and substance to the Administrators, that the sale, transfer or other disposition may be made without registration.

6.7. No Alienation of Benefits. Except insofar as may otherwise be required by law, no Restricted Stock held at any time pursuant to an Escrow Agreement shall be subject in any manner to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, charge, or encumbrance of any kind nor in any manner be subject to the debts or liabilities of any person and any attempt to so alienate or subject any such amount, whether presently or thereafter payable, shall be void. If any person shall attempt to, or shall alienate, sell, transfer, assign, pledge, attach, charge, or otherwise encumber any Restricted Stock purchased under the Plan, or any part thereof, or if by reason of his or her bankruptcy or other event happening at any such time such amount would be made subject to his debts or liabilities or would otherwise not be enjoyed by him or her, then the Administrators, if they so elect, may direct that such Restricted Stock be withheld and that the same or any part thereof be paid or applied to or for the benefit of such person, his or her spouse, children or other dependents, or any of them, in such manner and proportion as the Administrators may deem proper, in their sole discretion.

6.8. Restrictions Imposed. The Administrators may impose any or all of the restrictions, enumerated in subsections (a), (b) and (c) hereof or such other restrictions as provided in subsection (e) below, with respect to any Restricted Stock purchased hereunder:

(a) If a Participant's employment with the Company shall be terminated by the Company based upon Discharge For Cause, Cause or without Cause in accordance with applicable Company policies, or by the act of the Participant, within three (3) years from the date Restricted Stock shall have been purchased hereunder, FEI shall have the option for a period of sixty (60) days after such termination of employment, to buy any or all of the shares purchased by such terminated employee for a sum equal to the consideration paid by the terminated employee to FEI to acquire such shares ("Forfeiture Price"). The provisions of this paragraph shall automatically terminate and the restrictions shall be removed in accordance with Section 6.10 hereof, immediately following a "Change of Control of the Company". (A "Change of Control of the Company" shall be deemed to have occurred if and when (i) any person, other than Martin B. Bloch, as such term is used in Sections 13(d) and 14(d)(ii) of the Exchange Act, is or becomes a beneficial owner, directly or indirectly, of securities of FEI representing fifteen percent (15%) or more of the combined voting power of FEI's then outstanding securities or (ii) a change in the composition of the Board so that a majority of the members of the Board immediately prior to such change are no longer members of the Board after such change which, in the sole discretion of the Board immediately prior to such change of control or change in composition of the Board, is determined to be a change hostile to, and not in the best interests of, the stockholders of FEI.)

(b) If a Participant shall, within three (3) years from the date Restricted Stock shall have been purchased, directly or indirectly, own, manage, operate, control, be employed by, or participate in, as a partner, joint venturer, employee, agent, salesman, officer, director, five percent (5%) shareholder, or be connected in any manner with the ownership, management, operation, control, employment or participation as a partner, joint venturer, employee, agent, salesman, officer, director, or five percent (5%) shareholder, of any business similar to the type of business conducted by the Company at that time, as determined in the sole discretion of the Administrators, the Restricted Stock shall be forfeited to FEI and all rights thereunder shall cease. The provisions of this paragraph shall automatically terminate and the restrictions shall be removed in accordance with Section 6.10 hereof, immediately following a Change of Control of the Company or if the Participant is terminated by the Company without Cause.

(c) (i) If Operating Profits do not equal or exceed the target established by the Administrators, in their sole discretion, for the Company for each of the three (3) years following the purchase by the Participant of Restricted Stock ("Minimum Operating Profits"), which Minimum Operating Profits need not be the same for all Participants, FEI shall have the option for a period of sixty (60) days after the date on which the certified financial statements for such third year have been finally prepared and delivered to the Company by the Company's independent auditors, to purchase a percentage of such Restricted Stock as determined by the Administrators, in their sole discretion, for a sum equal to the Forfeiture Price for the proportionate number of shares of Restricted Stock so purchased; (ii) If Operating Profits equal or exceed the Minimum Operating Profits established by the Administrators for each of the three (3) years following the purchase by the Participant of Restricted Stock, the restriction on such Restricted Stock created by this paragraph shall automatically terminate and the restrictions shall be removed in accordance with Section 6.10 hereof. The provisions of this paragraph shall automatically terminate and the restrictions shall be removed in accordance with Section 6.10 hereof, immediately following a Change of Control of the Company.

