

TECHNICAL COMMUNICATIONS CORPORATION
100 Domino Drive
Concord, MA 01742-2892

August 12, 2014

To Our Stockholders:

On August 7, 2014, your Board of Directors adopted a Stockholder Rights Plan to replace the previous Stockholder Rights Plan which had expired earlier in the week. As part of the Plan, the Board declared a dividend distribution of one Common Stock Purchase Right (a "Right") on each outstanding share of Common Stock of the Corporation outstanding as of the close of business on August 18, 2014. A Summary of Rights explaining the terms of the Rights is enclosed with this letter.

We believe a Stockholder Rights Plan enhances your Board's ability to represent the interests of stockholders of the Corporation effectively in the event of an unsolicited attempt to acquire control of the Corporation. There are numerous means by which an acquiror can obtain control of a target company upon terms which are unfair to its stockholders and by means which significantly weaken the target company. The Rights issued under the Plan contain provisions designed to protect stockholders against abusive practices which can unfairly pressure stockholders to sell their stock at less than full value. Many other U.S. companies have issued rights similar to those approved by your Board to protect their stockholders against these tactics. The Board of Directors did not adopt the Rights Plan in response to any specific takeover threat or effort to gain control of the Company.

The distribution of these Rights is not intended to prevent a takeover of the Corporation on terms beneficial to its stockholders and, in fact, will not do so. However, it should deter an attempt to acquire the Corporation in a manner or on terms that the Board determines not to be in the best interests of its stockholders. The Rights are designed to deal with the very serious problem of a takeover attempt that deprives the Corporation's Board and its stockholders of any real opportunity to determine the destiny of the Corporation.

The Rights may be redeemed by the Company at \$.001 per Right at any time prior to the close of business on the tenth business day after there has been a public announcement that beneficial ownership of 15% or more of the Company's voting stock has been accumulated by a single acquiror or group, subject to certain exceptions. Thus, the Rights should not interfere with a negotiated merger or other business combination approved by the Board.

Issuance of the Rights does not in any way weaken the financial condition of the Corporation or interfere with its business plans. The issuance of the Rights has no present dilutive effect, will not affect reported earnings per share, is not taxable to the Corporation or to you under current federal income tax law, and will not change the way in which the Corporation's shares of Common Stock may be traded. If the Rights should become exercisable, stockholders, depending on then existing circumstances, may recognize taxable income.

The Board was aware when it acted that some people have advanced arguments that securities of the sort we are issuing deter legitimate acquisition proposals. The Board carefully considered those views and concluded that the arguments are speculative and unconvincing and certainly do not justify leaving stockholders with less effective protection against unfair treatment by an acquiror who, after all, would be seeking its own advantage, not yours. The Board believes that these Rights represent a sound, reasonable and appropriate means of addressing the complex issues of corporate policy developed as a response to the threat of coercive takeovers.

In declaring the Rights dividend, we have expressed our confidence in the Corporation's future, and we believe we have increased your ability to participate in that future.

Sincerely,

/s/ Carl H. Guild, Jr. _____

Carl H. Guild, Jr.
President, Chief Executive Officer and
Member of the Board of Directors

AS PROVIDED IN THE RIGHTS AGREEMENT (AS REFERRED TO BELOW), RIGHTS ISSUED TO OR BENEFICIALLY OWNED BY ACQUIRING PERSONS OR THEIR AFFILIATES OR ASSOCIATES (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR ANY SUBSEQUENT HOLDER OF SUCH RIGHTS SHALL BE NULL AND VOID AND MAY NOT BE EXERCISED OR TRANSFERRED TO ANY PERSON.

TECHNICAL COMMUNICATIONS CORPORATION

SUMMARY OF RIGHTS TO PURCHASE COMMON STOCK

On August 7, 2014, the Board of Directors of Technical Communications Corporation, a Delaware corporation (the “Corporation”), declared a dividend distribution of one Common Stock Purchase Right for each outstanding share of common stock, par value \$.10 per share (the “Common Stock”), of the Corporation. The distribution was made payable as of August 18, 2014 to stockholders of record on that date (the “Record Date”). Each Right, once exercisable, entitles the registered holder to purchase from the Corporation one share of common stock of the Corporation, at a price of \$25 per share (“Exercise Price”), subject to certain adjustments. The description and terms of the Rights are set forth in a Rights Agreement (the “Rights Agreement”) by and between the Corporation and American Stock Transfer and Trust Company LLC, as Rights Agent (the “Rights Agent”).

As discussed below, initially the Rights will not be exercisable, certificates will not be sent to stockholders and the Rights will automatically trade with the Common Stock.

The Rights, unless earlier redeemed by the Board of Directors, become exercisable upon the close of business on the day (the “Distribution Date”) which is the earlier of (i) the tenth business day following a public announcement that a person or group of affiliated or associated persons, with certain exceptions set forth below, has acquired beneficial ownership of 15% or more of the outstanding voting stock of the Corporation (an “Acquiring Person”) and (ii) the tenth business day (or such later date as may be determined by the Board of Directors prior to such time as any person or group of affiliated or associated persons becomes an Acquiring Person) after the date of the commencement by any person of a tender or exchange offer, the consummation of which would result in such person or group of affiliated or associated persons becoming an Acquiring Person.

