

**Microwave Filter Company, Inc.**  
6743 Kinne Street  
East Syracuse, New York 13057  
**Notice of Annual Meeting of Shareholders**

To the Shareholders of Microwave Filter Company, Inc.:

At the direction of the Board of Directors of Microwave Filter Company, Inc., a New York corporation (the 'Company'), notice is hereby given that the Annual meeting of Shareholders of the Company (the 'Meeting') will be held at 10:00 a.m. on Wednesday, January 31, 2018 at the Ramada Carrier Circle, 6555 Old Collamer Road, East Syracuse, New York 13057 for the following purposes:

Proposal 1. The election of 3 directors to hold office until the Annual Meeting of the Shareholders at which their term expires or until their successors have been duly elected;

Proposal 2. The ratification of the appointment of Dannible & McKee LLP, Certified Public Accountants, as the Company's independent registered public accounting firm for the 2018 fiscal year; and

The Board of Directors has fixed the close of business on December 8, 2017 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting, or any adjournments thereof.

By order of the Board of Directors



Robert R. Andrews  
Chairman of the Board

Dated: December 15, 2017  
Syracuse, New York

**YOUR VOTE IS IMPORTANT. YOU ARE THEREFORE REQUESTED TO SIGN AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE, EVEN IF YOU EXPECT TO BE PRESENT AT THE MEETING. YOU MAY WITHDRAW YOUR PROXY AT ANY TIME PRIOR TO THE MEETING, OR IF YOU DO ATTEND THE MEETING, YOU MAY WITHDRAW YOUR PROXY AT THAT TIME AND VOTE IN PERSON IF YOU WISH.**

**MICROWAVE FILTER COMPANY, INC.**  
**Proxy Statement for Annual Meeting of Shareholders**

**General**

The enclosed Proxy is solicited on behalf of the Board of Directors of Microwave Filter Company, Inc. (the 'Company') for use at the Company's Annual Meeting of Shareholders (the 'Annual Meeting') to be held on Wednesday, January 31, 2018 at 10:00 a.m. local time or at any adjournment or postponement thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Shareholders. The Annual Meeting will be held at the Ramada Carrier Circle, 6555 Old Collamar Road, East Syracuse, New York 13057.

The Company's principal executive offices are located at 6743 Kinne Street, East Syracuse, New York 13057. The telephone number at that address is (315) 438-4700.

These proxy solicitation materials and the Annual Report to Shareholders were first mailed on or about December 15, 2017 to all shareholders entitled to vote at the Annual Meeting.

**Record Date and Shares Outstanding**

Shareholders of record at the close of business on December 8, 2017 are entitled to notice of, and to vote at, the Annual Meeting. At the record date 2,579,684 shares of the Company's common stock were issued, outstanding and entitled to vote at the Annual Meeting.

**Availability of Proxy Materials**

Our Annual Report to Shareholders and this Proxy Statement are available on the Company's website at [www.microwavefilter.com](http://www.microwavefilter.com).

**Revocability of Proxies**

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to the Secretary of the Company a written notice of revocation or a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person.

**Voting and Solicitation**

Every shareholder voting for the election for Directors is entitled to one vote for each share held of record on the record date. Directors are elected by a plurality of the votes cast at the meeting.

A quorum at the Annual Meeting shall consist of one-third (1/3) of the outstanding shares entitled to vote, represented either in person or proxy. Abstentions are counted as present for the purpose of determining the presence or absence of a quorum for the transaction of business. Votes against a candidate and votes withheld from voting for a candidate will have no effect on the election of directors.

If a stockholder is the beneficial owner of shares held in "street name" by a bank or brokerage firm, such bank or brokerage firm, as the record holder of the shares, is required to vote those shares in accordance with such stockholder's instructions. If the stockholder does not give instructions to such bank or brokerage firm, it will nevertheless be entitled to vote the shares with respect to certain "discretionary" items, but will not be permitted to vote such stockholder's shares with respect to "non-discretionary" items. In the case of non-discretionary items, the shares will be treated as "broker non-votes."

Shares treated as broker non-votes will be included for purposes of calculating the presence of a quorum. Otherwise, shares represented by broker non-votes will be treated as shares not entitled to vote on a proposal. Broker non-votes will not be counted as votes cast 'for' or votes 'withheld' for the election of directors.