(d) Stock certificates evidencing Restricted Stock purchased by a Participant shall be issued and delivered in the sole name of the Participant and each such certificate shall bear the following legends:

(i) "The shares of Frequency Electronics, Inc. \$ 1.00 par value common stock evidenced by this certificate are subject to repurchase by Frequency Electronics, Inc., and such shares may not be sold or otherwise transferred, pledged or hypothecated except pursuant to the provisions of the Escrow Agreement

and/or Stock Purchase Agreement by and between the Escrow Agent, Frequency Electronics, Inc. and the registered owner of such shares."; and

(ii) "This stock certificate may not be sold, transferred, pledged or hypothecated unless it has first been registered under the Securities Act of 1933, as amended, or unless counsel for Frequency Electronics, Inc. has given an opinion that registration under said Act is not required, except that after a Change of Control of the Company, an opinion of counsel that registration under said Act is not required, may be provided by counsel independent of Frequency Electronics, Inc. These shares are subject to the terms of an Escrow Agreement and/or Stock Purchase Agreement with the Escrow Agent, Frequency Electronics, Inc. and the registered owner of such shares."

No such share may be sold, transferred, or otherwise alienated or hypothecated so long as the certificate evidencing such share bears the legends provided above.

The foregoing provisions in subsection (d) hereof shall not be effective if and to the extent that the shares of Stock delivered under the Plan are covered by an effective and current registration statement under the Securities Act, or if and so long as the Administrators determine that application of such provisions is no longer required. In making such determination, the Administrators shall rely upon an opinion of counsel for the Company, except that after a Change of Control of the Company, an opinion of counsel that registration under the Securities Act is not required, may be provided by counsel independent of the Company.

(e) The Administrators may impose some or all of the restrictions set forth in this Section and/or such other restrictions on any shares sold pursuant to the Plan as they may deem advisable in their sole discretion, including without limitation, restrictions under the Securities Act, under the requirements of any stock exchange upon which such shares or shares of same class are then listed, and under any state or local blue sky or securities laws applicable to such shares.

(f) In the event FEI exercises its sixty (60) day option with respect to any shares, the Company may set off the Forfeiture Price from any obligation or liability to a Participant, whether as compensation or otherwise.

6.9. Rights of Stockholder. Subject to the provisions of Section 6.11 hereof, a certificate or certificates for all shares of Restricted Stock registered in the name of a Participant shall be delivered to him or her as soon as reasonably practicable and he or she shall thereupon be a stockholder and have all the rights of a stockholder with respect to such shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such shares; provided, that such shares of Restricted Stock, and any new, additional or different securities the Participant may become entitled to receive with respect to such shares by virtue of a stock split or stock dividend or any other change in the corporate or capital structure of FEI, shall be subject to the restrictions theretofore imposed on the Restricted Stock.

6.10. Removal of Restrictions. (a) If (i) a Participant shall die, retire, or become permanently and totally disabled, as determined in accordance with applicable Company personnel policies, or (ii) there is a Change of Control of the Company, at any time within three (3) years from the date Restricted Stock shall have been purchased hereunder, the events of forfeiture specified in Section 6.8 or as otherwise determined by the Administrators shall terminate, and upon surrender and presentation to FEI of the legended certificates evidencing such shares, replacement certificates shall be issued and delivered to the Participant, free from the legend provided for in Section 6.8(d)(i) hereof or any other restrictions on the sale or other transfer of such shares, pursuant to the Plan, but legended in accordance with Section 6.8(d)(ii) hereof, and such shares shall, nonetheless, remain subject to the Securities Act and the Exchange Act, unless an opinion of counsel is provided in accordance with Section 6.8(d).

(b) If FEI chooses not to exercise its sixty (60) day option with respect to any shares or such sixty (60) day option period has expired, pursuant to Section 6.8(a) or (c), the events of forfeiture specified in Section 6.8(a) and (c) shall terminate, and upon surrender and presentation to FEI of the legended certificates evidencing such shares, replacement certificates shall be issued and delivered to the Participant, free from the legend provided for in Section 6.8(d)(i) hereof or any other restrictions on the sale or transfer of such shares, pursuant to the Plan, but legended in accordance with Section 6.8(d)(ii) hereof, and such shares shall, nonetheless, remain subject to the Securities Act and the Exchange Act, unless an opinion of counsel is provided in accordance with Section 6.8(d).

