UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

Current Report
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): 02/19/2009

KLA-TENCOR CORPORATION

(Exact name of registrant as specified in its charter)

Commission File Number: 000-09992

Delaware	**04-2564110**
(State or other jurisdiction of incorporation)	**(IRS Employer Identification No.)**

One Technology Drive, Milpitas, California 95035
(Address of principal executive offices, including zip code)

(408) 875-3000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(e) In its meeting held on February 19, 2009, the independent members of the Board of Directors of KLA-Tencor Corporation (the "Company") approved an amendment and restatement of the Company's Executive Severance Plan (the "Severance Plan") to modify language that previously determined, upon certain termination events, certain performance-based cash and equity benefits based upon a participant's target awards for the year of termination. The amendments to the Severance Plan now base such payments and acceleration upon the actual amounts that would have been earned for the year of termination, had the participant remained in the employment of the Company through the entire year, and therefore such benefits will not be calculated or delivered to the participant until after the completion of the applicable performance period(s) and the final determination of the Company's (and, as applicable, the participant's) satisfaction of the applicable performance criteria.

Specifically, the material amendments to the Severance Plan were as follows:

-- A revised definition of "Average Annual Incentive" and the addition of a defined term "Termination Year Bonus" to provide that, with respect to a plan participant who, as of the date of his or her separation from service with the Company, has not been an employee of the Company for at least the then-prior three full fiscal years, such participant's "Average Annual Incentive" will be equal to an annualized calculation of the participant's average annual incentive cash compensation over his or her prior full fiscal years of service and for the fiscal year in which the separation occurs, with the latter amount calculated (based on the Company's actual performance metrics for such fiscal year) after the conclusion of such fiscal year as if the participant had remained as an employee of the Company through the requisite service period to qualify for such payment and pro-rated to reflect the portion of the fiscal year of termination that the participant served as an employee of the Company. The prior definition of "Average Annual Incentive" provided that such a participant would be entitled to his or her full target bonus for the fiscal year in which the separation from service occurs.

-- Modifications to Sections 4(b), 4(c) and 4(d) of the Severance Plan to specify that the number of shares subject to any performance-based equity award for which vesting is to be accelerated, in whole or in part, in accordance with the terms of the Severance Plan will only be calculated following the determination of the extent to which the performance criteria have actually been satisfied (if at all).

-- Inclusion of procedural provisions (a) to clarify the timing of payments of a participant's average annual incentive in the event such amount is not known at the time the participant's separation payments begin and (b) to provide that the Company will, in connection with a participant's separation from service, amend such participant's equity award agreements to the extent necessary to give effect to the equity acceleration provisions of the Severance Plan.

-- Addition of the defined term "Prior Completed Fiscal Years" and the use of such term in the Severance Plan to clarify which prior years of service will be included in the determination of certain benefits.

The preceding description is qualified in its entirety by reference to the amended and restated Severance Plan, which is filed as Exhibit 10.51 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On February 19, 2009, the Company's Board of Directors approved an amendment and restatement of the Company's By-Laws, effective immediately. The amendment and restatement implemented the changes described below to Section 7 of Article I and Section 11 of Article II of the Company's By-Laws:

1. The amended By-Laws clarify that the advance notice provisions set forth in Section 7 of Article I relate to business to be properly requested by a stockholder to be brought before a stockholder meeting other than business relating to the nomination or election of directors, which is governed exclusively by Section 11 of Article II.

2. The amended By-Laws clarify that, to properly bring any matter before a stockholder meeting, a stockholder must (a) be a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Company) both at the time of giving notice provided for in the By-Laws and at the time of the meeting, (b) be entitled to vote at the meeting and (c) comply with the applicable notice procedures set forth in the By-Laws.

3. The amended By-Laws modify the advance notice deadlines in Section 7(a)(iii) of Article I and Section 11(a)(ii) of Article II establishing when a stockholder must notify the Company that such stockholder intends to nominate directors or propose other business at an annual meeting of stockholders. The amended By-Laws now provide that any such notice must be given (other than in the exceptional cases specified in the By-Laws) not later than the close of business on the 90th day, and not earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year's annual meeting. As a result of the amendments, for the Company's 2009 annual meeting, to be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Company:

-- not earlier than the close of business on July 16, 2009; and

-- not later than the close of business on August 15, 2009.

Notwithstanding the deadlines described above, if the Company did not hold an annual meeting in the previous year or the date of the Company's annual meeting is more than 30 days before or more than 60 days after the anniversary date of the preceding year's annual meeting, notice by the stockholder, to be timely, must be delivered to, or mailed and received at, the principal executive offices of the Company not earlier than the close of business on the 120th day prior to the annual meeting and not later than the close of business on the later of (A) the 90th day prior to the annual meeting and (B) the 10th day following the date on which public announcement of the date of the meeting is first made.

4. The amended By-Laws clarify that stockholders seeking to nominate directors or propose other business at a meeting must comply with the advance notice provisions in Section 7 of Article I or Section 11 of Article II, as applicable, while stockholders seeking to have a stockholder proposal considered for inclusion in the Company's annual proxy statement must comply with the notice requirements applicable to stockholder proposals under the federal proxy rules.

5. The amended By-Laws add advance notice deadlines in Section 11(b)(ii) of Article II establishing when a stockholder must notify the Company that it intends to nominate directors in the event that a special meeting of stockholders is called for the purpose of electing directors. To be timely, the amended By-Laws require that any such notice be given not earlier than the close of business on the 120th day prior to the special meeting nor later than the close of business on the later of the 90th day prior to the special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting.

6. The amended By-Laws update the information that must be included in a notice under Section 7(a) of Article I or Section 11(a) or 11(b) of Article II. Among other things, the amendments require a stockholder that intends to propose a nomination or other business to provide information about any agreement, arrangement or understanding relating to the nomination or other business to be proposed that has the effect or intent of mitigating loss, managing risk or benefit from changes in the share price of any class of shares of the Company, or increasing or decreasing voting power with respect to shares of the Company, including any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares. In addition, a stockholder proponent must disclose identification and shareholding information with respect to beneficial owners of shares of stock of the Company owned of record or beneficially by such stockholder, as well as all agreements, arrangements and understandings between such stockholder and any other person with respect to business being proposed or nominations for directors. The amended By-Laws further require that the stockholder provide the Company with a written update of certain of the information required to be included in the notice within five business days after the record date for the meeting.

7. The amended By-Laws provide that, if a stockholder fails to timely deliver the updated information required by the advance notice provisions or if a stockholder (or its qualified representative) fails to appear at the stockholder meeting to present the business described in the stockholder's notice, the stockholder's proposed business will not be transacted at the meeting.

8. The amended By-Laws provide guidance in Sections 7(a)(v) of Article I and Sections 11(a)(iv) and 11(b)(iii) of Article II regarding the persons that stockholders may designate to represent them at an annual or special meeting. Previously, the By-Laws did not include that guidance.

In addition, the amended By-Laws (a) eliminate the requirement that the Company's annual stockholder meeting be held within 13 months of the date of the preceding year's annual stockholder meeting, (b) extend to the Company's officers designated for purposes of Section 16 of the Securities Exchange Act of 1934 the authority to vote and otherwise act on behalf of the Company with respect to exercising the Company's rights as a shareholder of any other entity, and (c) make certain other updates and clarifications to internal cross-references and language (none of which have a substantive effect on the amended provisions).

The preceding description is qualified in its entirety by reference to the Amended and Restated By-Laws of the Company, which are filed as Exhibit 3.1 to this Current Report on Form 8-K and are incorporated herein by reference.

Item 8.01. Other Events

On February 19, 2009, the Company issued a news release that the Company's Board of Directors had declared a cash dividend of $0.15 per share on the Company's common stock. Such dividend shall be payable on March 9, 2009 to the Company's stockholders of record as of the close of business on March 2, 2009. A copy of the news release is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

The following exhibits are filed herewith:

Exhibit No.	Description
3.1	Amended and Restated By-Laws of KLA-Tencor Corporation
10.51	Executive Severance Plan (as amended and restated February 19, 2009)
99.1	Text of news release issued by KLA-Tencor Corporation dated February 19, 2009

Signature(s)

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KLA-TENCOR CORPORATION

Date: February 19, 2009

By: /s/ Brian M. Martin

Brian M. Martin
Senior Vice President and General Counsel

Exhibit Index

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Exhibit 3.1

KLA-TENCOR CORPORATION,
A DELAWARE CORPORATION
AMENDED AND RESTATED BY-LAWS

AS AMENDED AND RESTATED: FEBRUARY 19, 2009

ARTICLE I
STOCKHOLDERS

Section 1. Annual Meeting. An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, on such date, and at such time as the Board of Directors shall each year fix.

Section 2. Special Meetings. Special meetings of the stockholders, for any purpose or purposes prescribed in the notice of the meeting, may be called only by the Board of Directors and shall be held at such place, on such date, and at such time as they shall fix. Business transacted at special meetings shall be confined to the purpose or purposes stated in the notice.

Section 3. Notice of Meetings. Written notice of the place, date, and time of all meetings of the stockholders shall be given, not less than ten (10) nor more than sixty (60) days before the date of such meeting, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the Delaware General Corporation Law or the Certificate of Incorporation of the Corporation). Notice of any meeting of stockholders will be given either personally, by mail, express mail, courier service or, with the actual or constructive consent of the stockholder entitled to receive such notice, by electronic transmission (including facsimile or electronic mail). Notice given by electronic transmission pursuant to this subsection will be deemed given: (a) if by facsimile telecommunication, when directed to a facsimile telecommunication number at which the stockholder has actually or constructively consented to receive notice; (b) if by electronic mail, when directed to an electronic mail address at which the stockholder has actually or constructively consented to receive notice; (c) if by posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice, and (d) if by any other form of electronic transmission, when directed to the stockholder.