The proposal to ratify the appointment of Dannible & McKee, LLP as the Company's independent auditor for the fiscal year ending September 30, 2018 as well as any other matter properly submitted to shareholders for their consideration at the Annual Meeting, will be approved if a majority of the votes cast at the Annual meeting are voted 'FOR' those proposals.

The cost of this solicitation will be borne by the Company. The Company has retained Regan & Associates, Inc. to assist in the solicitation of proxies at a fee of \$7,000 (which includes expenses.) In addition, the Company may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation material to such beneficial owners. Proxies also may be solicited by certain of the Company's directors, officers and regular employees, without additional compensation, personally or by telephone or by telegram.

### **Deadline for Receipt of Shareholder Proposals**

Proposals of shareholders which are intended to be presented by such shareholders at the Company's 2019 Annual Meeting must be received by the Secretary of the Company at the Company's principal executive offices no later than September 30, 2018 in order to be included in the proxy soliciting material relating to that meeting. Such proposals should be sent by certified mail, return receipt requested.

### **Shareholder Communications with Directors**

Shareholders who want to communicate with the Board or an individual director can write to: Richard Jones, Corporate Secretary, Microwave Filter Company, Inc., 6743 Kinne Street, East Syracuse, New York 13057. Your letter should indicate that you are a shareholder of Microwave Filter Company, Inc. Depending on the subject matter, management will:

Forward the communication to the director or directors to whom it is addressed; or

Attempt to handle the inquiry directly, for example, requests for information or stock-related matters.

## **Corporate Governance**

Our executive officers, management and employees conduct our business under the direction of the Chief Executive Officer and with the independent oversight of our Board. Our Board is composed of directors who are not employed by us, with the exception of Mr. Mears. A non- executive director serves as Chairman of the Board. We believe that having a non-executive Chairman of the Board emphasizes the importance of the Board's objectivity and independence from management and best promotes the effective functioning of the Board's oversight role. At regularly scheduled Board meetings, our non-employee directors meet in executive session without management present. Our Board also ensures that we have an effective management team in place to run the Company and serves to protect and advance the long-term interests of our shareholders.

Oversight of risk management is a responsibility of the Board of Directors and is an integral part of the Board's oversight of our business. The Company's senior management is primarily responsible for managing the day-to- day risks of the Company's business, and is best equipped to assess and manage those risks. The Board regularly receives reports on the Company's exposure to risk from senior management and reassesses the management of those risks throughout the year.

### **Board Meetings and Committees**

The Board of Directors held a total of seven meetings during the fiscal year ending September 30, 2017. Each Director attended at least 75% of all such meetings of the Board of Directors and of the committees of the Board on which they served during fiscal 2017.

The Company's Audit Committee currently consists of Sidney Chong, Chair, Robert D. Shiroki, Frank S. Markovich and Robert R. Andrews. All members of the Audit Committee are independent of management (as independence is defined in the Nasdaq listing standards). The purpose of the Audit Committee is to assist the Board of Directors' oversight of the Company's accounting and financial reporting processes and the audits of the Company's financial statements. The Audit Committee operates pursuant to a Charter approved by the Company's Board of Directors. The Audit Committee held seven meetings during fiscal year 2017. The Audit Committee's charter is available on our website at [www.microwavefilter.com](http://www.microwavefilter.com).

The Company's Compensation Committee currently consists of John Kennedy, Chair, Robert Andrews, Sidney Chong, Robert Shiroki and Anne Tindall. The Compensation Committee reviews compensation and benefits for the Company's executives. The Compensation Committee held one meeting during fiscal year 2017.

The Company's Nominating Committee currently consists of Anne Tindall, Chair, Robert Andrews, Carl F. Fahrenkrug, Sr, John Kennedy, Frank S. Markovich and Irene Scruton. All members of the Nominating Committee are independent of management ( as independence is defined in the Nasdaq listing standards). The Nominating Committee operates pursuant to a Charter approved by the Company's Board of Directors. The Nominating Committee held one meeting during fiscal year 2017.

When considering a potential candidate for membership on our Board, the Nominating Committee considers relevant business and industry experience and demonstrated character and judgement. There are no differences in the manner in which the Nominating Committee evaluates a candidate that is recommended for nomination for membership on our Board by a shareholder.