(c) If a Participant shall not have violated the provisions of Section 6.8(b) of the Plan within three (3) years from the date Restricted Stock shall have been purchased hereunder, the events of forfeiture specified in Section 6.8(b) shall terminate, and upon surrender and presentation to FEI of the legended certificates evidencing such shares, replacement certificates shall be issued and delivered to the Participant, free from the legend provided for in Section 6.8(d)(i) hereof or any other restrictions on the sale or transfer of such shares, pursuant to the Plan, but legended in accordance with Section 6.8(d)(ii) hereof, and such shares shall, nonetheless, remain subject to the Securities Act and the Exchange Act, unless an opinion of counsel is provided in accordance with Section 6.8(d).

6.11. Escrow. In order to enforce the restrictions imposed upon shares issued under the Plan, the Administrators may require any Participant to deposit with the Escrow Agent all certificates for Restricted Stock together with stock powers, appropriately endorsed in blank, and to enter into an Escrow Agreement providing that the certificates representing shares issued pursuant to the Plan shall remain in the physical custody of the Escrow Agent until any or all of the restrictions imposed pursuant to the Plan have terminated.

ARTICLE VII

STOCK CERTIFICATES

FEI may, but shall not be required to, issue or deliver any certificate for shares of Restricted Stock purchased hereunder or any portion thereof, prior to fulfillment of all of the following conditions:

(a) The admission of such shares to listing on all stock exchanges on which the Stock is then listed;

(b) The completion of any registration or other qualification of such shares under any federal or state law or under the rules or regulations of the Securities and Exchange Commission or any other governmental regulatory body, which the Administrators shall in their sole discretion deem necessary or advisable;

(c) The obtaining of any approval or other clearance from any federal or state governmental agency which the Administrators shall in their sole discretion determine to be necessary or advisable;

(d) Compliance with all terms and provisions of the Plan, the Stock Purchase Agreement and the Escrow Agreement;

(e) The lapse of such reasonable period of time following the purchase of the Restricted Stock as the Administrators from time to time in their sole discretion may establish for reasons of administrative convenience; and

(f) The approval of the Plan by the holders of a majority of the shares of Stock of FEI represented at an annual or special meeting of the stockholders of FEI; and

Nothing herein contained shall be construed as imposing any obligation on the Administrators or the Company to undertake or complete any act with respect to subparagraphs (a), (b) and (c) hereof.

ARTICLE VIII

TERMINATION, AMENDMENT, AND MODIFICATION OF PLAN

8.1. Termination. The Plan shall terminate and no further shares shall be sold or issued hereunder on or after January 1, 1999, or such earlier date as may be determined by the Administrators. The termination of the Plan, however, shall not effect any restrictions previously imposed on shares issued pursuant to the Plan.

8.2. Amendment and modification. The Board may at any time, upon recommendation of the Administrators, terminate, and may at any time and from time to time and in any respect amend or modify, the Plan; provided, that no such action of the Board without approval of the stockholders of FEI may:

(a) Increase the total number of shares of Stock subject to the Plan except as contemplated in Section 5.3 hereof;

(b) Provide for a purchase price for the Restricted Stock of less than the Par Value thereof;

(c) Change the manner for removal of the restrictions set forth in Section 6.10 hereof; or

(d) Withdraw the administration of the Plan from the Administrators.

No termination, amendment, or modification of the Plan shall in any manner affect any Stock Purchase Agreement or Escrow Agreement theretofore executed pursuant to the Plan without the consent of the Participant.

ARTICLE IX

MISCELLANEOUS

9.1. Employment. Nothing in the Plan or in any Stock Purchase Agreement relating hereto shall confer upon any employee the right to continue in the employ of the Company.

9.2. Other compensation plans. The adoption of the Plan shall not affect any other stock option or incentive or other compensation plans in effect for the Company, nor shall the Plan preclude the Company from establishing any other forms of incentive or other compensation plans for employees of the Company.

9.3. Plan binding on successors. The Plan shall be binding upon the successors and assigns of the Company.

9.4. Singular, plural, gender. Whenever used herein, nouns in the singular shall include the plural, and the masculine pronoun shall include the feminine gender.

9.5. Headings, etc., no part of plan. Headings or Articles and Sections hereof are inserted for convenience and reference and they constitute no part of the Plan.

