ANDREA ELECTRONICS CORPORATION
CORPORATE GOVERNANCE POLICY

1. *Duties and Responsibilities of the Board of Directors and Each Director*

The Board of Directors (the "Board") of Andrea Electronics Corporation (the "Company") is responsible for promoting and acting in the best interests of all stockholders of the Company. The Board is the ultimate decision-making body of the Company except with respect to those matters reserved to stockholders. The business and affairs of the Company are managed by its officers under the direction of the Board.

Each director owes fiduciary duties of loyalty and care to the Company. The duty of loyalty requires directors to exercise their powers in the interests of the Company and not in the directors' own interest or in the interest of another person (including a family member) or organization. The duty of care requires that directors exercise the care that a person in a like position would exercise under the circumstances.

2. *Composition of the Board; Board Operation*

Size. The Board believes that eight is currently an appropriate number of directors, but that a smaller or larger Board may be appropriate at any given time, depending on the circumstances.

Board Membership Criteria. Membership criteria shall be provided by the Nomination and Governance Committee, after consultation with the Board. The criteria should take into consideration diversity, age, skills, experience and other relevant factors.

Invitation to Join Board. The invitation to join the Board should be extended by the Chairman of the Board, on behalf of the entire Board.

Mix of Inside and Outside Directors. In no event will the Board consist of less than a majority of independent directors. The definition of "independent director" shall conform to the definition contained in the qualitative listing requirements for American Stock Exchange issuers and in any applicable Securities and Exchange Commission rules and regulations.

Change of Responsibility of Director. The Board believes that an individual director who retires from his or her employment should volunteer to resign from the Board. It is not the intention of the Board to mandate the resignation of a director whose responsibility has changed, but rather to provide an opportunity for the Board to review the continued appropriateness of Board membership under the changed circumstance.

Term limits. The Board does not believe it should establish term limits.

Retirement Age. The Board does not believe it should establish age limits.

Board Agenda. The Chief Executive Officer sets the agenda for Board meetings with the understanding that certain items necessary for appropriate Board oversight, such as annual budgets and long range plans, must appear periodically on the agenda. Board members may suggest that particular items be placed on the agenda.

Frequency of Meetings. The Board has one regularly scheduled meeting per year. In addition, special meetings may be called from time to time as determined by the needs of the business. It is the responsibility of the directors to attend meetings.

Corporate Strategy. From time to time, the Board devotes an extended meeting to a review of the Company's long-term strategic and business plans.

3. *Selection of Chairman and CEO*

The Board is free to make the selection in the manner and upon the criteria that the Board deems appropriate at the time of the selection. The Board has no policy with respect to the separation of the role of Chairman of the Board and Chief Executive Officer.

4. *Lead Director Concept*

The Board believes that designating a lead independent director may or may not serve the best interests of the Company and its stockholders at any give time, depending upon circumstances at that time. In the event that a lead director is designated, his or her duties would include: assisting the Board in assuring compliance with and implementation of the Company's Corporate Governance Policy, coordinating the agenda for and moderating sessions of the Board's independent directors and acting as principal liaison between the independent directors and the Chairman of the Board on sensitive issues.

5. *Committees*

Number and Structure. The Board has three standing committees: Audit; Compensation; and Nomination and Governance, each of which shall consist solely of independent directors.

Assignment of Committee Members. The Board does not have a firm policy mandating rotation of committee assignments since special knowledge or experience may mitigate in favor of a particular director serving for an extended period on one committee.

Frequency and Length of Committee Meetings. The Chairman of each committee, in consultation with committee members, will determine the frequency and length of committee meetings.

Committee Agenda. The Chairman of the committee, in consultation with appropriate members of management, will develop the committee's agenda. Each Board member may recommend agenda items for any committee meeting.

6. *Executive Sessions of Independent Directors*

The independent directors will meet in executive session at least twice a year. Issues to be discussed in executive session may include the evaluation of the Chief Executive Officer, management succession planning and such other matters as they may deem appropriate.

7. *Succession Planning*

The Board plans for the succession to the position of Chief Executive Officer. To assist the Board, the Chief Executive Officer annually provides the Board with an assessment of senior managers and their potential to succeed him or her. He or she also provides the Board with an assessment of persons considered potential successors to certain senior management positions, including a review of any development plans recommended for such individuals. The results of these reviews are reported to and discussed with the Board.

8. *Board Access to Management*

General. Board members have complete access to management. Board members will use judgment to assure that this contact is not distracting to the business operation of the Company, and that such contact, if in writing, be copied to the Chief Executive Officer.

Attendance of Non-Directors at Board Meetings. The Board encourages the Chief Executive Officer to bring members of management from time to time into Board meetings to:

(a) provide management insight into items being discussed by the Board which involve the manager;

(b) make presentations to the Board on matters which involve the manager; and

(c) bring managers with high potential into contact with the Board. Should the Chief Executive Officer desire to add additional members of management as attendees on a regular basis, this should be suggested to the Board for its concurrence.

9. *Board Materials Distributed in Advance*

Information and data are important to the Board's understanding of the business and are essential to prepare Board members for productive meetings. Presentation materials relevant to each meeting will be distributed in writing to the Board in advance of the meeting, unless doing so would compromise the confidentiality of competitive information. Under normal circumstances, materials should be delivered at least two days in advance of the meeting. In the event of a pressing need for the Board to meet on short notice, it is recognized that written materials may not be available in advance of the meeting. Management will make every effort to provide presentation materials that are brief and to the point, but yet communicate the essential information.

10. *Evaluation*

Annual Self-Assessment. The Nomination and Governance Committee will sponsor an annual self-assessment of the Board's performance, the results of which will be discussed with the full Board. The assessment should include a review of any areas in which the Board or management believes the Board can make a better contribution to the governance of the Company. The purpose of the review will be to improve the performance of the Board as a unit, and not to target the performance of an individual Board member. The Nomination and Governance Committee will utilize the results of the Board evaluation process in assessing and determining the characteristics and critical skills required of prospective candidates for election to the Board.

Annual Evaluation of CEO. The independent directors should perform an annual evaluation of the Chief Executive Officer. The evaluation should be based on objective criteria, including performance of the business, accomplishment of long-term strategic objectives and development of management succession.

11. *Share Ownership of Directors*

The Board has no policy with respect to whether or not directors should be stockholders of the Company.

12. *Director Compensation Review*

Senior management of the Company reports periodically to the Board on the status of the Company's director compensation practices in relation to other companies of comparable size and the Company's competitors. Changes in director compensation, if any, should come upon the recommendation of senior management, but with full discussion and concurrence by the Board and be consistent with the compensation practices of the Company's competition.

13. ***Board Interaction with Third Persons***

The Board believes management speaks for the Company. Individual Board members may from time to time communicate with various constituencies that are involved with the Company, such as the press, investors and customers. However, it is expected that this communication would be made with the concurrence of management.

14. ***Periodic Review***

The Board is responsible for periodically reviewing these principles, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

15. ***Orientation of New Directors and Continuing Education***

New directors, upon election to the Board, will be provided with a comprehensive set of materials on the operations, finances and business plan of the Company and meet informally with as many members of senior management as practical.