

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE HERLEY INDUSTRIES, INC.
SECURITIES LITIGATION

Case No. 06-CV-2596 (JRS)

FINAL ORDER AND JUDGMENT

WHEREAS:

A. On July 2, 2010, Lead Plaintiff and Class Representative, the Norfolk County Retirement System (“Norfolk” or the “Class Representative”), acting on behalf of itself and the Class, entered into a Stipulation and Agreement of Settlement (the “Stipulation”) with Defendants in these consolidated actions (the “Action”).

B. Pursuant to the Preliminary Approval Order Providing for Notice and Hearing in Connection With Proposed Class Action Settlement, entered July 2, 2010 (the “Preliminary Approval Order”), the Court scheduled a hearing for September 13, 2010, at 9:00 a.m. (the “Settlement Hearing”) to, *inter alia*: (a) determine whether the proposed settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable and adequate, and should be approved by the Court; and (b) determine whether a judgment as provided for in the Stipulation should be entered. The Court ordered that the Notice of Proposed Class Action Settlement (the “Notice”) and a Proof of Claim and Release form (“Proof of Claim”), in the form attached as Exhibits 1 and 2 to the Preliminary Approval Order, be mailed by first-class mail, postage prepaid, on or before July 16, 2010 (“Notice Date”) to all putative Class Members at the address of each such Person as set forth in the records of Herley Industries, Inc. (“Herley”) or its transfer agent, or who otherwise could be identified through reasonable effort, and that a Summary Notice of Hearing on Proposed Class Action Settlement (the “Summary Notice”), in the form attached to the Preliminary Approval Order as Exhibit 3, be published in *Investor's Business Daily* and transmitted over *Business Wire* within fourteen (14) calendar days of the Notice Date.

C. The Notice and the Summary Notice advised Class Members of the date, time, place and purpose of the Settlement Hearing. The Notice further advised that any objections to

the Settlement were required to be filed with the Court and served on counsel for the Parties by August 30, 2010.

D. The provisions of the Preliminary Approval Order as to notice were complied with.

E. On September 3, 2010, the Class Representative moved for final approval of the Settlement, as set forth in the Preliminary Approval Order. The Settlement Hearing was duly held before this Court on September 13, 2010, at which time all interested Persons were afforded the opportunity to be heard.

F. This Court has duly considered the Class Representative's motion, the affidavits, declarations and memorandum of law submitted in support thereof, and all of the submissions and arguments presented with respect to the proposed Settlement.

NOW, THEREFORE, after due deliberation, IT IS ORDERED, ADJUDGED AND DECREED that:

1. This Judgment incorporates by reference the definitions in the Stipulation, and all capitalized terms used, but not defined herein, shall have the same meanings as set forth in the Stipulation.

2. This Court has jurisdiction over the subject matter of the Action and over all Parties to the Action, including all members of the Class.

3. By Order entered September 30, 2009, pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court certified this Action as a class action on behalf of all persons who purchased or otherwise acquired the publicly traded securities of Herley Industries, Inc. during the period from October 1, 2001 through June 14, 2006, inclusive (the "Class Period"), and who

allegedly sustained a loss as a result of this acquisition. Excluded from the Class are Defendants, the employees of the Defendants and members of the Individual Defendants' immediate families (as defined in the Stipulation). Also excluded from the Class are any Class Members, as listed on Exhibit A hereto, who excluded themselves from the Class by timely filing a valid request for exclusion in accordance with Pendency Notice approved by the Court on April 5, 2010.

4. By Order entered January 15, 2010, the Court hereby appointed Norfolk as Lead Plaintiff and Class Representative and Labaton Sucharow LLP and Kirby McInerney LLP as Class Counsel.

5. The notification provided for and given to the Class was in compliance with the Preliminary Approval Order, and said notification constituted the best notice practicable under the circumstances and is in full compliance with the notice requirements of due process, Federal Rule of Civil Procedure 23 and Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995 (“PSLRA”), and any other applicable law.

6. The proposed Settlement of the Action on the terms and conditions set forth in the Stipulation is in all respects fair, reasonable and adequate, in light of the benefits to the Class, the complexity, expense and possible duration of further litigation against the Defendants, the risks of establishing liability and damages and the costs of continued litigation. This Court further finds the Settlement set forth in the Stipulation is the result of arm’s-length negotiations between experienced counsel representing the interests of the Class Representative, the Class and Defendants.