9.6 Unfunded Plan; Governing Law. The Plan is intended to constitute an unfunded deferred compensation arrangement for a select group of management, key or outstanding personnel.

I hereby certify that the foregoing Plan was duly approved by the Board of Directors of Frequency Electronics, Inc. on February 22, 1989.

Executed as of this 19th day of June 1989.

/s/ Harry Newman
HARRY NEWMAN, Secretary

FREQUENCY ELECTRONICS, INC.

1993 NONSTATUTORY STOCK OPTION PLAN

SECTION 1. PURPOSE AND SCOPE OF PLAN

The purpose of this Plan is to advance the interests of the Company and its stockholders by helping the Company obtain and retain the services of key management employees, officers, and directors upon whose judgment, initiative, and efforts the Company is substantially dependent, and to provide those persons with further incentives to advance the interests of the Company. These goals will be effectuated by granting Options to purchase stock to certain key management employees and directors of the Company. Such Options are not intended to qualify as Incentive Stock Options under Section 422A of the Internal Revenue Code of 1986, as amended.

SECTION 2. CERTAIN DEFINITIONS

Unless the context otherwise requires, the following defined terms (together with other capitalized terms defined elsewhere in this Plan) will govern the construction of this Plan, and of any stock option agreements entered into pursuant to this Plan:

- a. "1933 Act" means the federal Securities Act of 1933, as amended;
- b. "Board of Directors" means the Board of Directors of the Company;
- c. "Cause" shall mean such acts or conduct on the part of an employee or director which are contrary to the interests of the Company, as determined by the Board.
- d. "Change of Control" shall mean (i) an acquisition of the Company, which in the sole discretion of the Board immediately prior to such acquisition, is determined to be an acquisition hostile to, and not in the best interests of, the stockholders of the Company, or (ii) an acquisition of fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities by any person, as such term is used in Sections 13(d) and 14(d)(ii) of the Securities Exchange Act of 1934, as amended (other than Martin B. Bloch), or (iii) a change in the composition of the Board so that a majority of the members of the Board immediately prior to such change of control or change in composition of the Board, is determined to be a change hostile to, and not in the best interests of, the stockholders of the Company.
- e. "Code" means the Internal Revenue Code of 1986, as amended (references herein to Sections of the Code are intended to refer to Sections of the Code as enacted at the time of this Plan's adoption by the Board and as subsequently amended, or to any substantially similar successor provisions of the Code resulting from recodification, renumbering or otherwise);
- f. "Committee" means the committee of three Disinterested Directors, appointed by the Board pursuant to subsection 3(a), below, to administer and interpret this Plan; provided that the term "Committee" will refer to the Board during such times as no Committee is appointed by the Board;
- g. "Common Stock" means shares of the Company's Common Stock, \$1.00 par value;
- h. "Company" means Frequency Electronics, Inc. a Delaware corporation, and/or its Subsidiaries;

i. "Disability" has the same meaning as "permanent and total disability," as defined in Section 22(e)(3) of the Code;

j. "Disinterested Director" means a member of the Board who has not been, during the period of one year prior to his or her service as an administrator of the Plan, and is not, during the period of such service, eligible to be granted or awarded Options under this Plan or any similar plan of the Company;

k. "Eligible Participant" means a person who, at a particular time, is an employee, officer, or director of the Company or of any of its subsidiaries;

l. "Fair Market Value" means the closing price of the Common Stock, as traded on the American Stock Exchange, on the Grant Date or, if there shall have been no trades of the Common Stock on such Grant Date, then the closing price of the Common Stock on the last date, prior to the Grant Date, when the stock was traded;

m. "Grant Date" means the date on which the option is deemed to be granted to the Optionee, as determined by the Committee.

