

ANAREN , INC.

POLICY STATEMENT ON INSIDE INFORMATION, SECURITIES TRADING AND REPORTING COMPLIANCE

I. SUMMARY OF PROCEDURES

This Policy Statement is intended to remind you of your obligations under the federal securities laws regarding insider information and the trading of Anaren, Inc. ("Anaren" or the "Company") stock, and to explain the following policies which the Company has adopted to ensure compliance with applicable trading and reporting requirements.

The following points summarize the requirements set forth in more detail in this Policy.

- 1. You may not buy, sell or exercise an option to buy the stock of Anaren, or any other public company with whom Anaren has a relationship, on the basis of material nonpublic information.**
- 2. If you are a director, officer of the Company, or an employee listed on Exhibit D, and provided that you are not trading in violation of paragraph 1 above, you may buy, sell, or exercise an option to buy Anaren stock, *only* during the period beginning on the second business day following the release of the Company's quarterly or annual financial results (as applicable) and ending on the tenth calendar day prior to the next scheduled release of the Company's quarterly or annual financial results (as applicable).**
- 3. You may not "tip" other persons by providing them with material nonpublic information regarding the Company's stock or its business.**
- 4. You may not engage in a transaction involving Anaren's stock without first obtaining pre-clearance of the transaction from the Company's Vice President of Finance and the Secretary & General Counsel. Requests for pre-clearance should be submitted at least 2 business days in advance of the proposed transaction, and should include relevant information regarding the transaction and confirmation of the broker interface procedures, if applicable. The Company's Stock Option Exercise Form should be used to facilitate option transactions.**

Reviewed/Approved
March 23, 2005

5. **The Company will assist you (officers and directors – otherwise referred to as “Insiders”) with your obligations to file periodic reports involving your transactions in Anaren stock as required by the Securities and Exchange Commission (“SEC”). All Section 16 required reports will be filed directly with the SEC by the Company’s Secretary & General Counsel.**

6. **The Company will assist Insiders in identifying prohibited "short-swing profits" from a purchase and sale or sale and purchase of the Company's securities within a period of less than six months. You should consult with either the Vice President of Finance or the Company’s General Counsel prior to engaging in any Company stock transactions to confirm that no violation of the "short-swing profit" rule will result from the transaction, and that your transaction does not violate the spirit or intent of this policy.**

II. INSIDE INFORMATION

A. Prohibition on Use or Disclosure of Inside Information

The federal securities laws strictly prohibit any person who has material inside information from using such information in connection with the purchase and sale of stock. Congress enacted this prohibition and imposed severe penalties because the integrity of the securities markets would be seriously undermined if those with "inside information" were allowed to profit from their insider status to the detriment of those not aware of material nonpublic information.

Laws enacted in the last several years have dramatically increased the penalties for insider trading:

- Liability for up to three times the profit gained or loss avoided from insider trading transactions.
- Fines of up to \$1,000,000 per violation.
- Criminal penalties, including prison terms of up to ten years.

Once material information has been disclosed and disseminated to the general public, it is no longer "nonpublic" and insiders may trade in the Company's stock, provided that other rules are not violated. **Because material information is many times proprietary and confidential for strategic business reasons, and because misuse of material nonpublic information can result in drastic penalties for individuals and the Company, all directors, officers and employees must strictly maintain the confidentiality of material nonpublic information concerning the Company.**

B. Safeguarding Material Non-Public Information

Material information includes any information that a reasonable investor would consider important in a decision to buy, hold, or sell stock. In short, any information which could reasonably affect the price of the stock is material. Common examples of information that will frequently be regarded as material are: projections of future earnings or losses; a pending or proposed merger, acquisition or tender offer; a significant sale of assets or the disposition of a subsidiary; the acquisition of substantial new business; changes in dividend policies; the declaration of a stock split or the offering of additional securities; the threat or existence of significant loss or liability (including without limitation pending or threatened litigation); changes in management; or impending financial problems. Either positive or negative information can be material.

Material non-public information relating to the Company or its business must be kept in strict confidence. Accordingly, such information should be discussed only with persons who have a "need to know," and should be confined to as small a group as possible. Moreover, conversations in public places such as elevators, restaurants and airplanes should be limited to matters that do not involve information of a sensitive or confidential nature.