The Nominating Committee will consider shareholder nominations for directors in writing to our corporate secretary prior to the meeting. To be timely, the notice must be delivered within the time period permitted for submission of a stockholder proposal as described under 'Shareholder Proposals.' Such notice must be accompanied by the nominee's written consent, contain information relating to the business experience and background of the nominee and contain information with respect to the nominating shareholder and persons acting in concert with the nominating shareholder.

The Nominating Committee is responsible for recommending to our full Board of Directors nominees for election of directors. To fulfill this role, the committee interviews, evaluates and recommends individuals for membership on our Board and committees thereof.

Each of the Company's directors is encouraged to attend the annual meeting of shareholders in person. Last year all nine directors attended the annual shareholders meeting.

The Company also has a standing Executive Committee.

### **Compensation of Directors**

Non-officer Directors currently receive fees of \$250.00 per board meeting and \$250.00 per committee meeting. MFC also reimburses Directors for reasonable expenses incurred in attending meetings. The Chairman of the Board currently receives fees of \$400.00 per board meeting and \$400.00 per committee meeting. Officer members receive no compensation for their attendance at meetings.

The following table summarizes the compensation paid to non-employee Directors for their service to the Board and its committees in fiscal 2017.

#### **Director Compensation Table**

| Name                   | Fees earned or<br>paid in cash |
|------------------------|--------------------------------|
| Robert R. Andrews      | \$5,600                        |
| Ann Tindall            | \$2,000                        |
| Sidney Chong           | \$3,750                        |
| Carl F. Fahrenkrug, Sr | \$3,000                        |
| John Kennedy           | \$1,750                        |
| Frank S. Markovich     | \$3,250                        |
| Robert Shiroki         | \$3,000                        |
| Irene Scruton          | \$1,750                        |

## **Security Ownership of Certain Beneficial Owners and Management**

The following table sets forth certain information regarding beneficial ownership of the Company's common stock as of December 8, 2017 (i) by each person who is known by the Company to own beneficially more than 5% of the Company's common stock, (ii) each Director of the Company and (iii) all Directors and Executive Officers as a group.

| <b>Directors, Officers</b>   | <b>Shares Beneficially Owned</b> |                |
|--|----------------------------------|----------------|
|  | <b>Number</b>                    | <b>Percent</b> |
| Carl F. Fahrenkrug, Sr *   | 72,298                           | 2.8%           |
| Frank S. Markovich *   | 4,340                            | **             |
| Robert D. Shiroki *  | 88,432                           | 3.4%           |
| Sidney Chong *   | 3,000                            | **             |
| Robert R. Andrews *  | 2,080                            | **             |
| Paul W. Mears *  | 1,000                            | **             |
| John J. Kennedy *  | 1,000                            | **             |
| Anne Tindall*  | 0                                | **             |
| Irene E. Scruton*  | 0                                | **             |
| Carl F. Fahrenkrug, Jr   | 4,986                            | **             |
| <br>All Directors and Executive<br>Officers as a group (ten persons) | <br>177,136                      | <br>6.9%       |

\*Directors of the Company.

\*\*Denotes less than one percent of class.

| <b>5% Shareholders</b> | <b>Shares Beneficially Owned</b> |                |
|------------------------|----------------------------------|----------------|
|                        | <b>Number</b>                    | <b>Percent</b> |

|   |         |      |
|---|---------|------|
| Zeff Capital, LP (1)<br>1601 Broadway, 12 <sup>th</sup> Floor<br>New York, New York 10019 | 239,653 | 9.3% |
|---|---------|------|

(1) This information is based on a Schedule 13G filed with the SEC by Zeff Capital, LP, 1601 Broadway, 12<sup>th</sup> Floor, New York, NY 10019, on January 12, 2017. Zeff Capital, LP reported sole voting power and sole dispositive power to all such shares and shared voting power with respect to none of the shares.

|   |         |      |
|---|---------|------|
| Gerst Capital, LLC (2)<br>4962 El Camino Real, Suite 206<br>Los Altos, CA 94022 | 166,225 | 6.4% |
|---|---------|------|

(2) This information is based on a Schedule 13G filed with the SEC by Gerst Capital, LLC, 4962 El Camino Real, Suite 206, Los Altos, CA 94022, on January 18, 2017. Gerst Capital, LLC reported shared voting power and shared dispositive power to all such shares.