n. "Option" means an Option granted pursuant to this Plan entitling the option holder to acquire shares of Stock issued by the Company pursuant to the valid exercise of the Option;

o. "Option Price" with respect to any particular Option means the exercise price at which the Optionee may acquire each share of the Option Stock called for under such Option;

p. "Option Stock" means Stock issued or issuable by the Company pursuant to the valid exercise of an Option;

q. "Optionee" means an Eligible Participant to whom Options are granted hereunder, and any transferee thereof pursuant to a Transfer authorized under this Plan;

r. "Plan" means this 1993 Nonstatutory Stock Option Plan of the Company;

s. "QDRO" has the same meaning as "qualified domestic relations order" as defined in Section 414(p) of the Code;

t. "Stock Option Agreement" means an agreement between the Company and an Optionee, in form and substance satisfactory to the Committee in its sole discretion, consistent with this Plan;

u. "Subject to an Option," or words to similar effect, means issuable pursuant to the exercise of an Option;

v. "Subsidiary" has the same meaning as "Subsidiary Corporation" as defined in Section 424(f) of the Code;

w. "Transfer", with respect to Option Stock, includes, without limitation, a voluntary or involuntary sale, assignment, transfer, conveyance, pledge, hypothecation, encumbrance, disposal, loan, gift, attachment or levy of such Option Stock, including without limitation an assignment for the benefit of creditors of the Optionee, a transfer by operation of law, such as a transfer by will or under the laws of descent and distribution, an execution of judgment against the Option Stock or the acquisition of record or beneficial ownership thereof by a lender or creditor, a transfer pursuant to a QDRO, or to any decree of divorce, dissolution or separate maintenance, any property settlement, any separation agreement or any other agreement with a spouse (except for estate planning purposes) under which a part or all of the shares of

Option Stock are transferred or awarded to the spouse of the Optionee or are required to be sold; or a transfer resulting from the filing by the Optionee of a petition for relief, or the filing of an involuntary petition against such Optionee, under the bankruptcy laws of the United States or of any other nation.

SECTION 3. ADMINISTRATION OF PLAN

(a) This Plan shall be administered by the Nonstatutory Stock Option Committee of the Board of Directors of the Company. The Committee shall consist of not less than three members of the Board of Directors.

(b) The Committee and the president of Frequency Electronics, Inc. (the "President") shall each have full authority and discretion to determine, consistent with the provisions of this Plan, the Eligible Participants to be granted Options, the times at which Options shall be granted, the Option Price of the shares subject to each Option (subject to Section 7 of this Plan), the number of shares subject to each Option, the period during which each Option becomes exercisable, and the terms to be set forth on each Option certificate. The Committee also shall have full authority and discretion to adopt and revise such rules and procedures as it shall deem necessary for the administration of this Plan.

(c) The Committee's interpretation and construction of any provisions of this Plan or any Option granted hereunder shall be final, conclusive, and binding.

SECTION 4. ELIGIBILITY AND AWARD OF STOCK OPTIONS

(a) The Board of Directors, upon recommendation of the Committee or of the President, may from time to time determine the Eligible Participants who shall be granted Options under this Plan. An Eligible Participant who has been granted an Option may be granted an additional Option or Options under this Plan if the Committee shall so determine. The granting of an Option under this Plan shall not affect any outstanding stock option previously granted to a Optionee under this Plan or any other plan of the Company.

(b) Additional Options may be granted by the Board of Directors, upon recommendation of the Committee, at any time and from time to time to new Optionees, or to then Optionees, or to a greater or lesser number of Optionees, and may include or exclude previous Optionees. Options granted at different times need not contain similar provisions.

(c) Notwithstanding the provisions of subsections 4(a) and (b), above, Options granted to an individual, not previously employed by the Company, as an inducement essential to entering a contract of employment with the Company, may not authorize the issuance of more than five percent (5%) of the Company's issued and outstanding Common Stock.

SECTION 5. SHARES OF STOCK SUBJECT TO PLAN

Subject to the provisions of Section 13 of this Plan, the number of shares that may be issued pursuant to the Options granted by the Committee under this Plan shall not exceed two hundred fifty thousand (250,000) shares of the Common Stock of the Company, provided however that the maximum number of shares that may be issued pursuant to Options granted under this Plan shall not exceed: (i) five percent (5%) of the total number of shares of the issued and outstanding Common Stock in any one year or (ii) ten percent (10%) of the total number of shares of the issued and outstanding Common Stock in any five-year period. Such shares may be authorized and unissued shares or shares previously acquired or to be acquired by the

Company and held in treasury. Any shares subject to an Option under this Plan that expires for any reason or is terminated unexercised as to such shares may again be subject to an Option under this Plan.

SECTION 6. STOCK OPTION AGREEMENTS

Options granted pursuant to this Plan shall be authorized by the Board of Directors of this Company and shall be evidenced by such Stock Option Agreements or other agreements, in such form as the Board of Directors, upon recommendation of the Committee, shall from time to time approve. Such agreements shall comply with and be subject to the terms and conditions of this Plan.