When a meeting is adjourned to another place, date or time, written notice need not be given of the adjourned meeting if the place, date and time thereof are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, written notice of the place, date, and time of the adjourned meeting shall be given in conformity

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herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 4. Quorum. At any meeting of the stockholders, the holders of a majority of all of the shares of the stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number may be required by law.

If a quorum shall fail to attend any meeting, the chairman of the meeting or the holders of a majority of the shares of stock entitled to vote who are present, in person or by proxy, may adjourn the meeting to another place, date or time.

If a notice of any adjourned special meeting of stockholders is sent to all stockholders entitled to vote thereat, stating that it will be held with those present constituting a quorum, then, provided that those present hold more than 33-1/3% of the shares entitled to vote, those present at such adjourned meeting shall constitute a quorum, and all matters shall be determined by a majority of the votes cast at such meeting.

Section 5. Conduct of the Stockholders' Meeting. At every meeting of the stockholders, the Chairman of the Board of the Corporation, or in his absence the Chief Executive Officer of the Corporation, or in his absence the President of the Corporation, or in his absence the Vice President designated by the Chairman of the Board or the Chief Executive Officer, or in the absence of such designation any Vice President, or in the absence of the Chairman of the Board, Chief Executive Officer, President or any Vice President a chairman chosen by the majority of the voting shares represented in person or by proxy, shall act as chairman of the meeting. The Secretary of the Corporation or a person designated by the chairman shall act as Secretary of the meeting. Unless otherwise approved by the chairman, attendance at the Stockholders' Meeting shall be restricted to stockholders of record, persons authorized in accordance with Section 8 of Article I of these By-Laws to act by proxy, and officers of the Corporation.

Section 6. Conduct of Business. The Chairman shall call the meeting to order, establish the agenda, and conduct the business of the meeting in accordance herewith or, at the Chairman's discretion, in accordance with the wishes of the stockholders in attendance.

The Chairman shall also conduct the meeting in an orderly manner, rule on the precedence of, and procedure on, motions and other procedural matters, and exercise discretion with respect to such procedural matters with fairness and good faith toward all those entitled to take part. The Chairman may impose reasonable limits on the amount of time taken up at the meeting on discussion in general or on remarks by any

one stockholder. Should any person in attendance become unruly or obstruct the meeting proceedings, the Chairman shall have the power to have such person removed from participation. Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at any meeting except in accordance with the applicable procedures set forth in this Section 6, Section 7 of Article I below and Section 11 of Article II below.

The Chairman of any meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the applicable provisions of this Section 6, Section 7 of Article I below and Section 11 of Article II below, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 7. Notice of Stockholder Business (Other Than Director Nominations).

(a) Annual Meeting:

(i) The following provisions of this Section 7(a) shall not apply to nominations for the

election of directors, which shall be governed by Section 11 of Article II of these ByLaws.

(ii) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (B) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (C) properly brought before the meeting by a stockholder who (1) was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving notice provided for in these By-Laws and at the time of the meeting, (2) is entitled to vote at the meeting and (3) complies with the notice procedures set forth in this Section 7(a).

(iii) For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and such business must be a proper subject for stockholder action. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90^{th}) day, nor earlier than the close of business on the one hundred twentieth (120^{th}) day, prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that no annual meeting was held in the previous year or the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after the anniversary date of the previous year's annual meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the one hundred twentieth (120^{th}) day prior to the annual meeting and not later than the close of business on the later of (A) the ninetieth (90^{th}) day prior to the annual meeting and (B) the tenth (10^{th}) day following the date on which public announcement of the date of such meeting is first made. For purposes hereof, a "public announcement" will mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission, or in a notice pursuant to the applicable rules of an exchange on which the securities of the Corporation are listed. In no event will the public announcement of an adjournment or postponement of a

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stockholders meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(iv) A stockholder's notice to the Secretary of the Corporation must set forth as to each matter the stockholder proposes to bring before the annual meeting: (A) a brief description of the business desired to be brought before the annual meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the By-Laws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the annual meeting and any material interest in such business of the stockholder and the beneficial owner (within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")), if any, on whose behalf the business is being proposed, (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the business is being proposed: (1) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, and the name and address of the beneficial owner, (2) the class and number of shares of the Corporation which are owned of record by the stockholder and the beneficial owner as of the date of the notice, and the stockholder's agreement to notify the Corporation in writing within five business days after the record date for the annual meeting of the class and number of shares of the Corporation owned of record by the stockholder and the beneficial owner as of the record date for the meeting, and (3) a representation that the stockholder intends to appear in person or by proxy at the meeting to propose such business, and (C) as to the stockholder giving the notice or, if the notice is given on behalf of a beneficial owner on whose behalf the business is being proposed, as to the beneficial owner: (1) the class and number of shares of the Corporation which are beneficially owned by the stockholder or beneficial owner as of the date of the notice, and the stockholder's agreement to notify the Corporation in writing within five business days after the record date for the meeting of the class and number of shares of the Corporation beneficially owned by the stockholder or beneficial owner as of the record date for the meeting, (2) a description of any agreement, arrangement or understanding with respect to the business between or among the stockholder or beneficial owner and any other person, including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of 1934 Act Schedule 13D (regardless of whether the requirement to file a Schedule 13D is applicable to the stockholder or beneficial owner) and the stockholder's agreement to notify the Corporation in writing within five business days after the record date for the annual meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting, and (3) a

description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, the stockholder or beneficial owner, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the share price of any class of shares of the Corporation, or increase or decrease the voting power of the stockholder or beneficial owner with respect to shares of the Corporation, and the stockholder's agreement to notify the Corporation in writing within five business days after the record

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date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting.

(v) Notwithstanding anything in these By-Laws to the contrary, no business (other than director nominations, which are governed by Section 11 of Article II of these ByLaws) shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 7(a). The chairman of the annual meeting may determine and declare, if the facts warrant, at the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 7(a), and, if he or she should so determine, he or she will so declare at the meeting that any such business not properly brought before the meeting will not be transacted. Notwithstanding the foregoing provisions of this Section 7(a), unless otherwise required by law, if the stockholder does not provide the information required under clauses B(2) and C(1) through C(3) of Section 7(a)(iv) above to the Corporation within five business days following the record date for an annual meeting of stockholders or if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting to present the business described in the stockholder's notice delivered pursuant to Section 7(a)(iv) above, such business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 7(a), to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered to the Corporation prior to the proposing of the business at the meeting by the stockholder stating that the person is authorized to act for the stockholder as proxy at the meeting of stockholders.

(vi) Notwithstanding the foregoing, in order to include information with respect to a stockholder proposal in the Corporation's proxy statement and form of proxy for an annual meeting, stockholders must provide notice as required by the regulations promulgated under the 1934 Act.

(b) Special Meeting:

(i) The following provisions of this Section 7(b) shall not apply to nominations for the

election of directors, which shall be governed by Section 11 of Article II of these ByLaws.

(ii) At a special meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before a special meeting, business must be (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (B) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (C) if, and only if, the notice of a special meeting provides for business to be brought before the meeting by stockholders, properly brought before the meeting by a stockholder.

Section 8. Proxies and Voting. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him by a written or electronic proxy, filed in accordance with the procedure established for meeting or taking of action in writing, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this Section 8 may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. An electronic proxy (which may be transmitted via telephone, e-mail, the Internet or such other electronic means as the Board of Directors may determine from time to time) shall be deemed executed if the Company receives an appropriate electronic transmission from the stockholder or the stockholder's attorney-in-fact along with a pass code or other identifier which reasonably establishes the stockholder or the stockholder's attorney-in-fact as the sender of such transmission. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212(c) of the General Corporation Law of Delaware.

Each stockholder shall have one vote for every share of stock entitled to vote which is registered in his or her name on the record date for the meeting, except as otherwise provided herein or required by law.

All voting, including on the election of directors but excepting where otherwise required by law, may be by a voice vote; provided, however, that upon demand therefor by a stockholder entitled to vote or his or her proxy, a stock vote shall be taken. Every stock vote shall be taken by ballots, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. Every vote taken by ballots shall be counted by an inspector or inspectors appointed by the chairman of the meeting.

All elections shall be determined by a plurality of the votes cast, and, except as otherwise required by law or these By-Laws, all other matters shall be determined by a majority of the votes cast.

Section 9. Stock List. A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his or her name, shall be open to the examination of any such stockholder, for any purpose germane to the meeting, during ordinary business hours for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held.

The stock list shall also be kept at the place of the meeting during the whole time thereof and shall be open to the examination of any such stockholder who is present. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

Section 10. Elimination of Written Consent. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

ARTICLE II
BOARD OF DIRECTORS

Section 1. Number and Term of Office. The number of directors shall initially, as of the date of these Amended and Restated By-Laws, be ten (10) and, thereafter, shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exists any vacancies in previously authorized directorships at the time any such resolution is presented to the Board for adoption). The directors shall be divided into three classes, as nearly equal in number as reasonably possible. As of the date of these Amended and Restated By-Laws, the current term of office of the first class (Class I) is scheduled to expire at the 2011 annual meeting of stockholders, the current term of office of the second class (Class II) is scheduled to expire at the 2009 annual meeting of stockholders and the current term of office of the third class (Class III) is scheduled to expire at the 2010 annual meeting of stockholders. At each subsequent annual meeting of stockholders, directors shall be elected to succeed those directors whose terms expire for a term of office to expire at the third succeeding annual meeting of stockholders after their election. All directors shall hold office until the expiration of the term for which elected and until their successors are elected, except in the case of the death, resignation or removal of any director.