## **Compensation Committee Interlocks and Insider Participation**

No member of the Compensation Committee was or is an officer or employee of the Company or any of its subsidiaries.

## **Compliance with Section 16(a) of the Securities Exchange Act**

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes of ownership with the Securities and Exchange Commission and the National Association of Securities Dealers, Inc. Such officers, directors and 10% shareholders are also required by SEC Rules to furnish the Company with copies of all Section 16(a) forms that they file. Based solely on its review of such reports received by it, the Company believes that its officers, directors and 10% shareholders complied with all Section 16(a) filing requirements for the fiscal year ended September 30, 2017.

## **IDENTIFICATION OF EXECUTIVE OFFICERS**

| Name                   | Age | Position  |
|------------------------|-----|---|
| Paul W. Mears          | 58  | Chief Executive Officer   |
| Richard L. Jones       | 69  | Vice President, Chief Financial Officer and Corporate Secretary |
| Carl F. Fahrenkrug, Jr | 49  | Executive Vice President  |

All of the officers serve at the pleasure of the Board of Directors.

Paul W. Mears began his association with MFC as a Co-op while attending RIT in 1981. He became a full time employee in 1984 when he began his duties as an Electrical Engineer in Research and Development. In 1988 he became a Senior Design and Quotation Engineer and in 1989, he was promoted to Assistant Chief Engineer, Manager of Engineering of the Filter Division and in April of 1998, was appointed Vice President of Engineering. On December 9, 2015, he was appointed Chief Executive Officer. Mr. Mears has a Bachelor of Science in Electrical Engineering Technology from RIT.

Richard L. Jones joined MFC in August 1983 as controller. In February 1985, he was appointed Vice President and Treasurer of MFC. On October 7, 1992, he was appointed Vice President and Chief Financial Officer. Mr. Jones has a Bachelor of Science in Accounting from Syracuse University.

Carl F. Fahrenkrug, Jr joined MFC in 1989 as an engineering intern. In 1992, he became a full time employee when he began his duties as an electrical engineer. On April 8, 2009, he was appointed Vice President. On December 9, 2015, he was appointed Executive Vice president. Mr. Fahrenkrug has a Bachelor of Science in Electrical Engineering from Clarkson University, a Master of Science in Electrical Engineering from SUNY Binghamton and a Master of Business Administration from LeMoyne College.

The Company has adopted a Code of Ethics and Business Conduct for all of our employees and directors, including our Chief Executive Officer and Chief Financial Officer. A copy of our Code of Ethics and Business Conduct is available free of charge on our Company web site at [www.microwavefilter.com](http://www.microwavefilter.com).

## **EXECUTIVE COMPENSATION AND OTHER MATTERS**

### **Executive Compensation**

The Company's guiding compensation philosophy is to provide compensation that rewards individual and organizational performance. The Company aims to make executive compensation sensitive to Company performance, which is defined in terms of revenue growth and profitability. Compensation must also be competitive, thereby enabling the Company to attract, retain and motivate highly-qualified individuals who contribute to the Company's success.

The following table provides information relating to compensation for fiscal 2017 and 2016 for the Company's Chief Executive Officer, Executive Vice President and Chief Financial Officer for services to the Company.

Summary Compensation Table

| Name and Principal Position | Year | Salary  | Bonus | Other | Total   |
|-----------------------------|------|---------|-------|-------|---------|
| Paul W. Mears (1)           | 2017 | 97,174  | 0     | 5,830 | 103,004 |
| President                   | 2016 | 92,131  | 0     | 5,528 | 97,659  |
| Carl F. Fahrenkrug, Jr      | 2017 | 102,670 | 0     | 6,160 | 108,830 |
| Executive Vice President    | 2016 | 97,216  | 0     | 5,833 | 103,049 |
| Richard L. Jones            | 2017 | 96,686  | 0     | 5,801 | 102,487 |
| Chief Financial Officer     | 2016 | 102,800 | 0     | 6,168 | 108,968 |

(1) Paul W. Mears was appointed Chief Executive Officer on December 9, 2015 at an annual salary of \$104,000.

