

Mercury Systems, Inc.
BOARD of DIRECTORS
- NOMINATING and GOVERNANCE COMMITTEE –

NEED FOR A POLICY:

The Board of Directors annually evaluates its own performance, the performance of individual Directors, and the performance of its committees, proposes to the Shareholders an annual slate of Director candidates whose capabilities it believes are best suited to the Board's needs for governance in future years, elects interim Directors between Shareholder meetings, considers and approves from time to time the criteria it deems necessary or advisable for prospective Director candidates, and establishes, reviews and changes formal governance policies, as it deems necessary.

In order to provide for the more efficient and effective performance of its duties in respect of these functions, the Board appoints a group of its Directors to constitute a Nominating and Governance Committee (the Committee).

The ultimate responsibility for these functions remains with the Board as a whole. It is the Board's goal to ordinarily reach its decisions by consensus, after due consideration of the relevant facts. It is the role of the Committee to ensure that the Board's deliberations are based upon the materially relevant facts. In order to guide the Committee in its role, this Policy is hereby promulgated.

STATEMENT OF POLICY:

The Board is responsible for selecting its own members, subject to the approval of the stockholders. Each Director should provide an annual assessment of the Board's effectiveness and suggestions for changes which will be compiled by the Nominating and Governance Committee. While the candidate screening process has also been delegated to the Committee, any Director may propose candidates and all invitations to join the Board are extended by the entire Board.

The Directors of Mercury Systems, Inc. are individually and collectively responsible for establishing the basic governance Policies for the Corporation. They may not delegate this authority. However, the Nominating and Governance Committee is responsible for proposing draft Policies, reviewing established Policies, and annually reporting to the Board on any required amendments based on its assessment of current best practices. Such reviews will include consultation with and review by the Corporation's legal counsel.

THE COMMITTEE:

- 1.** Is comprised of a minimum of three Directors, all of whom shall be “independent” consistent with the definitions of NASDAQ, who are appointed by and serve at the pleasure of the Board;
- 2.** Annually compiles and reviews with the Board the Directors' assessments of the Board's effectiveness over the past year, and of the degree to which it currently possesses the Director skills and characteristics required for the effective future governance of the Corporation;
- 3.** Develops from such reviews the qualifications to be sought and selection criteria to be used in recruiting additional or replacement Director candidates to be recommended by the Committee to the Board for their election, which shall include a description of any specific, minimum qualifications that the Committee believes must be met by a Committee-recommended candidate and a description of any specific qualities or skills that the Committee believes are necessary for one or more of the Corporation's Directors to possess. The current qualifications and criteria for Board membership are attached to this Charter as Exhibit A;
- 4.** Applies such qualifications and criteria to its consideration of Director candidates that are submitted to it by stockholders, Directors or management, and of candidates provided to it by whatever search firms it may, in its sole judgment, choose to employ for the purpose under terms it establishes. The Committee will evaluate all such Director candidates in the same manner, with no regard to the source of the initial recommendation of such candidate. In identifying and evaluating proposed Director candidates, the Committee may conduct inquiries and consider, in addition to such qualifications and criteria, all facts and circumstances it deems appropriate or advisable;
- 5.** Establishes procedures to be followed by stockholders in submitting recommendations for Director candidates to the Committee. The current procedures for stockholder submissions are included in Exhibit B attached to this Charter;
- 6.** Establishes a policy with regard to the consideration of Director candidates recommended by stockholders. The current policy is that the Committee will review and consider Director candidates who have been recommended by stockholders in compliance with the procedures established from time to time by the Committee and set forth in this Charter; and
- 7.** Annually reviews this Policy, obtains such reviews of their charter Policies from the Audit Committee and the Compensation Committee, and reports to the Board any recommendations for changes thereto or to the Board of Directors Policy or other policies defining the Corporation's mechanisms of governance.

IMPLEMENTATION:

The Chairman of the Nominating and Governance Committee and each of its members shall be appointed by the Board of Directors for a term of one year, which term(s) may be extended at the Board's discretion.