Section 2. Vacancies and Newly Created Directorships. Subject to the rights of the holders of any series of Preferred Stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification or other cause (other than removal from office by a vote of stockholders) may be filled only by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 3. Removal. Subject to the rights of the holders of any series of Preferred Stock then outstanding, any directors, or the entire Board of Directors, may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of capital

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stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class. Vacancies in the Board of Directors resulting from such removal may be filled by (i) a majority of the directors then in office, though less than a quorum, or (ii) the stockholders at a special meeting of the stockholders properly called for that purpose, by the vote of the holders of a majority of the shares entitled to vote at such special meeting. Directors so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires.

Section 4. Regular Meetings. Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

Section 5. Special Meetings. Special meetings of the Board of Directors may be called by one-third of the directors then in office (rounded up to the nearest whole number), the Chairman of the Board or by the chief executive officer and shall be held at such place, on such date, and at such time as they or he shall fix. Notice of the place, date, and time of each such special meeting shall be given each director by whom it is not waived by mailing written notice not fewer than five (5) days before the meeting or by giving such notice by telephone, electronic transmission, telecopy or delivery by overnight courier service not fewer than twenty-four (24) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 6. Quorum. At any meeting of the Board of Directors, a majority of the total number of authorized Directors shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

Section 7. Participation in Meetings by Conference Telephone. Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of

which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

Section 8. Conduct of Business. At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, except as otherwise provided herein or required by law. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors.

Section 9. Powers. The Board of Directors may, except as otherwise required by law, exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, including, without limiting the generality of the foregoing, the unqualified power:

(1) To declare dividends from time to time in accordance with law;

(2) To purchase or otherwise acquire any property, rights or privileges on such terms

as it shall determine;

(3) To authorize the creation, making and issuance, in such form as it may determine, of written obligations of every kind, negotiable or non-negotiable, secured or unsecured, and to do all things necessary in connection therewith;

(4) To remove any officer of the Corporation with or without cause, and from time to time to devolve the powers and duties of any officer upon any other person for the time being;

(5) To confer upon any officer of the Corporation the power to appoint, remove and suspend subordinate officers, employees and agents;

(6) To adopt from time to time such stock, option, stock purchase, bonus or other compensation plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine;

(7) To adopt from time to time such insurance, retirement, and other benefit plans for directors, officers, employees and agents of the Corporation and its subsidiaries as it may determine; and

(8) To adopt from time to time regulations, not inconsistent with these By-Laws, for the management of the Corporation's business and affairs.

Section 10. Compensation of Directors. Directors, as such, may receive, pursuant to resolution of the Board of Directors, fixed fees and other compensation for their services as directors, including, without limitation, their services as members of committees of the Board of Directors.

Section 11. Nomination of Director Candidates.

(a) Annual Meeting:

(i) Only persons who are nominated in accordance with the procedures set forth in

this Section 11(a) will be eligible for election as directors at an annual meeting of the stockholders. Subject to the rights of holders of any class or series of Preferred Stock then outstanding, at an annual meeting of the stockholders, only such nominations for director will be made as shall have been properly brought before the meeting. To be properly

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brought before an annual meeting, nominations must be (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (B) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (C) properly brought before the meeting by a stockholder who (1) was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving notice provided for in these ByLaws and at the time of the meeting, (2) is entitled to vote at the meeting and (3) complies with the notice procedures set forth in this Section 11(a).

(ii) For nominations to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90^{th}) day, nor earlier than the close of business on the one hundred twentieth (120^{th}) day, prior to the first anniversary of the preceding year’s annual meeting; provided, however, that in the event that no annual meeting was held in the previous year or the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after the anniversary date of the previous year’s annual meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the one hundred twentieth (120^{th}) day prior to the annual meeting and not later than the close

of business on the later of (A) the ninetieth (90th) day prior to the annual meeting and (B) the tenth (10th) day following the date on which public announcement (as defined in Section 7(a)(iii) of Article I of these By-Laws) of the date of such meeting is first made. In no event will the public announcement of an adjournment or postponement of a stockholders meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(iii) A stockholder's notice to the Secretary of the Corporation regarding the nomination of one or more directors must set forth (A) as to each person, if any, whom the stockholder proposes to nominate for election or re-election as a director: (1) the name, age, business address and residence address of such person, (2) the principal occupation or employment of such person, (3) the class and number of shares of the Corporation which are owned by such person, including shares beneficially owned and shares held of record, (4) any other information relating to such person that is required to be disclosed in solicitations of proxies for elections of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation such person's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected), and (5) a written statement executed by such nominee acknowledging that, as a director of such corporation, such person will owe a fiduciary duty, under the General Corporation Law of the State of Delaware, exclusively to the Corporation and its stockholders; (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is being made: (1) the name and address, as they appear on the Corporation's books, of the stockholder giving the notice, and the name and address of the beneficial owner, (2) the class and number of shares of the Corporation which are owned of record

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by the stockholder and the beneficial owner as of the date of the notice, and the stockholder's agreement to notify the Corporation in writing within five business days after the record date for the annual meeting of the class and number of shares of the Corporation owned of record by the stockholder and the beneficial owner as of the record date for the meeting, and (3) a representation that the stockholder intends to appear in person or by proxy at the meeting to present the nomination, and (C) as to the stockholder giving the notice or, if the notice is given on behalf of a beneficial owner on whose behalf the nomination is being made, as to the beneficial owner: (1) the class and number of shares of the Corporation which are beneficially owned by the stockholder or beneficial owner as of the date of the notice, and the stockholder's agreement to notify the Corporation in writing within five business days after the record date for the meeting of the class and number of shares of the Corporation beneficially owned by the stockholder or beneficial owner as of the record date for the meeting, (2) a description of any agreement, arrangement or understanding with respect to the nomination between or among the stockholder or beneficial owner and any other person, including without limitation any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of 1934 Act Schedule 13D (regardless of whether the requirement to file a Schedule 13D is applicable to the stockholder or beneficial owner) and the stockholder's agreement to notify the Corporation in writing within five business days after the record date for the annual meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting, and (3) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, the stockholder or beneficial owner, the effect or intent of which is to mitigate loss, manage risk or benefit from changes in the share price of any class of shares of the Corporation, or increase or decrease the voting power of the stockholder or beneficial owner with respect to shares of the Corporation, and the stockholder's agreement to notify the Corporation in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting. At the request of the Board of Directors or the chairman of the Board of Directors, any person nominated by a stockholder for election as a director will furnish to the Secretary of the Corporation that information required to be set forth in the stockholder's notice of nomination which pertains to the nominee and such other information as the Corporation may reasonably require to determine the eligibility of the proposed nominee to serve as a director of the Corporation. No person will be eligible for election as a director of the Corporation at an annual meeting of the stockholders unless nominated in accordance with the procedures set forth in this Section 11(a).

(iv) Notwithstanding the foregoing provisions of this Section 11(a), unless otherwise required by law, if the stockholder does not provide the information required under clauses B(2) and C(1) through C(3) of Section 11(a)(iii) above to the Corporation within five business days following the record date for an annual meeting of stockholders or if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the

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Corporation. For purposes of this Section 11(a), to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered to the Corporation prior to the proposing of the nomination at the meeting by the stockholder, stating that the person is authorized to act for the stockholder as proxy at the meeting of stockholders.

(v) The chairman of the annual meeting may determine and declare, if the facts warrant, at the meeting that a nomination was not made in accordance with the provisions of this Section 11(a), and in such event the defective nomination will be disregarded; provided, however, that nothing in this Section 11(a) shall be deemed to limit any voting rights upon the occurrence of dividend arrearages, provided to holders of Preferred Stock pursuant to the Preferred Stock designation for any series of Preferred Stock.

(vi) Notwithstanding the foregoing, in order to include information with respect to a stockholder nomination for director in the Corporation's proxy statement and form of proxy for an annual meeting, stockholders must provide notice as required by the regulations promulgated under the 1934 Act.

(b) Special Meeting:

(i) Only persons who are nominated in accordance with the procedures set forth in

this Section 11(b) will be eligible for election as directors at a special meeting of the stockholders. Subject to the rights of holders of any class or series of Preferred Stock then outstanding, at a special meeting of the stockholders at which directors are to be elected pursuant to the notice for such meeting, only such nominations for director will be made as shall have been properly brought before the meeting. To be properly brought before a special meeting, nominations must be (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (B) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (C) properly brought before the meeting by a stockholder who (1) was a stockholder of record (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving notice provided for in these By-Laws and at the time of the meeting, (2) is entitled to vote at the meeting and (3) complies with the notice procedures set forth in this Section 11(b).

(ii) In the event a special meeting is called for the purpose of electing one or more directors to the Board of Directors, any stockholder satisfying the requirements set forth in Section 11(b)(i)(C) above may nominate a person or persons (as the case may be) for election to such position(s) as specified in the notice for such meeting, if the stockholder delivers a notice satisfying the requirements set forth in Section 11(a)(iii) above to the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120^{th}) day prior to the special meeting nor later than the close of business on the later of: (i) the ninetieth (90^{th})

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day prior to the special meeting or (ii) the tenth (10th) day following the day on which public announcement (as defined in Section 7(a)(iii) of Article I of these By-Laws) is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. At the request of the Board of Directors or the chairman of the Board of Directors, any person nominated by a stockholder for election as a director will furnish to the Secretary of the Corporation that information required to be set forth in the stockholder's notice of nomination which pertains to the nominee and such other information as the Corporation may reasonably require to determine the eligibility of the proposed nominee to serve as a director of the Corporation. No person will be eligible for election as a director of the Corporation at a special meeting of the stockholders unless nominated in accordance with the procedures set forth in this Section 11(b).