To ensure that material nonpublic information is protected to the maximum extent possible, no individuals other than specifically authorized personnel (currently Larry Sala and Joe Porcello) may release material information to the public, or respond to inquiries from the media, analysts or others outside the Company.

C. Restrictions on Trading and Tipping

In light of its responsibilities under the federal securities laws, the Company has adopted the following policies regarding your trading in securities:

1. ***Directors, officers and other employees of the Company may not buy or sell securities of a publicly traded company while in possession of material nonpublic information regarding that company.*** Neither you nor any person affiliated with you (which generally includes family members and business entities in which you are a director, officer, large shareholder, partner or member, or over which you exercise control through other means) may buy or sell securities or engage in any other action to take advantage of, or pass on to others, this type of information. This prohibition extends not only to transactions involving Anaren stock but also transactions involving securities of other entities with whom the Company has a relationship.

2. ***Directors and officers and other employees designated from time to time by the Board of Directors (see Exhibit D) of the Company may trade in Anaren stock only during the time period beginning on the second business day following the release of the***

Company's quarterly or annual financial results (as applicable) and ending on the tenth calendar day prior to the next scheduled release of the Company's quarterly or annual financial results (as applicable). Trading in Anaren stock outside of this "window" trading period by you or any person affiliated with you (as defined above) is strictly prohibited. Because someone in your position may receive inside information about the Company and its business, confining your trading in the Company's stock to this "window period" will help ensure that trading is not based on material information that is not available to the public.

3. ***Directors, officers, and other employees of the Company may not communicate material nonpublic information to other persons prior to its public disclosure and dissemination.*** There is, therefore, a need to exercise care when speaking with Company personnel who do not have a "need to know," and when communicating with family, friends and other persons not employed by the Company. To avoid even the appearance of impropriety, it is wise to refrain from making recommendations about buying or selling the stock of the Company or other entities with whom it has a relationship.

4. ***Directors, officers and others covered by this Policy (including family members living with insiders and business entities in which an insider is a director, officer, or large shareholder) shall not engage in a Anaren stock transaction without first obtaining pre-clearance of the transaction from the Company's Vice President of Finance and Secretary & General Counsel, in accordance with the Section 16 reporting requirements discussed below.*** Due to the new 2-day filing requirement (see below), this pre-clearance requirement (with appropriate communications and coordination preceding the stock transaction) is necessary to permit timely filing of required Form 4 reports. Pre-clearance may not be required in limited circumstances involving the use of 10b5-1 trading plans where the insider does not specify the date of a transaction. Consult the Company's Secretary & General Counsel for further information.

III. SECTION 16 COMPLIANCE

A. General

Section 16 of the Securities Exchange Act of 1934 limits the purchase and sale of the Company's stock by directors, 10% owners and certain officers (collectively, "insiders"). Specifically, insiders are required to report their transactions in and holdings of the Company's stock under Section 16(a), disgorge any profits on short-swing transactions under Section 16(b), and refrain from short sales under Section 16(c).

The rules and forms under Section 16 have changed frequently. The consequences of a late filing or a failure to file are significant:

- Public embarrassment to the individual and the Company from required disclosures in the Proxy Statement and the Form 10-K Annual Report of the

names of any insiders who, during the Company's preceding fiscal year, failed to timely file a required form.

- Significant fines for filing violations by an insider under the Securities Enforcement Remedies Act.

B. Filings Required Under Section 16

The SEC has designed Forms 3, 4 and 5 for use under the Section 16 rules. Copies of the applicable Forms, including instructions, can be obtained upon request. Please note that Section 16 requires that the insider report all Company stock held by his or her spouse, as well as children or other relatives living in the insider's household, although beneficial ownership may be disclaimed in appropriate cases. The applicable Form must be filed with the SEC by the due date.

1. Form 3 - Initial Report. Form 3, which is filed when a person first becomes a director, executive officer or 10% shareholder subject to Section 16, reports all Company stock owned by the insider at that time and must be filed with the SEC within ten calendar days after the reporting person becomes an insider.

2. Form 4 - Periodic Transactions. Form 4 must be filed by an insider by the second business day following most transactions. Transfers to trusts and other changes in the nature of your ownership (*e.g.*, from direct to indirect) must also be reported. Also, stock option grants and exercises must be reported on Form 4 within the same two business day period.