7. The Stipulation and the proposed Settlement are hereby approved as fair, reasonable, adequate, and in the best interests of the Class Members, and shall be consummated in accordance with the terms and provisions of the Stipulation.

8. All claims asserted in this Action are hereby dismissed in their entirety as to all Defendants, with prejudice, and without costs to any Party, except as otherwise provided in the Stipulation.

9. The Court further finds, pursuant to the PSLRA, 15 U.S.C. §78u-4 (c), that during the course of the Action, the Parties and their respective counsel at all times complied with the requirements of Federal Rule of Civil Procedure 11.

10. Upon the Effective Date, Class Representative and each Class Member, whether or not such Class Member executes and delivers a Proof of Claim, other than those listed in Exhibit A hereto, on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors and assigns shall have fully, finally and forever waived, released, discharged and dismissed each and every one of the Settled Claims against each and every one of the Released Defendant Parties and shall forever be barred and enjoined, without the necessity of posting a bond, from commencing, instituting, prosecuting or maintaining any of the Settled Claims against any of the Released Defendant Parties.

11. Upon the Effective Date, each of the Defendants, on behalf of themselves and each of their respective heirs, executors, trustees, administrators, predecessors, successors and assigns shall have fully, finally and forever waived, released, discharged and dismissed each and every one of the Settled Defendants' Claims, as against each and every one of the Released Plaintiff Parties and shall forever be barred and enjoined, without the necessity of posting a bond,

from commencing, instituting, prosecuting or maintaining any of the Settled Defendants' Claims against any of the Released Plaintiff Parties.

12. Pursuant to §21D(f)(7) of the PSLRA, 15 U.S.C. §78u-4(f)(7), each of the Released Defendant Parties are hereby discharged from all claims and future claims for contribution by any Person, whether arising under state, federal or common law, arising out of the Action. Accordingly, to the full extent provided by the PSLRA, the Court hereby bars all the claims referred to in this paragraph: (a) by any Person against the Released Defendant Parties; and (b) by the Released Defendant Parties against any Person, other than any Person whose liability has been extinguished pursuant to the Stipulation and this Judgment.

13. Each Class Member, whether or not such Class Member executes and delivers a Proof of Claim, other than those listed in Exhibit A hereto, is bound by this Judgment, including, without limitation, the release of claims as set forth in the Stipulation.

14. This Judgment and the Stipulation, and all papers related thereto are not, and shall not be construed to be, an admission by any of the Defendants of any liability, damages or wrongdoing whatsoever, and shall not be offered as evidence of any such liability, damages or wrongdoing in this or any other proceeding. The Stipulation may be filed in an action to enforce or interpret the terms of the Stipulation, the settlement contained therein, and any other documents executed in connection with the performance of the agreements embodied herein.

15. The administration of the Settlement, and the decision of all disputed questions of law and fact with respect to the validity of any claim or right of any Person to participate in the distribution of the Net Settlement Fund, shall remain under the authority of this Court.

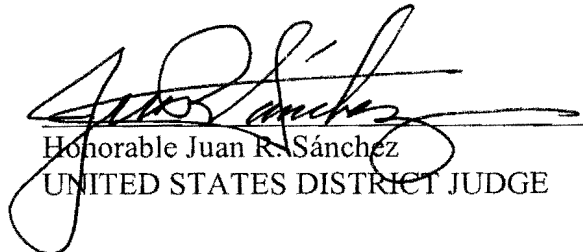
16. In the event that the Settlement does not become effective in accordance with the terms of the Stipulation, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Stipulation and shall be vacated, and in such event, all orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Stipulation.

17. Without further order of the Court, the Parties may agree to reasonable extensions of time to carry out any of the provisions of the Stipulation.

18. Any Court order regarding the Plan of Allocation or the attorneys' fee and expense application shall in no way disturb or affect this Judgment and shall be considered separate from this Judgment.

19. Without affecting the finality of this Judgment in any way, this Court hereby retains continuing jurisdiction over: (a) implementation of the Settlement and any award or distribution of the Net Settlement Fund, including interest earned thereon; (b) disposition of the Settlement Fund; (c) hearing and determining applications for attorneys' fees, interest and reimbursement of expenses in the Action; and (d) all Parties hereto for the purpose of construing, enforcing and administering the Settlement. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed.

Dated: September 13, 2010


Honorable Juan R. Sánchez
UNITED STATES DISTRICT JUDGE