(2) All other compensation consists of contributions by the Company to the Company's 401(K) Salary Savings Plan.

Mr. Mears, Mr. Fahrenkrug and Mr. Jones currently receive one week of paid vacation each calendar year and participation in all benefits, plans and programs available to all employees.

### **Option Grants and Exercises**

There were no options granted or exercised by the executive officers listed in the executive compensation table above during the last fiscal year.

## **PROPOSAL ONE** **ELECTION OF DIRECTORS**

### **Nominees**

Three Directors are to be elected at the Annual Meeting. Unless otherwise instructed, the proxy holders will vote the proxies received by them for the three nominees named below, all of whom are presently Directors of the Company. In the event that any nominee is unable or declines to serve as a Director at the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by the present Board of Directors to fill the vacancy. A term of office of three years for each person elected as a Director will continue to the Annual Meeting of Shareholders at which their term expires or until his or her successor has been elected and qualified. It is not expected that any nominee will be unable or will decline to serve as a Director.

The name of and certain information regarding each nominee are set forth below.

| <b>Nominee</b> | <b>Principal Occupation and Qualifications</b> |
|----------------|--|
|----------------|--|

|  |   |
|--|---|
| JOHN J. KENNEDY<br>Age 68<br>Director since 2009 | <p>Mr. Kennedy is the Senior Partner and Co-founder of Hawthorne Consulting Group, LLC, a continuous improvement consulting firm dedicated to the education and training of business owners, managers and their employees in the concepts of the Toyota Production System. Prior to that, Mr. Kennedy was a senior consultant with Seven Pines Consulting Group/Rutherford Associates. He has also held various management positions with Orion Bus Industries Ltd, General Motors Corp. and the Miller Brewing Company. He holds an MBA from Syracuse University and a BS degree from the University of Pennsylvania.</p> <p>Mr. Kennedy brings to the Board extensive business leadership experience and an intimate knowledge in productivity and process improvement.</p> |
|--|---|

|   |   |
|---|---|
| ANNE TINDALL<br>Age 64<br>Director since 2012 | <p>Ms. Tindall is the founder and President of Employee Management Strategies, Inc. which provides a variety of comprehensive on and off-site professional human resource services to employers. Ms. Tindall is a graduate of the State University College at Buffalo with a Bachelor of Arts in Human Development - Family and Community Relations, in addition to a number of human resource-related courses and seminars.</p> <p>Ms. Tindall brings over 37 years of human resource-related expertise to the Board of Directors.</p> |
|---|---|

IRENE E. SCRUTON  
Age 62  
Director since 2016

Ms. Scruton has been the Director of MBA & Graduate Programs at State University of New York at Oswego since 2013. Prior to that, she was the Executive Director of the Safety Council of Central & Western New York Chapter of the National Safety Council. Before leading the non-profit, Ms. Scruton's career was senior banking executive both in Buffalo and Syracuse, New York. Ms. Scruton is a Doctoral Candidate (EdD) with an anticipated graduation date of July 2017 at St John Fisher College. Ms. Scruton has an MBA from Syracuse University and a Bachelor of Science in Business from the University of Buffalo. Ms. Scruton is a Board member of the Syracuse Regional Airport Authority and has served as a Board member of Onondaga Community College, a trustee of the Dewitt Community Library, a Town Councilor of the Town of Dewitt, a Board member of the NY-Penn Girl Scouts and a Board member of Leadership Greater Syracuse.

Ms. Scruton is a dynamic leader and strategic innovator with progressive experience in key industry sectors. She brings specialized knowledge in program management, board development, product development, team development and executive leadership to the Board.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE 'FOR'  
THE ELECTION OF EACH OF THE NOMINEES**