An Acquiring Person does not include (A) the Corporation, (B) any subsidiary of the Corporation, (C) any employee benefit plan or employee stock plan of the Corporation or of any subsidiary of the Corporation, or any trust or other entity organized, appointed, established or holding voting stock for or pursuant to the terms of any such plan or (D) any person or group of affiliated or associated persons whose ownership of 15% or more of the shares of voting stock of the Corporation then outstanding results solely from (i) any action or transaction or

transactions approved by the Board of Directors before such person or group became an Acquiring Person or (ii) a reduction in the number of issued and outstanding shares of voting stock of the Corporation pursuant to a transaction or transactions approved by the Board of Directors (provided that any person or group that does not become an Acquiring Person by reason of clause (i) or (ii) above shall become an Acquiring Person upon acquisition of an additional 1% or more of the Corporation's voting stock unless such acquisition of additional voting stock would not result in such person becoming an Acquiring Person by reason of clause (i) or (ii) above).

Prior to the Distribution Date, the Rights will not be exercisable, will not be represented by a separate certificate, and will not be transferable apart from the Corporation's Common Stock, but will instead be evidenced, with respect to any of the Common Stock certificates outstanding as of the Record Date, by such Common Stock certificate with a copy of this Summary of Rights attached thereto. Until the Distribution Date (or earlier redemption, exchange or expiration of the Rights), new Common Stock certificates issued after the Record Date will contain a legend incorporating the Rights Agreement by reference. Until the Distribution Date (or earlier redemption, exchange or expiration of the Rights), the surrender for transfer of any of the Common Stock certificates outstanding as of the Record Date, with or without a copy of this Summary of Rights attached thereto, will also constitute the transfer of the Rights associated with the Common Stock represented by such certificate. As soon as practicable following the Distribution Date, separate certificates evidencing the Rights ("Right Certificates") will be mailed to holders of record of the Common Stock as of the close of business on the Distribution Date, and such separate certificates alone will evidence the Rights from and after the Distribution Date.

The Rights are not exercisable until the Distribution Date. The Rights will expire at the close of business on August 6, 2024, unless earlier redeemed or exchanged by the Corporation as described below.

Shares of Common Stock purchasable upon exercise of the Rights will be non-redeemable. The Exercise Price of the Rights and the number of shares of Common Stock issuable upon exercise of the Rights are subject to certain adjustments from time to time in the event of a stock dividend on, or a subdivision or combination of, the Common Stock. The Exercise Price for the Rights also is subject to adjustment in the event of extraordinary distributions of cash or other property to holders of Common Stock.

Unless the Rights are earlier redeemed, in the event that a person or group becomes an Acquiring Person, the Rights Agreement provides that proper provisions will be made so that each holder of record of a Right (other than Rights beneficially owned by an Acquiring Person and certain affiliates, associates and transferees thereof, whose Rights will thereupon become null and void), will thereafter have the right to receive, upon payment of the Exercise Price, that number of shares of the Common Stock having a fair market value determined in accordance with the Rights Agreement at the time of the transaction equal to approximately two times the Exercise Price.

In addition, unless the Rights are earlier redeemed or exchanged, in the event that, after the time that a person or group becomes an Acquiring Person, the Corporation were to be acquired in a merger or other business combination (in which any shares of Common Stock are changed into or exchanged for other securities or assets) or more than 50% of the assets or earning power of the Corporation and its subsidiaries (taken as a whole) were to be sold or transferred in one or a series of related transactions, the Rights Agreement provides that proper provision will be made so that each holder of record of a Right (other than Rights beneficially owned by an Acquiring Person and certain affiliates, associates and transferees thereof, whose Rights will thereupon become null and void) will from and after such date have the right to receive, upon payment of the Exercise Price, that number of shares of common stock of the acquiring company having a fair market value at the time of such transaction determined in accordance with the Rights Agreement equal to approximately two times the Exercise Price.

At any time after any person or group becomes an Acquiring Person and prior to the acquisition by such person or group of 50% or more of the outstanding voting stock, the Board of Directors of the Corporation may exchange the Rights (other than Rights owned by such person or group which will have become null and void), in whole or in part, for that number of shares of the Corporation's Common Stock having a fair market value on the date such person or group became an Acquiring Person equal to the excess of (i) the fair market value of Common Stock issuable upon the exercise of the Rights over (ii) the Exercise Price of the Rights, in each case subject to anti-dilution adjustments.

The Corporation may issue cash in lieu of fractional shares of Common Stock issuable upon exercise of Rights.

At any time prior to the close of business on the tenth business day after there has been a public announcement that a person has become an Acquiring Person or such earlier date as a majority of the Board of Directors of the Corporation shall become aware of the existence of an Acquiring Person, the Corporation may redeem the Rights in whole, but not in part, at a price of \$.001 per Right (the "Redemption Price"). Immediately upon the effective time of the action of the Board of Directors of the Corporation authorizing redemption of the Rights, the right to exercise the Rights will terminate and the only right of the holders of Rights will be to receive the Redemption Price.

For as long as the Rights are then redeemable, the Corporation may, except with respect to the Redemption Price, amend the Rights in any manner, including an amendment to extend the time period in which the Rights may be redeemed. At any time when the Rights are not then redeemable, the Corporation may amend the Rights in any manner that does not materially adversely affect the interests of holders of the Rights as such.

Until a Right is exercised, the holder, as such, will have no rights as a stockholder of the Corporation, including, without limitation, the right to vote or to receive dividends.

A copy of the Rights Agreement has been filed with the Securities and Exchange Commission on August 12, 2014, as an Exhibit to the Corporation's Current Report on Form 8-K. A copy of the Rights Agreement is available free of charge from the Corporation. This

summary description of the Rights does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement which is incorporated in this summary description herein by reference.