(iii) Notwithstanding the foregoing provisions of this Section 11(b), unless otherwise required by law, if the stockholder does not provide the information required under clauses B(2) and C(1) through C(3) of Section 11(a)(iii) above to the Corporation within five business days following the record date for a special meeting of stockholders or if the stockholder (or a qualified representative of the stockholder) does not appear at the special meeting to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 11(b), to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or authorized by a writing executed by such stockholder (or a reliable reproduction or electronic transmission of the writing) delivered to the Corporation prior to the proposing of the nomination at the meeting by the stockholder, stating that the person is authorized to act for the stockholder as proxy at the meeting of stockholders.

(iv) The chairman of the special meeting may determine and declare, if the facts warrant, at the meeting that a nomination was not made in accordance with the provisions of this Section 11(b), and in such event the defective nomination will be disregarded; provided, however, that nothing in this Section 11(b) shall be deemed to limit any voting rights upon the occurrence of dividend arrearages, provided to holders of Preferred Stock pursuant to the Preferred Stock designation for any series of Preferred Stock.

ARTICLE III
COMMITTEES

Section 1. Committees of the Board of Directors. The Board of Directors, by a resolution passed by a vote of a majority of the whole Board, may from time to time designate committees of the Board, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace

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any absent or disqualified member at any meeting of the committee. Any committee so designated may exercise the power and authority of the Board of Directors to declare a dividend, to authorize the issuance of stock or to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware General Corporation Law if the resolution which designates the committee or a supplemental resolution of the Board of Directors shall so provide. In the absence or disqualification of any member of any committee and any alternate member in his place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Section 2. Conduct of Business. Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all

meetings (consistent with the notice provisions of Article II, Section 5 of these By-Laws); one-third of the authorized members shall constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee.

ARTICLE IV
OFFICERS

Section 1. Generally. The officers of the Corporation shall consist of a Chairman of the Board, a Chief Executive Officer, a President, one or more Vice Presidents, a Secretary, a Chief Financial Officer and such other officers as may from time to time be appointed by the Board of Directors. In addition, the Corporation's officers for purposes of Section 16 of the 1934 Act shall be designated by the Board of Directors. Each officer shall hold office until his successor is elected and qualified or until his earlier resignation or removal. Any number of offices may be held by the same person.

Section 2. Chairman of the Board. The Chairman of the Board, if such an officer be elected, shall, if present, preside at meetings of the stockholders and the Board of Directors and exercise and perform such other powers and duties as may from time to time be assigned to him by the Board of Directors or as may be prescribed by these ByLaws. If there is no Chief Executive Officer, then the Chairman of the Board shall also be the Chief Executive Officer of the Corporation and shall have the powers and duties prescribed in Article IV, Section 3 of these By-Laws.

Section 3. Chief Executive Officer. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the Chief Executive Officer of the Corporation shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the Corporation. In the absence or nonexistence of a Chairman of the

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Board, he shall preside at all meetings of the stockholders and the Board of Directors. He shall have the general powers and duties of management usually vested in the Chief Executive Officer of a Corporation and shall have such other powers and duties as may be prescribed by the Board of Directors or these By-Laws.

Section 4. President. The President shall act in a general executive capacity with such duties and powers as may be prescribed by the Chief Executive Officer or the Board of Directors.

Section 5. Vice President. In addition to officers elected by the Board of Directors in accordance with the first paragraph of Section 1 of this Article IV, the Corporation may have one or more appointed vice presidents. Such appointed vice presidents may be appointed by the Board of Directors or the Chief Executive Officer. The Board of Directors may designate one or more appointed vice presidents as executive vice presidents or senior vice presidents, and the Chief Executive Officer may designate one or more appointed vice presidents as senior vice presidents. Each Vice President shall have such powers and duties as may be delegated to him by the Board of Directors or the Chief Executive Officer.

Section 6. Chief Financial Officer. The Chief Financial Officer shall have the responsibility for maintaining the financial records of the Corporation and shall have custody of all monies and securities of the Corporation. He shall make or cause to be made such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Corporation. The Chief Financial Officer shall also perform such other duties as the Board of Directors may from time to time prescribe.

Section 7. Secretary. The Secretary shall issue all authorized notices for, and shall keep, or cause to be kept, minutes of all meetings of the stockholders, the Board of Directors, and all committees of the Board of Directors. The Secretary shall keep, or cause to be kept at the principal executive office or at the office of the Corporation's transfer agent or registrar, a record of the Corporation's stockholders, giving the names and addresses of all stockholders and the number and class of shares held by each. The Secretary shall have charge of the seal and the corporate books of the Corporation and shall perform such other duties as the Board of Directors may from time to time prescribe.

Section 8. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

Section 9. Removal. Any officer of the Corporation may be removed at any time, with or without cause, by the Board of Directors or by any officer who may be granted such power by the Board of Directors.

Section 10. Action With Respect to Securities of Other Corporations. Unless otherwise directed by the Board of Directors, the Chairman of the Board, the Chief

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Executive Officer, any officer of the Corporation for purposes of Section 16 of the 1934 Act, or any other officer of the Corporation authorized by the Chairman of the Board or the Chief Executive Officer shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other corporation in which this Corporation

may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other corporation.

ARTICLE V
STOCK

Section 1. Certificates of Stock. There will be issued to each holder of fully paid shares of the capital stock of the Corporation a certificate or certificates for such shares, if so requested by the holder (in the absence of such request, shares may be issued in book-entry form). To the extent required by the Delaware General Corporation Law, each holder of stock represented by certificates and, upon request, each holder of stock represented by uncertificated shares shall be entitled to a certificate signed by, or in the name of the Corporation by, the Chairman of the Board, the Chief Executive Officer, the President or a Vice President, and by the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer (if there be such an officer), certifying the number of shares owned by him or her. Any or all of the signatures on the certificate may be a facsimile.

Section 2. Transfers of Stock. Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of the stock of the Corporation. Except where (a) a certificate is issued in accordance with Section 4 of Article V of these By-Laws or (b) the shares being transferred or re-issued are uncertificated shares, an outstanding certificate for the number of shares involved shall be surrendered for cancellation before a new certificate is issued therefor.

Section 3. Record Date. The Board of Directors may fix a record date, which shall not be more than sixty (60) days nor fewer than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for other action hereinafter described, as of which there shall be determined the stockholders who are entitled: to notice of or to vote at any meeting of stockholders or any adjournment thereof; to express consent to corporate action in writing without a meeting (if the Corporation's charter and By-Laws allow such action without a meeting); to receive payment of any dividend or other distribution or allotment of any rights; or to exercise any rights with respect to any change, conversion or exchange of stock or with respect to any other lawful action.

Section 4. Lost, Stolen or Destroyed Certificates. In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the Board of Directors may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

Section 5. Regulations. The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VI
NOTICES

Section 1. Notices. Except as otherwise specifically provided herein or required by law, all notices required to be given to any stockholder, director, officer, employee or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by electronic transmission, facsimile, prepaid telegram, mailgram or commercial courier service. Any such notice shall be addressed to such stockholder, director, officer, employee or agent at his or her last known address as the same appears on the books of the Corporation. The time when such notice shall be deemed to be given shall be (a) the time such notice is received by such stockholder, director, officer, employee or agent, or by any person accepting such notice on behalf of such person, if hand delivered, or (b) the time such notice is dispatched, if delivered through the mails or by electronic transmission, facsimile, telegram, mailgram or courier.

Section 2. Waivers. A written waiver of any notice, signed by a stockholder, director, officer, employee or agent or a waiver by electronic transmission by any such person, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such stockholder, director, officer, employee or agent. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance of a person at a meeting shall constitute a waiver of notice for such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE VII
MISCELLANEOUS

Section 1. Facsimile Signatures. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these By-Laws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

Section 2. Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Chief Financial Officer or by an Assistant Secretary.

Section 3. Reliance Upon Books, Reports and Records. Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his duties, be fully protected in relying in good faith upon the books of account

or other records of the Corporation, including reports made to the

Corporation by any of its officers, by an independent certified public accountant, or by an appraiser selected with reasonable care.

Section 4. Fiscal Year. The fiscal year of the Corporation shall be as fixed by the Board of Directors.

Section 5. Time Periods. In applying any provision of these By-Laws which require that an act be done or not done a specified number of days prior to or following an event or that an act be done during a period of a specified number of days prior to or following an event, calendar days shall be used.

ARTICLE VIII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative ("proceeding"), by reason of the fact that he or a person of whom he is the legal representative, is or was a director, officer or employee of the Corporation or is or was serving at the request of the Corporation as a director, officer or employee of another corporation, or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer or employee or in any other capacity while serving as a director, officer or employee, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by Delaware Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said Law permitted the Corporation to provide prior to such amendment) against all expenses, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties, amounts paid or to be paid in settlement and amounts expended in seeking indemnification granted to such person under applicable law, this by-law or any agreement with the Corporation) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer or employee and shall inure to the benefit of his or her heirs, executors and administrators; provided however, that, except as provided in Section 2 of this Article VIII, the Corporation shall indemnify any such person seeking indemnity in connection with an action, suit or proceeding (or part thereof) initiated by such person only if such action, suit or proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. Such right shall be a contract right and shall include the right to be paid by the Corporation expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that, if the Delaware General Corporation Law then so requires, the payment of such expenses incurred by a director or officer of the Corporation in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final

disposition of such proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it should be determined ultimately that such director or officer is not entitled to be indemnified under this Section 1 or otherwise.

Section 2. Right of Claimant to Bring Suit. If a claim under Section 1 of this Article VIII is not paid in full by the Corporation within twenty (20) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if such suit is not frivolous or brought in bad faith, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any, has been tendered to this Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

Section 3. Non-Exclusivity of Rights. The rights conferred on any person in Sections 1 and 2 of this Article VIII shall not be exclusive of any other right which such persons may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors or otherwise.