SECTION 7. OPTION PRICE

(a) Each Option shall state the number of shares to which it pertains and shall state the Option Price, which shall not be less than one hundred percent (100%) of the Fair Market Value of the Common Stock on the date the Option is granted, but in no event shall such Option Price be less than the par value of the Common Stock.

(b) The Option Price shall be payable in United States dollars upon the exercise of the Option and may be paid in cash or by check, provided, however, that the Committee, in its discretion, may permit a particular Optionee to pay all or a portion of the Option Price, and/or the tax withholding liability set forth in subsection 8(c), below, with respect to the exercise of an Option either by surrendering shares of Common Stock already owned by such Optionee or by withholding shares of Option Stock, provided that the Committee determines that the fair market value of such surrendered Common Stock or withheld Option Stock is equal to the corresponding portion of such Option Price and/or tax withholding liability, as the case may be, to be paid for therewith.

(c) The Company may, at the sole discretion of the President and/or the Committee, lend to an Optionee the full amount of the Option Price, or any portion thereof, on such terms and conditions as the Company and the Optionee shall agree.

(d) If the Committee permits an Optionee to pay any portion of the Option Price and/or tax withholding liability with shares of Stock with respect to the exercise of an Option (the "Underlying Option") as provided in subsection 7(b), above, then the Committee, in its discretion, may grant to such Optionee (but only if Optionee remains an Eligible Participant at that time) additional Options, the number of shares of Option Stock called for thereunder to be equal to all or a portion of the Stock so surrendered or withheld (a "Replacement Option"). Each Replacement Option will be evidenced by an Option Agreement. Unless otherwise set forth therein, each Replacement Option will be immediately exercisable upon such grant (without any Vesting Period) and will be coterminous with the Underlying Option. The Committee, in its sole discretion, may establish such other terms and conditions for Replacement Options as it deems appropriate.

(e) The cash proceeds from the sales of Common Stock pursuant to the exercise of Options are to be added to the general funds of the Company and used for its corporate purposes.

SECTION 8. TERM AND EXERCISE OF OPTIONS

(a) Subject to the provisions of subsection 8(c) and Sections 11, 12, and 13, below, the terms of exercisability of each Option granted hereunder shall be determined by the President and the Committee at their discretion.

(b) An Option may be exercised to the extent exercisable by: (i) giving written notice of exercise to the Company, specifying the number of full shares of Option Stock to be purchased and accompanied by full payment of the Option Price thereof and the amount of withholding taxes pursuant to subsection 8(c), below; and (ii) giving assurances satisfactory to the Company that the shares of Option Stock to be purchased upon such exercise are being purchased for investment and not with a view to resale in connection with any distribution of such shares in violation of the 1933 Act; provided, however, that in the event the Option Stock called for under the Option is registered under the 1933 Act, or in the event resale of such Option Stock without such registration would otherwise be permissible, this second condition will be inoperative if, in the opinion of counsel for the Company, such condition is not required under the 1933 Act, or any other applicable law, regulation or rule of any governmental agency.

(c) As a condition to the issuance of the shares of Option Stock upon full or partial exercise of an Option granted under this Plan, the Committee, in its discretion, may request that the Optionee pay to the Company in cash, or in such other form as the Committee may determine, the amount of the Company's tax withholding liability required in connection with such exercise. For purposes of this subsection 8(c), "tax withholding liability" will mean all federal and state income taxes, social security tax, and any other taxes applicable to the compensation income arising from the transaction required by applicable law to be withheld by the Company.

SECTION 9. NONTRANSFERABILITY

All Options granted under this Plan shall be nontransferable by the Optionee, otherwise than by will or the laws of descent and distribution, and shall be exercisable during the Optionee's lifetime, only by him or her.

SECTION 10. REQUIREMENTS OF LAW

The granting of Options and the issuance of shares of Common Stock upon the exercise of an Option shall be subject to all applicable laws, rules, and regulations and shares shall not be issued except upon approval of proper government agencies or stock exchanges as may be required.

SECTION 11. TERMINATION OF EMPLOYMENT

(a) If an Optionee shall cease to be employed by, or cease to serve as a director of, the Company as a result of early retirement or retirement for age or disability, all in accordance with applicable Company policies, all outstanding Options held by such Optionee shall become immediately exercisable in full and shall remain exercisable in full during the full term of the remaining period of exercisability of such Option.