Meetings of the Committee may be face-to-face or by telephonic conference call. Ordinarily, any candidate Director nominee shall be met in person by all members of the Committee before he or she may be considered for recommendation to the Board. It shall be the goal of the Committee to achieve consensus on and prior to any such recommendation to the Board.

In general, there should be an absolute minimum of one face-to-face meeting per year of the Committee, above and beyond its reports to the Board. At this meeting, the Committee shall assess its own performance and needs for changes in its methods or its authorities under this Policy. In all cases, minutes of Committee meetings shall be kept by the Chairman or by his designee.

At each of the Board's quarterly review meetings, the Committee shall report on its progress in finding candidates for open Directorships previously authorized by the Board.

At a Board meeting of the Board's choosing, as part of the annual planning cycle, the Committee shall review with the Board its composite assessment of the Board's performance and needs, which it shall have developed from a compilation of the annual Board assessments submitted by each Director.

At this Board meeting, the Committee shall also report any recommendations for changes to governance Policies resulting from its annual reviews thereof.

RESPONSIBILITY and AUTHORITY:

The Committee shall have the sole authority to select, retain and terminate any search firm to be used to identify Director candidates, and shall have sole authority to approve such search firm's fees and other retention terms.

The Committee shall also have the authority to engage the assistance of outside counsel for the annual review of the Corporation's governance Policies and their comparison with current best practices.

It is the responsibility of the Nominating and Governance Committee to annually review this Policy, and recommend to the Board any necessary changes to it.

EXHIBIT A

Board Membership Criteria

The Committee believes that it is in the best interests of the Corporation and its stockholders to obtain highly qualified individuals to serve on the Board. At a minimum, the Committee must be satisfied that each Committee-recommended nominee meets the following minimum qualifications:

- The nominee shall have high personal and professional integrity, shall have demonstrated ability and judgment, and shall be effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the stockholders.

In addition to the minimum qualifications for each nominee set forth above, the Committee shall recommend that the Board select persons for nomination to help ensure that:

- A majority of the Board shall always be Independent Directors, consistent with the definitions of Independence of NASDAQ, and no Director shall serve on the boards of more than four other publicly held companies.
- Each of its Audit, Compensation and Nominating and Governance Committees shall be comprised entirely of Independent Directors.
- At least one member of the Audit Committee shall have such experience, education and other qualifications necessary to qualify as an “audit committee financial expert” as defined by the rules of the Securities and Exchange Commission.

Finally, in addition to any other standards the Committee may deem appropriate from time to time for the overall structure and composition of the Board, the Committee may consider the following factors when recommending that the Board select persons for nomination:

- Whether the nominee has direct experience in the industry or markets in which the Corporation operates.
- Whether the nominee, if elected, assists in achieving a mix of Board members that represents a diversity of background and experience.

EXHIBIT B
Procedures for the Submission of
Stockholder Recommendations for Director Candidates

The current procedures to be followed by stockholders in submitting recommendations for Director candidates to the Committee are set forth below:

- All stockholder recommendations for Director candidates must be submitted to the Secretary of the Corporation at the Corporation's executive offices, who will forward all recommendations to the Committee.

- All stockholder recommendations for Director candidates must be submitted to the Corporation not less than 120 calendar days prior to the date on which the Corporation's proxy statement was released to stockholders in connection with the previous year's annual meeting.

- All stockholder recommendations for Director candidates must include the following information:

1. The name and address of record of the stockholder.
2. A representation that the stockholder is a record holder of the Corporation's common stock, or if the stockholder is not a record holder, evidence of ownership in accordance with Rule 14a-8(b)(2) of the Securities Exchange Act of 1934.
3. The name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five full fiscal years of the proposed Director candidate.
4. A description of the qualifications and background of the proposed Director candidate which addresses the minimum qualifications and other criteria for Board membership approved from time to time and set forth in this Charter.
5. A description of all arrangements or understandings between the stockholder and the proposed Director candidate.
6. The consent of the proposed Director candidate (a) to be named in the proxy statement relating to the Corporation's annual meeting of stockholders and (b) to serve as a director if elected at such annual meeting.
7. Any other information regarding the proposed Director candidate that is required to be included in a proxy statement filed pursuant to the rules of the Securities and Exchange Commission.