Section 4. Indemnification Contracts. The Board of Directors is authorized to enter into a contract with any director, officer, employee or agent of the Corporation, or any person serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including employee benefit plans, providing for indemnification rights equivalent to or, if the Board of Directors so determines, greater than, those provided for in this Article VIII.

Section 5. Insurance. The Corporation shall maintain insurance to the extent reasonably available, at its expense, to protect itself and any such director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against

any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 6. Effect of Amendment. Any amendment, repeal or modification of any provision of this Article VIII by the stockholders or the Directors of the Corporation shall

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not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such amendment, repeal or modification.

Section 7. Savings Clause. If this Article VIII or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director, officer, employee and agent of the Corporation as to costs, charges and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the full extent permitted by an applicable portion of this Article VIII that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE IX
AMENDMENTS

The Board of Directors is expressly empowered to adopt, amend or repeal By-Laws of the Corporation. Any adoption, amendment or repeal of By-Laws of the Corporation by the Board of Directors shall require the approval of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any resolution providing for adoption, amendment or repeal is presented to the Board). The stockholders shall also have power to adopt, amend or repeal the By-Laws of the Corporation. In the event of any such adoption, amendment or repeal of these By-Laws by stockholders, in addition to any vote of the holders or any class or series of stock of this Corporation required by law or by these By-Laws, the affirmative vote of the holders of at least a majority of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required.

Exhibit 10.51

KLA-TENCOR CORPORATION
EXECUTIVE SEVERANCE PLAN

AS AMENDED AND RESTATED FEBRUARY 19, 2009

1. Introduction

The KLA-Tencor Corporation Executive Severance Plan (the "Plan") is designed to (i) assure the Company that it will have the continued dedication and availability of, and objective advice and counsel from, the Participants and (ii) provide Participants with the compensation and benefits described in the Plan in the event of their termination of employment with the Company under the circumstances described in the Plan. This document constitutes the written instrument under which the Plan is maintained and supersedes any prior plan or practice of the Company that provides severance benefits to Participants.

This Plan is intended to be in documentary compliance with the applicable requirements of Section 409A of the Internal Revenue Code and the Treasury Regulations issued thereunder, and any ambiguities herein will be interpreted to so comply.

Participants shall be those Employees selected at the sole discretion of the Committee.

2. Definitions

For purposes of this Plan, the following terms shall have the meanings set forth below:

(a) "Acceleration Ratio" shall mean the ratio of (i) the number of months (with any fractional month rounded up to the next whole month) that elapse between the grant date of an outstanding equity award and the date of the Participant's Separation from Service hereunder to (ii) the number of months (with any fractional month rounded up to the next whole month) in the total vesting period in effect for such award.

(b) "Amended Plan Effective Date" shall mean February 19, 2009.

(c) "Average Annual Incentive" shall mean the average annual incentive cash

compensation earned in the aggregate by the Participant under the Company's various incentive bonus plans for the last three Prior Completed Fiscal Years of the Company, including any portion earned but deferred; ***provided, however*** that if a Participant has not been in Employee status for the last three full fiscal years, the Average Annual Incentive shall mean the product of (i) 12 times (ii) the quotient equal to (A) the sum of (1) the annual incentive cash compensation earned in the aggregate by the Participant under the Company's various incentive bonus plans (including any portion earned but deferred) with respect to all Prior Completed Fiscal Years plus (2) the Participant's Termination

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Year Bonus, divided by (B) the sum of (1) the total number of months of service by such Participant for all Prior Completed Fiscal Years (i.e., the number of such Participant's Prior Completed Fiscal Years multiplied by 12) plus (2) the number of full calendar months of Employee service by such Participant in the fiscal year in which he or she ceases Employee status.

(d) "Base Salary" shall mean the Participant's annual rate of base salary in effect as of the date of his or her cessation of Employee status, but prior to any reduction to such Base Salary that would qualify as a Good Reason termination event.

(e) "Board" means the Board of Directors of the Company.

(f) "Cause" shall mean (A) outside the Change of Control Period, the occurrence of

any of the following events: (i) the Participant's conviction of, or plea of nolo contendre to, a felony; (ii) the Participant's gross misconduct; (iii) any material act of personal dishonesty taken by the Participant in connection with his or her responsibilities as an employee of the Company, or (iv) the Participant's willful and continued failure to perform the duties and responsibilities of his or her position after there has been delivered to the Participant a written demand for performance from the Board which describes the basis for the Board's belief that the Participant has not substantially performed his or her duties and provides the Participant with thirty (30) days to take corrective action, and (B) within the Change of Control Period, the occurrence of any of the following events: (i) the Participant's conviction of, or plea of nolo contendre to, a felony that the Board reasonably believes has had or will have a material detrimental effect on the Company's reputation or business; (ii) the Participant's willful gross misconduct with regard to the Company that is materially injurious to the Company; (iii) any act of personal dishonesty taken by the Participant in connection with his or her responsibilities as an employee of the Company with the intention or reasonable expectation that such action may result in substantial personal enrichment of the Participant or (iv) the Participant's willful and continued failure to perform the duties and responsibilities of his or her position after there has been delivered to the Participant a written demand for performance from the Board which describes the basis for the Board's belief that the Participant has not substantially performed his or her duties and provides the Participant with thirty (30) days to take corrective action.

(g) "Change of Control" shall mean the occurrence of any of the following events: (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becoming the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then outstanding voting securities; (ii) the sale or disposition by the Company of all or substantially all of the Company's assets; (iii) the consummation of any merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the total voting power

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represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation, or (iv) a change in the composition of the Board, as a result of which fewer than a majority of the Board members are Incumbent Directors. "Incumbent Directors" shall mean Board members who either (A) are members of the Board on the Amended Plan Effective Date or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of those Board members whose election or nomination was not in connection with any transactions described in subsections (i), (ii) or (iii) or in connection with an actual or threatened proxy contest relating to the election of directors of the Company.

(h) "Change of Control Period" shall mean the two (2) year period commencing upon the occurrence of a Change of Control.

(i) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(j) "Committee" shall mean the Board or such committee appointed by the Board to

act as the committee for purposes of administering the Plan.

(k) "Company" shall mean KLA-Tencor Corporation, a Delaware corporation, and any successor entity.

(l) "Employee" shall mean an individual who is a full-time regular employee of one or more members of the Employer Group, subject to the control and direction of the employer entity as to both the work to be performed and the manner and method of performance. An individual shall be deemed to continue in Employee status for so long as he or she continues as a full-time regular employee of at least one member of the Employer Group.

(m)**"**Employer Group" means (i) the Company and (ii) each of the other members of the controlled group that includes the Company, as determined in accordance with Sections 414(b) and (c) of the Code, except that in applying Sections 1563(1), (2) and (3) of the Code for purposes of determining the controlled group of corporations under Section 414(b), the phrase "at least 50 percent" shall be used instead of "at least 80 percent" each place the latter phrase appears in such sections and in applying Section 1.414(c)-2 of the Treasury Regulations for purposes of determining trades or businesses that are under common control for purposes of Section 414(c), the phrase "at least 50 percent" shall be used instead of "at least 80 percent" each place the latter phrase appears in Section 1.414(c)-2 of the Treasury Regulations.

(n) "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code.

(o) "Good Reason" shall mean (i) a material reduction of the Participant's duties,

authority or responsibilities; (ii) a material change in the Participant's reporting requirements such that the Participant is required to report to a person whose duties, responsibilities and authority are materially less than those of the person to whom the Participant was reporting immediately prior to such change, (iii) a material reduction in

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the Participant's Base Salary, other than a reduction that applies to other executives generally; (iv) a material reduction in the aggregate level of the Participant's overall compensation, other than a reduction that applies to other executives generally; or (iv) a material relocation of the Participant's office, with a relocation of more than fifty (50) miles from its then present location to be deemed material, unless the relocated office is closer to the Participant's then principal residence; *provided however*, that in no event shall the Participant's Separation from Service be deemed to be for Good Reason unless (x) the Participant provides the Company with written notice specifying in detail the event or transaction constituting grounds for a Good Reason resignation and delivered to the Company within ninety (90) days after the occurrence of that event or transaction, (y) the Company fails to remedy the purported Good Reason event or transaction within a reasonable cure period of at least thirty (30) days following receipt of such notice and (z) the Participant resigns for such Good Reason within sixty (60) days after the Company's failure to take such timely curative action, but in no event more than one hundred eighty (180) days after the occurrence of the event or transaction identified in the clause (x) notice to the Company as the grounds for the Good Reason resignation.

(p) "Original Effective Date" shall mean January 1, 2006.

(q) "Participant" shall mean an Employee who meets the eligibility requirements of

Section 3.

(r) "Plan" shall mean this KLA-Tencor Corporation Executive Severance Plan.

(s) "Plan Year" shall mean the Company's fiscal year.

(t) "Prior Completed Fiscal Years" shall mean, with respect to a Participant who

ceases Employee status, the completed fiscal years of the Company occurring consecutively immediately preceding the fiscal year in which such Participant ceases Employee status and for which such Participant remained in continuous Employee status for the entire fiscal year.

(u) "Prorated Annual Incentive" shall mean the aggregate incentive bonus paid to the Participant under the Company's various incentive bonus plans for the Company's most recently completed fiscal year, including any portion earned but deferred, multiplied by a fraction, the numerator of which is the number of days in the Company's then current fiscal year through the date of the Participant's Separation from Service, and the denominator of which is equal to 365.