(b) Termination of an Optionee's employment or service by the Company for Cause in accordance with applicable Company policies shall result in the immediate cancellation of all outstanding Options held by such Optionee, whether or not such Options are then exercisable as of the date of such termination, unless the Board of Directors, in its discretion, shall determine otherwise.

(c) If an Optionee shall cease to be employed by, or serve with, the Company for any reason other than those set forth in subsections 11(a) and (b), above, such Optionee may, but only within a period of 90 days beginning the day following the date of such termination of employment, exercise his or her Option, to the extent that such Optionee was entitled to exercise it at the date of such termination.

SECTION 12. DEATH OF OPTIONEE

In the event of the death of an Optionee while in the employ of the Company or its Subsidiaries, the Option theretofore granted shall be exercisable only by the proper beneficiary within a period of one year after the date of death and then only if and to the extent that the Optionee was entitled to exercise it at the date of death. In the case of an Optionee who dies subsequent to the termination of his or her employment or term of service with the Company in accordance with subsections 11(a) or (c), such deceased Optionee's legal heirs or estate shall have the right to exercise all outstanding Options to the extent that such deceased Optionee was entitled to exercise them at the date of his or her death.

SECTION 13. CHANGE IN CONTROL

In the event there shall be a Change in Control of the Company, all outstanding Options theretofore granted under this Plan shall become immediately exercisable and shall remain exercisable during the full term of the remaining respective periods of exercisability of such Options.

SECTION 14. ADJUSTMENTS

In the event of any change in the number of outstanding shares of Common Stock by reason of any stock dividend or split, recapitalization, reclassification, merger, consolidation, combination, or exchange of shares, or other similar corporate change, then if the Committee shall determine, in its sole discretion, that such change necessarily or equitably requires an adjustment in the number of shares subject to each outstanding Option and the Option Prices or in the maximum number of shares subject to this Plan, such adjustments shall be made by the Committee and shall be conclusive and binding for all purposes of this Plan. Notwithstanding the foregoing, no adjustment shall be made in the number of shares subject to outstanding Options or in the number of shares subject to this Plan that would result in Options granted under this Plan authorizing the issuance of a number of shares: (i) which shall exceed five percent (5%) of the total number of shares of the Company's issued and outstanding Common Stock in any one year or to individuals not previously employed by the Company, or (ii) which shall exceed ten percent (10%) of the total number of shares of the Company's issued and outstanding Common Stock in any five-year period. No adjustment shall be made in connection with the issuance by the Company of any warrants, rights, or options to acquire additional shares of Common Stock or of securities convertible into Common Stock.

SECTION 15. CLAIM TO STOCK OPTION, OWNERSHIP, OR EMPLOYMENT RIGHTS

No employee or other person shall have any claim or right to be granted Options under this Plan. No Optionee, before issuance of the stock, shall be entitled to voting rights, dividends, or other rights of stockholders except as otherwise provided in this Plan. Neither this Plan nor any action taken hereunder shall be construed as giving any employee or other person any right to be retained in the employ of the Company or a Subsidiary.

SECTION 16. UNSECURED OBLIGATION

Optionees under this Plan shall not have any interest in any fund or specific asset of the Company by reason of this Plan. No trust fund shall be created in connection with this Plan or any award thereunder, and there shall be no required funding of amounts that may become payable to any Optionee.

SECTION 17. EXPENSES OF PLAN

The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

SECTION 18. INDEMNIFICATION

Each person who is or shall have been a member of the Committee or of the Board of Directors 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 in connection with or resulting from any claim, action, suit, or proceeding to which the person may be 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 in satisfaction of judgment in any such action, suit, or proceeding against the person, provided the Company shall be given an opportunity, at its own expense, to handle and defend the action on the individual's own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-laws, as a matter of law, or otherwise, or any power than the Company may have to indemnify them or hold them harmless.

SECTION 19. AMENDMENT AND TERMINATION

Unless this Plan shall theretofore have been terminated as hereinafter provided, no Options may be granted after October 13, 2003. The Board of Directors may terminate this Plan or modify or amend this Plan in such respect as it shall deem advisable, provided, however, that the Board of Directors may not without prior approval by the Company's shareholders:

(a) Increase the aggregate number of shares of Common Stock as to which Options may be granted under the Plan except as provided in Section 13, above; or

(b) Extend the period during which Options may be granted.