Certain changes in beneficial ownership, such as gifts and inheritances, are exempt from reporting on Form 4 but must be reported at year-end on Form 5 (see below) unless reported earlier on Form 4. As an alternative, however, such transactions may be reported earlier on Form 4. To avoid inadvertent failures to report, the Company recommends that insiders voluntarily report transactions currently on Form 4, even if a transaction is eligible for delayed reporting on Form 5 at the end of the year.

3. Form 5 - Year-End Report. Form 5 must be filed within 45 days after the end of the Company's fiscal year to report any exempt transactions that were not previously reported on Form 4. Insiders also must report on Form 5 any failures to file required Forms 3 and 4 on a timely basis during the year. Officers and directors who have no Form 5 items to report will be required to provide the Company with a written representation that no Form 5 filing is required (*i.e.*, that there were no unreported transactions during the preceding fiscal year).

C. Filing Compliance Program

Under the Section 16 rules, the preparation and filing of Forms 3, 4 and 5 are the sole responsibility of the individual officer or director. Because the reporting requirements are complex and violations can result in embarrassing disclosures for you and the Company, the Company will assist you in complying with Section 16.

The following procedures have been established to assist you in making these filings:

1. **Filing Coordinator.** The Company's General Counsel will serve as the Company's filing coordinator to assist all directors and executive officers in preparing and/submitting Section 16 filings.

2. **Power of Attorney.** Even if an individual is unable to sign a Form 3, 4 or 5 personally (*e.g.*, if he or she is out of town), the SEC permits the Form to be signed by another person as long as a power of attorney is filed "as soon as practicable" thereafter. The SEC will not excuse a late filing simply because the individual is unavailable. Attached as Exhibit A is a model power of attorney that would give the Company's General Counsel the authority to sign Forms 3, 4 and 5 on your behalf in order to facilitate timely filings, with the SEC.

3. **Year-End Reconciliation.** To assist you in determining whether a Form 5 needs to be filed after the Company's fiscal year end, the Company will distribute a Year-End Form 5 Filing Reminder, including a certification to the Company if no Form 5 is required.

4. **Forms 4 and 5 for Stock Options and Grants.** Stock option grants covered by Rule 16b-3 and *exercises of these stock options are reportable on Form 4 within the two business day period previously noted.* Because transactions under employee plans can raise complex reporting issues, and because improper reporting can create the appearance of short-swing trading violations and trigger communications from plaintiffs' lawyers, all exercises of stock options must be pre-cleared with the Filing Coordinator.

D. Short-Swing Profit Rule

Insiders can be held liable for "short-swing profits" resulting from any combination of purchases and sales (regardless of the order in which they occur) of the Company's stock within a period of less than six months. To help minimize inadvertent violations, you should take advantage of the following Section 16(b) preventive procedures:

1. **Check With The Filing Coordinator.** Prior to engaging in any transaction involving the Company's stock it is required that you check with the Company's General Counsel and the Vice President of Finance, who can review with you any Section 16(b) matchable transactions within the preceding six months, as well as possible transactions within

the coming months. A prior check can also help prevent inadvertent violations of other SEC rules, including Rule 10b-5 or 144.

2. Short-Swing Profit Rule Checklist. A simple checklist, attached as Exhibit B, should help prevent the most common short-swing profit rule violations. You may wish to furnish copies to your financial adviser, your accountant, your personal lawyer, your broker and anyone else who may be involved in advising you or carrying out your instructions.

3. Utilize A Knowledgeable Broker. The Company may not be in a position to prevent short-swing profit violations if it does not learn of a transaction until after the fact (hence the importance of your utilizing the checklist and checking with the filing coordinator prior to any transaction involving Company stock). One person who is invariably in a position to help prevent violations involving open market transactions before they happen is your broker. You may wish to have standing instructions with your broker to comply with filing compliance procedures in order to serve as a last line of defense against inadvertent violations. The broker can also provide directly to the Filing Coordinator the necessary transaction information (trade date, price, number of shares, etc.) for timely preparation of the forms. Attached as Exhibit C is a Checklist for broker interface procedures in connection with the pre-clearance procedures for stock transactions.

Remember, however, a broker has no legal responsibility for a client's Section 16 filing or short-swing profit rule violations; the best protection will come from your own awareness of the requirements and potential pitfalls.