(v) "Separation from Service**"** means the Participant's cessation of Employee status by reason of his or her death, retirement or termination of employment. The Participant shall be deemed to have terminated employment for such purpose at such time as the level of his or her bona fide services to be performed as an Employee (or non-employee consultant) permanently decreases to a level that is not more than twenty percent (20%) of the average level of services he or she rendered as an Employee during the immediately preceding thirty-six (36) months (or such shorter period for which he or she

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may have rendered such service). Any such determination as to Separation from Service, however, shall be made in accordance with the applicable standards of the Treasury Regulations issued under Code Section 409A. In addition to the foregoing, a Separation from Service will not be deemed to have occurred while an Employee is on military leave, sick leave or other bona fide leave of absence if the period of such leave does not exceed six (6) months or any longer period for which such Employee's right to reemployment with one or more members of the Employer Group is provided either by statute or contract; ***provided, however,*** that in the event of an Employee's leave of absence due to any medically determinable physical or mental impairment that can be expected to result in death or to last for a continuous period of not less than six (6) months and that causes such individual to be unable to perform his or her duties as an Employee, no Separation from Service shall be deemed to occur during the first twenty-nine (29) months of such leave. If the period of leave exceeds six (6) months (or twenty-nine (29) months in the event of disability as indicated above) and the Employee's right to reemployment is not provided either by statute or contract, then such Employee will be deemed to have a Separation from Service on the first day immediately following the expiration of such six

(6) -month or twenty-nine (29)-month period.

(w) "Severance Multiple" shall mean the Participant's Severance Period, expressed in

years or fractions thereof (e.g., a Severance Period of two years results in a Severance Multiple of two). The Severance Multiple may be different for periods outside of the Change of Control Period and within the Change of Control Period.

(x) "Severance Payment" shall mean the payment of severance compensation as provided in Section 4 hereof.

(y) "Severance Period" shall mean the number of years (which may include fractional years) established by the Committee for an individual Participant. The Severance Period may be different for periods outside of the Change of Control Period and within the Change of Control Period.

(z) "Specified Employee" means any individual who is, at any time during the twelve (12)-month period ending with the identification date specified below, a "key employee" (within the meaning of that term under Code Section 416(i)), as determined by the Committee in accordance with the applicable standards of Code Section 409A and the Treasury Regulations thereunder and applied on a consistent basis for all non-qualified deferred compensation plans of the Employer Group subject to Code Section 409A. The Specified Employees shall be identified by the

Committee on December 31 each year and shall have that status for the twelve (12)-month period beginning on the April 1 subsequent to such determination by the Committee.

(aa) "Termination Year Bonus" means the product of (i) a Participant's actual annual incentive cash compensation for the fiscal year in which he or she ceases Employee status, calculated (based on the Company's actual performance metrics for such fiscal year) after

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the conclusion of such fiscal year, that the Participant would have received if the Participant had remained in continuous Employee status through the entire fiscal year (and any additional period of time necessary to be eligible to receive such annual incentive cash compensation for such fiscal year) and (ii) a fraction, the numerator of which is the number of full calendar months of Employee service by such Participant in the fiscal year in which he or she ceases Employee status, and the denominator of which is 12.

3. Eligibility

(a) Required Release. In order to qualify for severance benefits under Section 4(b), 4(c) or 4(d) of the Plan, the Participant must, within twenty-one (21) days (or forty-five (45) days to the extent any such longer period is required under applicable law) after the date of his or her Separation from Service, sign and deliver to the Company a general waiver and release (the "Required Release") in the form provided by (and in favor of) the Company, and such Required Release must become effective under applicable law following the expiration of any applicable revocation period under federal or state law.

(b) Participation in Plan. The Committee shall from time to time designate the Employees who are to participate in the Plan. The Committee may, with respect to one or more such designated Participants, limit their participation to certain Separations from Service during or related to the Change of Control Period as set forth in Sections 4(c) and 4(d) hereof and not allow them to participate with respect to certain Separations from Service outside of and unrelated to the Change of Control Period, as set forth in Section 4(b) hereof. A Participant shall cease to be a Participant upon cessation of Employee status (unless such Participant is then entitled to a Severance Payment under the Plan) or upon the expiration date of the Plan. However, a Participant who becomes entitled to a Severance Payment shall remain a Participant in the Plan until the full amount of his or her benefits under the Plan have been provided to such Participant, notwithstanding the prior expiration of the Plan. Upon receipt of all the Severance Payments, the Participant releases the Company from any and all further obligations under the Plan.

4. Severance Benefits

(a) Termination of Employment. Except as otherwise provided in this Section 4(a), upon the termination of the Participant's Employee status for any reason, the Participant shall be immediately entitled to any (i) unpaid Base Salary accrued through the effective date of such termination; (ii) unreimbursed business expenses required to be reimbursed to the Participant in accordance with the Company's business expense reimbursement policy, and (iii) pay for accrued but unused vacation that the Company is legally obligated to pay the Participant. Any amounts deferred by such Participant under one or more of the Company's non-qualified deferred compensation programs subject to Section 409A of the Code which remain unpaid on the termination date shall be paid at such time and in such manner as set forth in each applicable plan or agreement governing the payment of those deferred amounts, subject, however, to the deferred payment provisions of Section 6 below. Amounts deferred under any other deferred compensation plans or

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programs shall be paid to the Participant in accordance with the terms and provisions of each such applicable plan or program. In addition, should the Participant incur a Separation from Service because his or her service as an Employee is terminated or reduced by the Company other than for Cause or by the Participant for Good Reason, then the Participant shall be entitled to the amounts and benefits specified below.

(b) Termination by the Company Without Cause or the Participant Terminates for Good Reason Outside of the Change of Control Period. If the Participant incurs a Separation from Service because his or her service as an Employee is reduced or terminated by the Company without Cause or by the Participant for Good Reason, and such Separation from Service does not occur during the Change of Control Period, then, subject to Sections 3(a) and 5, the Participant shall receive: (i) an amount equal to the Participant's Severance Multiple multiplied by the Participant's Base Salary, payable in successive equal installments over the Severance Period in accordance with the Company's normal payroll policies for salaried employees, with the first such payment to begin on the first payday within the sixty (60)-day period following the date of such Separation from Service on which the Participant's Required Release is effective, but in no event shall such initial payment be made later than the last business day of such sixty (60)-day period on which the Release is so effective; (ii) the Participant's Prorated Annual Incentive, with such payment to be made in a lump sum at the same time as the first installment payment under clause (i) above; (iii) partial vesting acceleration with respect to the Participant's then outstanding unvested equity awards, with the amount of such accelerated vesting being equal to, for each such award, (A) the product of the number of shares originally granted under such award (as such number may be modified based upon the satisfaction of (or failure to satisfy) any performance criteria applicable to such award; with respect to any award for which satisfaction of the performance criteria applicable to such award has not yet been determined as of the date of such Participant's Separation from Service, the number of shares under such award for purposes of this clause (A) shall only be calculated following the determination of the extent to which such performance criteria have actually been satisfied (if at all)) multiplied by the Acceleration Ratio, less (B) the number of shares under such award that have actually vested in accordance with the terms of such award (without giving effect to the acceleration terms hereunder) as of the date of the Participant's Separation from Service hereunder; and (iv) with respect to any of the Participant's then outstanding options or stock appreciation rights granted on or after the Original Effective Date ("New Options/SARs"), an extended post-termination exercise period for each such New Option/SAR equal to the earlier of (x) twelve (12) months from the date of the Participant's cessation of Employee status or (y) the expiration date of the maximum term (not to exceed ten years) of such New Option/SAR. The Company will amend the agreements (e.g., restricted stock unit agreements or stock option agreements) underlying a Participant's equity awards outstanding as of the date of such Participant's Separation from Service to the extent necessary to give effect to the provisions of this Section 4(b).

(c) Termination Without Cause or Resignation for Good Reason During the Change of Control Period. If the Participant incurs a Separation from Service because his or her service as an Employee is reduced or terminated by the Company without Cause or by

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the Participant for Good Reason, and such Separation from Service occurs within the Change of Control Period, then, subject to Sections 3(a) and 5, Participant shall receive: (i) a cash amount equal to the Participant's Severance Multiple multiplied by the sum of the Participant's Base Salary and Average Annual Incentive, payable in successive equal installments over the Severance Period in accordance with the Company's normal payroll policies for salaried employees, with the first such payment to begin on the first payday within the sixty (60)-day period

following the date of his or her Separation from Service on which the Participant's Required Release is effective, but in no event shall such initial payment be made later than the last business day of such sixty (60)-day period on which the Release is so effective (provided that, if the Average Annual Incentive component of such payment cannot be calculated prior to the date of such initial payment (for example, because the Company's Compensation Committee has not certified the extent to which the applicable performance criteria have been achieved), the Average Annual Incentive amount will, once it can be calculated, be paid in successive equal installments over the then-remaining term of the Severance Period in accordance with the Company's normal payroll policies for salaried employees (or, if the Severance Period has ended, in lump-sum on the first payday after such calculation has been completed)); (ii) the Participant's Prorated Annual Incentive, with such payment to be made in a lump sum at the same time as the first installment payment under clause (i) above; (iii) 100% accelerated vesting with respect to each of the Participant's then outstanding unvested equity awards (provided that, with respect to any award for which satisfaction of the performance criteria applicable to such award has not yet been determined as of the date of such Participant's Separation from Service, the number of shares under such award that shall be accelerated for purposes of this clause (iii) shall only be equal to the final number of shares under such award, as calculated following the determination of the extent to which such performance criteria have actually been satisfied (if at all)); (iv) an extended post-termination exercise period for each New Option/SAR equal to the earlier of (x) twelve (12) months from the date of the Participant's cessation of Employee status or (y) the expiration date of the maximum term (not to exceed ten years) of such New Option/SAR; and (v) a monthly payment of $2,000 for the duration of the Severance Period, with the payment for each such month to be made concurrently with the first payment made under clause (i) above for that month. The Company will amend the agreements (e.g., restricted stock unit agreements or stock option agreements) underlying a Participant's equity awards outstanding as of the date of such Participant's Separation from Service to the extent necessary to give effect to the provisions of this Section 4(c).