SECTION 20. APPLICABILITY OF PLAN TO OTHER OUTSTANDING STOCK OPTIONS

This Plan shall not affect the terms and conditions of any other statutory or nonstatutory stock options heretofore granted to any employee of the Company or its Subsidiaries or to any other person under any other plan relating to statutory or nonstatutory stock options, nor shall it affect any of the rights of any employee to whom such a statutory or nonstatutory stock option was granted.

SECTION 21. EFFECTIVE DATE OF PLAN

The plan shall become effective as of July 15, 1993.

July 23, 1996

Frequency Electronics, Inc.
55 Charles Lindbergh Boulevard
Mitchel Field, NY 11553

Gentlemen:

You have requested our opinion as counsel for Frequency Electronics, Inc., a Delaware corporation (the "Company"), in connection with the registration under the Securities Act of 1933, as amended, and the Rules and Regulations promulgated thereunder, of 1,077,113 shares of common stock issuable under the Frequency Electronics, Inc. Restricted Stock Plan or upon the exercise of options granted under certain of the Company's other employee benefit plans including the 1982 Frequency Electronics, Inc. Incentive Stock Option Plan, the 1984 Frequency Electronics, Inc. Incentive Stock Option Plan, the Frequency Electronics, Inc. 1987 Incentive Stock Option Plan, the Frequency Electronics, Inc. Senior Executive Stock Option Plan, and the Frequency Electronics, Inc. 1993 Nonstatutory Stock Option Plan.

We have examined the Company's Registration Statement on Form S-8 in the form to be filed with the Securities and Exchange Commission on or about July 26, 1996 (the "Registration Statement"). We further have examined the Certificate of Incorporation of the Company as certified by the Secretary of State of the State of Delaware, the Bylaws and the minute books of the Company as a basis for the opinion hereafter expressed.

Based on the foregoing examination, we are of the opinion that, upon issuance and sale in the manner described in the Registrant Statement, the shares of common stock covered by the Registration Statement will be legally issued, fully paid and nonassessable.

We consent to the filing of this opinion as an exhibit to the Registration Statement.

VERY TRULY YOURS,

JOHN L. MILLING

By /s/ Scott Rapfogel
Scott Rapfogel

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Registration Statement of Frequency Electronics, Inc. on Form S-8 of our report, which includes an explanatory paragraph as to certain litigation, dated July 5, 1995, on our audits of the consolidated financial statements and financial statement schedule of Frequency Electronics, Inc. as of April 30, 1995 and April 30, 1994, and for each of the three years in the period ended April 30, 1995. We also consent to the reference to our Firm under the caption "experts."

COOPERS & LYBRAND L.L.P.

Melville, New York
July 10, 1996

POWERS OF ATTORNEY

We, the undersigned, members of the Board of Directors of Frequency Electronics, Inc. (the "Company"), hereby constitute and appoint Joseph P. Franklin as our true and lawful attorney-in-fact and agent, with full power to substitute John C. Ho, on any specific occasion, as attorney-in-fact and agent for the undersigned. Joseph P. Franklin, as attorney-in-fact and agent may act for the undersigned, for and in our stead, in any and all capacities, to sign on our behalf any and all Registration Statements on Form S-8 with respect to common stock issued or to be issued under the 1982 Frequency Electronics, Inc. Incentive Stock Option Plan, 1984 Frequency Electronics, Inc. Incentive Stock Option Plan, Frequency Electronics, Inc. 1987 Incentive Stock Option Plan, Frequency Electronics, Inc. Senior Executive Stock Option Plan, Frequency Electronics, Inc. Restricted Stock Plan, and Frequency Electronics, Inc. 1993 Nonstatutory Stock Option Plan, and to execute any amendments thereto (including post-effective amendments) or certificates that may be required in connection with such registration statements, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, with the full power and authority to do and perform each and every act and thing necessary or advisable to be done in connection therewith, as fully to all intents and purposes as the undersigned might or could do in person. The undersigned hereby ratify and confirm all that Joseph P. Franklin, as attorney-in-fact and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

Dated: July 23, 1996

/s/ Joel Girsky
JOEL GIRSKY

/s/ E. John Rosenwald, Jr.
E. JOHN ROSENWALD, JR.