If you have any questions about this Policy Statement, please ask.

EXHIBIT A

POWER OF ATTORNEY

The undersigned hereby constitutes and appoints each of David M. Ferrara and Anne Savage the undersigned's true and lawful attorney-in-fact to:

- (1) execute for and on behalf of the undersigned Forms 3, 4, and 5 in accordance with Section 16(a) of the Securities Exchange Act of 1934 and the rules thereunder;
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete the execution of any such Form 3, 4 or 5 and the timely filing of such form with the United States Securities and Exchange Commission and any other authority; and
- (3) take any other action in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned shall be in such form and shall contain such terms and conditions as such attorney-in-fact may deem appropriate.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform all actions necessary and proper in the exercise of any of the rights and powers herein granted, with full power of substitution or revocation. The undersigned also confirms the authority of each such attorney-in-fact to take the above-described actions with respect to any Forms 3, 4 or 5 heretofore executed and filed with the United States Securities and Exchange Commission on the undersigned's behalf. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming any of the undersigned's responsibilities to comply with Section 16 of the Securities Exchange Act of 1934.

This Power of Attorney shall continue in force and effect until the undersigned is no longer required to file Forms 3, 4 and 5 with respect to the undersigned's holdings of and transactions in securities issued by Anaren, Inc., unless earlier revoked in writing.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this ____ day of _____, 200_.

Signature

Print Name

EXHIBIT B

CHECKLIST

SECTION 16(b)

SHORT-SWING PROFIT PROHIBITION RULE

The Rule provides that: Any combination of PURCHASE AND SALE or SALE AND PURCHASE within six months results in a violation of Section 16(b), and any "profit" must be recovered by the Company. It makes no difference how long the shares being sold have been held, or that one of the two matching transactions occurs after you are no longer a Section 16 insider. The highest priced sale will be matched with the lowest priced purchase.

A. If a stock sale is contemplated.

If a sale or transfer is contemplated by an officer, director or 10% shareholder (or any member of his or her immediate family):

1. Have there been any purchases by the insider (or family members) within the past six months?
2. Are any purchases anticipated or required within the next six months?
3. Has the person responsible for preparing the Form 4 been advised?

Note: If the insider is an affiliate, has a Form 144 been prepared and has the broker been reminded to sell pursuant to Rule 144?

B. If a stock purchase is contemplated.

If a purchase is contemplated by an officer, director or 10% shareholder (or any member of his or her immediate family):

4. Have there been any sales by the insider (or family members) within the past six months?
5. Are any sales anticipated or required within the next six months (such as tax-related or year-end transactions)?
6. Has the person responsible for preparing the Form 4 been advised?

C. Insider Trading Reminder.

Before engaging in any transactions in Anaren stock, please confirm that the transaction will be in compliance with the Company's Policy Statement on Inside Information, Securities Trading and Reporting Compliance.

Both the federal securities laws and Company policy prohibit transactions in Company stock at a time when the holder may be in possession of material information about the Company which has not been publicly disseminated. This also applies to family members, affiliates and others whose transactions may be attributable to you. Material information, in short, is any information which could affect an individual's decision to buy, sell or hold the Company's stock. Either positive or negative information may be material.

For further information and guidance, please consult David Ferrara.

EXHIBIT C

CHECKLIST FOR BROKER INTERFACE PROCEDURES

Directors and executive officers should implement, at a minimum, the following broker interface procedures in order to ensure that transaction information is provided to the Filing Coordinator on a timely basis:

1. The director or officer should instruct the broker to report promptly to the Filing Coordinator, both verbally (by telephone) and in writing (by fax or e-mail), all transactions executed by the broker for the account of the director or officer, or for other accounts that may be attributable to him or her for reporting purposes.
2. The broker should agree not to execute transactions for the director or officer (except for those under a pre-approved Rule 10b5-1 trading plan) until the broker has verified with the Filing Coordinator that the Company has pre-cleared the transactions.
3. Stock certificates will not be authorized by the Company until such time as the total exercise price is fully paid to the Company.

EXHIBIT D

LIST OF INDIVIDUALS

Mark Bowyer
Eric Britt
Jim Everett
Tim Glavin
Strom Kong
Kevin Maher
Mike Moore
Chuck Patnode
Ray Simione