(d) Certain Terminations Prior to a Change of Control. If at any time during the period beginning with the execution of a definitive agreement to effect a Change of Control and ending with the earlier (x) the termination of that agreement without a Change of Control or (y) the effective date of the Change of Control contemplated by that agreement, the Participant incurs a Separation from Service because his or her service as an Employee is reduced or terminated by the Company without Cause or by the Participant for Good Reason, then each of his or her outstanding equity awards, whether vested or unvested, shall, notwithstanding anything to the contrary in the documents evidencing those awards, remain outstanding for a period of six (6) months following such Separation from Service (or, if earlier, until the expiration date of the maximum term (not to exceed ten years) of

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such award). Should the Change of Control contemplated by that agreement become effective during that six (6)-month period, then, subject to Sections 3(a) and 5, Participant shall thereupon become entitled to the following benefits: (i) the unvested portion of each of his or her outstanding equity awards shall vest immediately (provided that, with respect to any award for which satisfaction of the performance criteria applicable to such award has not yet been determined as of the date of such Participant's Separation from Service, the number of shares under such award that shall be accelerated for purposes of this clause (i) shall only be equal to the final number of shares under such award, as calculated following the determination of the extent to which such performance criteria have actually been satisfied (if at all)); (ii) each of his or her New Options/SARs shall have an extended post-termination exercise period equal to the earlier of (x) twelve (12) months from the date of his or her cessation of Employee status or (y) the expiration date of the maximum term (not to exceed ten years) of such New Option/SAR; (iii) a cash amount equal to the Participant's Severance Multiple multiplied by the sum of the Participant's Base Salary and Average Annual Incentive, payable in successive equal installments over the Severance Period in accordance with the Company's normal payroll policies for salaried employees, with the first such payment to begin on the first payday within the sixty (60)-day period following the date of his or her Separation from Service on which the Participant's Required Release is effective, but in no event shall such initial payment be made later than the last business day of such sixty (60)-day period on which the Release is so effective (provided that, if the Average Annual Incentive component of such payment cannot be calculated prior to the date of such initial payment (for example, because the Company's Compensation Committee has not certified the extent to which the applicable performance criteria have been achieved), the Average Annual Incentive amount will, once it can be calculated, be paid in successive equal installments over the then-remaining term of the Severance Period in accordance with the Company's normal payroll policies for salaried employees (or, if the Severance Period has ended, in lump-sum on the first payday after such calculation has been completed)); (iv) the Participant's Prorated Annual Incentive, with such payment to be made in a lump sum at the same time as the first installment payment under clause (iii) above and (v) a monthly payment of $2,000 for the duration of the Severance Period, with the payment for each such month to be made concurrently with the first payment made under clause (iii) above for that month. The severance benefits payable under this Section 4(d) shall be in lieu of any severance benefits to which the Participant might otherwise be entitled under Section 4(c); accordingly, there shall be no duplication of benefits under Sections 4(c) and 4(d). The Company will amend the agreements (e.g., restricted stock unit agreements or stock option agreements) underlying a Participant's equity awards outstanding as of the date of such Participant's Separation from Service to the extent necessary to give effect to the provisions of this Section 4(d).

(e) Code Section 409A Status. The Participant's right to receive compensation continuation payments pursuant to clause (i) of Section 4(b), clauses (i) and (v) of Section 4(c) or clauses (iii) and (v) of Section 4(d)) shall in each instance be treated, for purposes of Code Section 409A, as a right to a series of separate payments. To the extent the Participant vests in any outstanding restricted stock unit award or other similar full value equity award in accordance with the provisions of Section 4(b), 4(c) or 4 (d), the

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underlying shares of the Company's common stock shall be issued on the date that award vests upon the satisfaction of the applicable requirements for such vesting (including the Release requirements under Section 3(a)) or as soon as administratively practicable thereafter, but in no event later than the fifteenth day of the third calendar month following such vesting date. The Participant's right to receive shares of the Company's common stock in one or more installments under such equity awards shall, for purposes of Code Section 409A, be treated as a right to receive a series of separate payments.

(f) Golden Parachute Excise Taxes.

(i) Parachute Payments of Less than 3x Base Amount Plus Fifty Thousand Dollars.

If the benefits provided to the Participant under this Plan or otherwise payable to him or her (a) constitute "parachute payments" within the meaning of Section 280G of the Code, (b) would be subject to the Excise Tax, and (c) the aggregate present value of those parachute payments, as determined in accordance with Section 280G of the Code and the Treasury Regulations thereunder, is less than the dollar amount obtained by first multiplying the Participant's "base amount" (within the meaning of Code Section 280G(b)(3)) by three (3) and then adding to such product fifty thousand dollars, then such benefits shall be reduced to the extent necessary (but only to that extent) so that no portion of such benefits will be subject to excise tax under Section 4999 of the Code. Such reduction shall be effected first by reducing the dollar amount of the Participant's cash severance payments under clause (i) of Section 4(b), clauses (i) and (v) of Section 4(c) or clauses (iii) and (v) of Section 4(d), as applicable, with such reduction to be applied pro-rata to each such payment without any change in the payment dates, then by reducing his or her lump sum Pro-rated Annual Incentive payment and finally by reducing the accelerated vesting of his or her outstanding equity awards. All calculations required under this Section 4(f)(i) shall be performed by an independent registered public accounting firm mutually agreeable to the Company and the Participant (the "Independent Auditors"). The initial calculations shall be completed within thirty (30) business days following the effective date of the Change of Control, and any additional calculations required in connection with the Participant's subsequent Separation from Service shall be completed within thirty (30) business days following the date of such Separation from Service.

(ii) Parachute Payments Equal to or Greater than 3x Base Amount Plus Fifty Thousand Dollars. If the benefits provided to the Participant under this Plan or otherwise payable to him or her (a) constitute "parachute payments" within the meaning of Section 280G of the Code, (b) would be subject to the Excise Tax, and (c) the aggregate present value of those parachute payments, as determined in accordance with Section 280G of the Code and the Treasury Regulations thereunder, equals or exceeds the dollar amount obtained by first multiplying the Participant's "base amount" (within the meaning of Code Section 280G(b)(3)) by three (3) and then adding to such product fifty thousand dollars, then (A) those benefits shall be delivered in full to the Participant, and (B) the Participant shall also receive (1) a payment from the Company sufficient to pay such Excise Tax and (2) an additional payment from the Company sufficient to pay the federal and state income and employment taxes and additional Excise Taxes arising from the

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payments made to the Participant by the Company pursuant to this clause (B), with such combined payment herein designated the "Tax Gross-Up."

(iii) 280G Determinations. Within thirty (30) days after any Change of Control transaction in which one or more of the benefits paid or provided to the Participant constitute, in the opinion of the Independent Auditors, parachute payments under Code Section 280G which equal or exceed the dollar amount calculated under subparagraph (ii) of this Section 4(f), the Independent Auditors shall calculate the Excise Tax attributable to those payments and the resulting Tax Gross-Up to which the Participant is entitled with respect to such tax liability. Within thirty (30) days after the Participant's Separation from Service under Section 4(c) or 4(d), the Independent Auditors shall identify any additional parachute payments which such Participant is to receive pursuant to this Plan in connection with such Separation from Service and submit to the Company and the Participant the calculation of the Excise Tax attributable to those payments and the resulting Tax Gross-Up to which the Participant is entitled with respect to such tax liability. In each such instance, the Company will pay the applicable Tax Gross-Up to the Participant (net of all applicable withholding taxes, including any taxes required to be withheld under Code Section 4999) within ten (10) business days following the later of (i) the delivery by the Independent Auditors of the calculation of the applicable Excise Tax and the resulting Tax Gross-Up, provided such calculations represent a reasonable interpretation of the applicable law and regulations or (ii) the date the related Excise Tax is remitted to the appropriate tax authorities. For purposes of making the calculations required by this Section 4(f), the Independent Auditors may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish the Independent Auditors with such information and documents as the Independent Auditors may reasonably request in order to make the calculations required under this Section 4(f). The Company shall bear all costs the Independent Auditors may reasonably incur in connection with any calculations contemplated by this Section 4(f).

(iv) In the event that the Participant's actual Excise Tax liability is determined by a Final Determination (as defined below) to be greater than the Excise Tax liability taken into account for purposes of the Tax Gross-Up paid to the Participant pursuant to the preceding provisions of this Section 4(f), then within thirty (30) days following the Final Determination, the Participant shall submit to the Company a new Excise Tax calculation based upon that Final Determination. The Independent Auditors shall, within the next forty-five (45) days thereafter, calculate (in accordance with the same procedures applicable to the calculation of the initial Tax Gross-Up payment hereunder) the additional Tax Gross-Up payment to which the Participant is entitled on the basis of the Excise Tax liability resulting from that Final Determination and deliver those calculations to the Company and the Participant. The Company shall make such additional Tax Gross Up payment to the Participant within ten (10) business days following the later of (i) the delivery of the applicable calculations or (ii) the date the excess tax liability attributable to the Final Determination is remitted to the appropriate tax authorities.

(v) In the event that the Participant's actual Excise Tax liability is determined by a Final Determination to be less than the Excise Tax liability taken into account for purposes of the Tax Gross-Up paid to the Participant pursuant to the preceding provisions of this Section 4(f), then the Participant shall refund to the Company, promptly upon receipt, any federal or state tax refund attributable to the Excise Tax

overpayment.

(vi) For purposes of this Section 4(f), a "Final Determination" means an audit adjustment by the Internal Revenue Service that is either (i) agreed to by both the Participant (or his or her estate) and the Company (such agreement by the Company to be not unreasonably withheld) or (ii) sustained by a court of competent jurisdiction in a decision with which the Participant and the Company concur (such concurrence by the Company to be not unreasonably withheld) or with respect to which the period within which an appeal may be filed has lapsed without a notice of appeal being filed.