## **MEMBERS OF THE BOARD OF DIRECTORS CONTINUING IN OFFICE**

### **Directors Whose Terms Expire in 2019**

| <b>Director</b> | <b>Principal Occupation and Qualifications</b> |
|-----------------|--|
|-----------------|--|

|  |  |
|--|--|
| ROBERT R. ANDREWS<br>Age 77<br>Director since 1992 | <p>Mr. Andrews is the Chairman of the Board and past President of Morse Manufacturing Co., Inc., East Syracuse, N.Y. which produces specialized material handling equipment and has served in that capacity since prior to 1985. He received a B.A. degree from Arkansas University and has served as Vice President and a Director of the Manufacturers Association of Central New York, President of the Citizens Foundation, a Trustee of DeWitt Community Church, a Director of the Salvation Army and Chairman of the Business and Industry Council of Onondaga Community College. Mr. Andrews was elected Chairman of the Board of Directors of Microwave Filter Company, Inc. on November 17, 2004.</p> <p>Mr. Andrews brings extensive executive, management and operational experience as the President and Principal shareholder of a small manufacturing company.</p> |
|--|--|

|  |  |
|--|--|
| SIDNEY K. CHONG<br>Age 76<br>Director since 1995 | <p>Mr. Chong was a corporate accountant for Carrols Corp. in Syracuse prior to his retirement in January 2011. Prior to joining Carrols Corp., he was a Senior Accountant with Price Waterhouse and Co. in New York City. Mr. Chong has a Bachelor of Science degree in accounting from California State University.</p> <p>Mr. Chong brings to the board extensive financial and business experience and is considered an 'audit committee financial expert' under SEC rules. Mr. Chong's extensive accounting and financial knowledge is an invaluable asset to the Board in its oversight of the integrity of our financial statements and the financial reporting process.</p> |
|--|--|

|  |  |
|--|--|
| PAUL W. MEARS<br>Age 58<br>Director since 2015 | <p>Mr. Mears was elected Chief Executive Officer and a Director of Microwave Filter Company, Inc. on December 9, 2015. Mr. Mears has served as Vice President of Engineering since 1998. He has a Bachelor of Science degree in Electrical Engineering Technology from Rochester Institute of Technology.</p> <p>Mr. Mears brings to the Board executive leadership through his knowledge of our business, products, strategy, people, operations and competition.</p> |
|--|--|

## **Directors Whose Terms Expire in 2020**

| <b>Director</b>                                     | <b>Principal Occupation and Qualifications</b>   |
|---|--|
| CARL F. FAHRENKRUG<br>Age 75<br>Director since 1984 | <p>Mr. Fahrenkrug retired as President and Chief Executive Officer of Microwave Filter Company on December 9, 2015. He had also served as President and Chief Executive Officer of Niagara Scientific, Inc. since prior to 1986. He served as Vice President of Engineering at Microwave Systems, Inc., Syracuse, N.Y. from 1972 - 1976. Mr. Fahrenkrug has a B.S. and M.S. in Engineering and an MBA from Syracuse University.</p> <p>Mr. Fahrenkrug brings to the Board executive leadership and industry experience. His thorough knowledge of our business, products, strategy, people, operations and competition provides us with strong leadership.</p>   |
| ROBERT D. SHIROKI<br>Age 54<br>Director since 2012  | <p>Mr. Shiroki is a Certified Public Accountant in the State of New York and the owner of Shiroki Associates CPA's located in Fayetteville, New York, which specializes in small businesses and startups. Prior to joining Shiroki Associates, he was the controller for Hart Lyman Companies of East Syracuse, New York. Mr. Shiroki has a Bachelor of Science in Finance from SUNY Brockport and a Bachelor of Science in Accounting from Syracuse University.</p> <p>Mr. Shiroki brings to the board extensive financial and business experience and is considered an 'audit committee financial expert' under SEC rules. Mr. Shiroki's extensive accounting and financial knowledge is an invaluable asset to the Board in its oversight of the integrity of our financial statements and the financial reporting process.</p> |
| FRANK S. MARKOVICH<br>Age 73<br>Director since 1992 | <p>Mr. Markovich is a consultant in the manufacturing operations and training field. Prior to that, he was the Director of the Manufacturing Extension Partnership at UNIPEG Binghamton. He held various high level positions in operations, quality and product management in a 20 year career with BF Goodrich Aerospace, Simmonds Precision Engine Systems of Norwich, N.Y. He completed US Navy Electronics and Communications Schools and received an MBA from Syracuse University.</p> <p>Mr. Markovich brings to the Board extensive business leadership experience and an intimate knowledge of manufacturing operations, quality assurance and product management.</p>  |

### **Other Interests and Transactions**

Except as set forth in this Proxy Statement: (i) no participant in this solicitation is, or was within the past year, a party to any contract, arrangements or understandings with any person with respect to any securities of the registrant, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; (ii) no associate of any participant in this solicitation owns beneficially, directly or indirectly, any securities of the registrant; (iii) no participant in this solicitation owns beneficially, directly or indirectly, any securities of any parent or subsidiary of the registrant; (iv) no participant in this solicitation or any of his or its associates was a party to any transaction, or series of similar transactions, since the beginning of the registrant's last fiscal year, or is a party to any currently proposed transaction, or series of similar transactions, to which the registrant or any of its subsidiaries was or is to be a party, in which the amount involved exceeds \$120,000; (v) no participant in this solicitation or any of his or its associates has any arrangement or understanding with any person with respect to any future employment by the registrant or its affiliates, or with respect to any future transactions to which the registrant or any of its affiliates will or may be a party.

### **PROPOSAL TWO**

#### **RATIFICATION OF APPOINTMENT OF INDEPENDENT PUBLIC ACCOUNTANTS**

The Board of Directors has approved the selection of Dannible & McKee, LLP to audit our financial statements for the fiscal year ending September 30, 2018, and seeks shareholder ratification of such appointment.

The Company's By-laws do not require that shareholders ratify the selection of Dannible & McKee, LLP as the Company's independent register public accounting firm. The Board, however, is submitting the selection of Dannible & McKee, LLP to shareholders for ratification as a matter of good corporate practice. If shareholders do not ratify the selection, the Audit Committee will reconsider whether to retain Dannible & McKee, LLP. Even if the selection is ratified, the Board and the Audit Committee at their discretion may change the appointment at any time during the year if they determine that such a change would be in the best interests of the Company and its shareholders.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE 'FOR' THE RATIFICATION OF  
THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING  
FIRM**

## **REPORT OF AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

The Audit Committee operates pursuant to a Charter approved by the Company's Board of Directors. The Audit Committee reports to the Board of Directors and is responsible for overseeing financial accounting and reporting, the system of internal controls established by management and the audit process of the Company. The Audit Committee Charter sets out the responsibilities, authority and specific duties of the Audit Committee. The Charter specifies, among other things, the structure and membership requirements of the Committee, as well as the relationship of the Audit Committee to the independent accountants and management of the Company.

The Audit Committee consists of four members, all of whom have been determined by the Board of Directors to be 'independent' under the NASDAQ listing standards as previously in effect and as amended. The Committee members do not have any relationship to the Company that may interfere with the exercise of their independence from management and the Company. The Board of Directors of Microwave Filter Company, Inc. has determined that Mr. Chong and Mr. Shiroki, both members of the Audit Committee, are 'audit committee financial experts' as defined by the SEC's regulations. None of the Committee members are current officers or employees of the Company or its affiliates.

### **Audit Committee Report**

The Audit Committee of the Company's Board of Directors has issued the following report with respect to the audited financial statements of the Company for the fiscal year ended September 30, 2017:

- . The Audit Committee has reviewed and discussed with the Company's management and the independent auditor (Dannible & McKee, LLP) the Company's fiscal 2017 audited financial statements;
- . The Audit Committee has discussed with the Company's independent auditor (Dannible & McKee, LLP) the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1. AU section 380) as adopted by the Public Company accounting Board in Rule 3200T ;
- . The Audit Committee has received the written disclosures and letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the auditor's communications with the audit committee concerning independence, and has discussed with the auditor their independence from the Company; and

Based on the review and discussions referred to in the three items above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2017.

Submitted by the Audit Committee of the Company's Board of Directors:  
Sidney K. Chong, Robert R. Andrews, Frank S. Markovich, Robert D. Shiroki

## FEES PAID TO INDEPENDENT AUDITORS

Set forth below are the aggregate fees billed for professional services rendered to the Company by its independent auditors for fiscal 2017.

|   |          |
|---|----------|
| Audit Fees  | \$43,595 |
| Financial Information Systems Design<br>and Implementation Fees | 0        |
| All Other Fees:   |          |
| Tax Services  | 6,100    |
| Total fees  | \$49,695 |

## Other Matters

The Company knows of no other matters to be submitted at the meeting. If any other matters properly come before the meeting, it is the intention of the persons named in the enclosed proxy to vote the shares they represent as the Board of Directors may recommend.

## THE BOARD OF DIRECTORS

Dated: December 15, 2017