(g) Additional Limitations on Tax Gross-Up. In order to assure that the Tax Gross-Up provisions of Section 4(f) comply with the applicable requirements of Code Section 409A, the following limitation shall be controlling, notwithstanding anything to the contrary in the preceding provisions of Section 4(f):

(i) To the extent the Tax Gross-Up (or any additional Tax Gross-Up hereunder) is attributable to any benefits under this Plan that are triggered by the Participant's Separation from Service, that portion of the Tax Gross-Up (or additional Tax Gross-Up) shall be subject to the delayed payment provisions of Section 6.

(ii) In no event shall any Tax Gross-Up to which the Participant becomes entitled pursuant to Section 4(f) be made later than the ***later*** of (i) the close of the calendar year in which the Excise Tax triggering the right to such payment is paid by or on behalf of the Participant or (ii) the fifteenth day of the third calendar month following the day of payment of such Excise Tax.

(iii) To the extent the Participant may become entitled to any reimbursement of expenses incurred by him or her at the direction of the Company in connection with any tax audit or litigation addressing the existence or amount of the Excise Tax, such reimbursement shall be paid to the Participant no later than the close of the calendar year in which the Excise Tax that is the subject of such audit or litigation is paid by or on behalf of the Participant or, if no Excise Tax is found to be due as a result of such audit or litigation, no later than the ***later*** of (i) the close of the calendar year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation or (ii) the fifteenth day of the third calendar month following the date the audit is completed or the date the litigation is so settled or resolved.

(h) Mitigation Required. Payments and benefits provided for under the Plan shall be reduced by any compensation or benefits earned by the Participant as a result of any earnings or benefits that the Participant may receive from any other source following his or her termination of employment. Moreover, payments and benefits provided for under

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the Plan shall be reduced by any payments or benefits received by Participant pursuant to any other plan, policy, agreement or arrangement with the Company.

5. Covenants Not to Compete and Not to Solicit.

(a) Remedies for Breach. The Company's obligations to provide Severance Payments

as provided in Section 4 are expressly conditioned upon the Participant's covenants not to compete and not to solicit as provided herein. In the event the Participant breaches his or her obligations to the Company as provided herein, the Company's obligations to make Severance Payments to the Participant pursuant to Section 4 shall cease (subject to Section 5(b) below), without prejudice to any other remedies that may be available to the Company.

(b) Covenant Not to Compete. If a Participant is receiving Severance Payments pursuant to Section 4 hereof, then for the duration of the Severance Period, the Participant shall not directly engage in (whether as an employee, consultant, proprietor, partner, director or otherwise), or have any ownership interest in, or participate in the financing, operation, management or control of, any person, firm, corporation or business that engages or participates anywhere in the world in providing goods and services similar to those provided by the Company upon the date of the Participant's termination of employment. Ownership of less than 3% of the outstanding voting stock of a publicly-held corporation or other entity shall not constitute a violation of this provision. In the event of a violation of this Section 5(b) by a Participant, all severance benefits payable to the Participant under this Plan shall cease, except that the Participant shall nonetheless be entitled to receive, as consideration for his or her delivery of an effective Required Release, the cash severance payments contemplated by Section 4(b)(i), 4(c)(i) or 4(d)(iii) (as applicable) for a period equal to the greater of (i) the period of time between the date of the Participant's Separation from Service and the date of violation of this Section 5(b) and (ii) the six (6) months following the date of the Participant's Separation from Service.

(c) Covenant Not to Solicit. If a Participant is receiving Severance Payments pursuant to Section 4 hereof, he or she shall not, at any time during the Severance Period, directly or indirectly solicit any individuals to leave the Company's employ for any reason or interfere in any other manner with the employment relationships at the time existing between the Company and its current or prospective employees.

(d) Representations. The covenants contained in this Section 5 shall be construed as a series of separate covenants, one for each county, city and state (or analogous entity) and country of the world. If, in any judicial proceeding, a court shall refuse to enforce any of the separate covenants, or any part thereof, then such unenforceable covenant, or such part thereof, shall be deemed eliminated from this Plan for the purpose of those proceedings to the extent necessary to permit the remaining separate covenants, or portions thereof, to be enforced.

(e) Reformation. In the event that the provisions of this Section 5 should ever be deemed to exceed the time or geographic limitations, or scope of this covenant, permitted

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by applicable law, then such provisions shall be reformed to the maximum time or geographic limitations, as the case may be, permitted by applicable laws.

6. Special Limitations on Benefit Payments**.** The following special provisions shall govern the commencement date of the payments and benefits to which a Participant may become entitled under the Plan:

(a) Notwithstanding any provision in this Plan to the contrary (other than Section 6(b) below), no payment or benefit under the Plan which constitutes an item of deferred compensation under Section 409A of the Code and becomes payable by reason of the Participant's Separation from Service will be made to such Participant prior to the ***earlier*** of (i) the first day following the six-month anniversary of the date of Separation of Service or (ii) the date of the Participant's death, if the Participant is deemed at the time of such Separation from Service to be a Specified Employee and such delayed commencement is otherwise required in order to avoid a prohibited distribution under Code Section 409A(a)(2). Upon the expiration of the applicable deferral period, all payments, benefits and reimbursements deferred pursuant to this Section 6(a) (whether they would have otherwise been payable in a single sum or in installments in the absence of such deferral) shall be paid or provided to the Participant in a lump sum on the date that is six (6) months and one (1) day after the date of his or her Separation from Service or, if earlier, the first day of the month immediately following the date the Company receives proof of his or her death. Any remaining payments or benefits due under the Plan will be paid in accordance with the normal payment dates specified herein.

(b) Notwithstanding Section 6(a) above, the following provisions shall also be applicable to a Participant who is a Specified Employee at the time of his or her Separation of Service:

(i) Any payments or benefits under the Plan which become due and payable to such Participant during the period beginning with the date of his or her Separation from Service and ending on March 15 of the following calendar year shall not be subject to the six (6)-month holdback under Subsection 6.A and shall accordingly be paid as and when they become due and payable under the Plan.

(ii) The remaining portion of the payments and benefits to which the Participant becomes entitled under the Plan, to the extent they do not in the aggregate exceed the dollar limit described below and are otherwise scheduled to be paid no later than the last day of the second calendar year following the calendar year in which the Participant's Separation from Service occurs, shall not be subject to any deferred commencement date under Section 6(a) and shall be paid to the Participant as they become due and payable under the Plan. For purposes of this subparagraph (ii), the applicable dollar limitation will be equal to two times the ***lesser*** of (i) the Participant's annualized compensation (based on his or her annual rate of pay for the calendar year preceding the calendar year of his or her Separation from Service, adjusted to reflect any increase during that calendar year which was expected to continue indefinitely had such Separation from Service not occurred) or (ii) the compensation limit under Section 401(a)(17) of the Code as in effect

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in the year of such Separation from Service. To the extent the portion of the severance payments and benefits to which the Participant would otherwise be entitled under the Plan during the deferral period under Section 6(a) exceeds the foregoing dollar limitation and the amount payable pursuant to subparagraph (i) above, such excess shall be paid in a lump sum upon the expiration of that deferral period, in accordance with the payment delay provisions of Section 6(a), and the remaining severance payments and benefits (if any) shall be paid in accordance with the normal payment dates specified for them herein.

7. Employment Status; Withholding.

(a) Employment Status. This Plan does not constitute a contract of employment or

impose on the Participant or the Company any obligation to retain the Participant as an Employee, to change the status of the Participant's employment, or to change the Company's policies regarding termination of employment. The Participant's employment is and shall continue to be at-will, as defined under applicable law. If the Participant's employment with the Company or a successor entity terminates for any reason, the Participant shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Plan or available in accordance with the Company's established employee plans and practices or other agreements with the Company at the time of termination.

(b) Taxation of Plan Payments. All amounts paid pursuant to this Plan shall be subject to all applicable payroll and withholding taxes.

8. Arbitration. Any dispute or controversy that shall arise out of the terms and conditions of the Plan and that cannot be resolved within thirty (30) days of the dispute or controversy through good-faith negotiation or non-binding mediation between the Participant and the Company, shall be subject to binding arbitration in Santa Clara, California before the American Arbitration Association under its National Rules for the Resolution of Employment Disputes, supplemented by the California Rules of Civil Procedure. The Company and the Participant shall each bear their own respective costs and attorneys' fees incurred in connection with the arbitration; and the Company shall pay the arbitrator's fees, unless law applicable at the time of the arbitration hearing requires otherwise. The arbitrator shall issue a written decision that sets forth the essential findings of fact and conclusions of law on which the award is based. The arbitrator's decision shall be final and binding to the fullest extent permitted by law and enforceable by any court having jurisdiction thereof.

9. Successors to Company and Participants.

(a) Company's Successors. Any successor to the Company (whether direct or indirect

and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Plan and agree expressly to perform the obligations under this Plan by executing a written agreement. For all purposes under this Plan, the term "Company" shall include any successor to the Company's business and/or assets which executes and

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delivers the assumption agreement described in this subsection or which becomes bound by the terms of this Plan by operation of law.

(b) Participant's Successors. All rights of the Participant hereunder shall inure to the benefit of, and be enforceable by, the Participant's personal or legal representatives, executors, administrators, successors, heirs, devisees and legatees.

10. Duration, Amendment and Termination.

(a) Duration. The initial term of this Plan shall be three (3) years from the Original Effective Date. At the end of the initial three (3) year term and any subsequent annual terms, the Plan shall be automatically extended for a one (1) year period unless terminated by the Committee prior to the end of such term, provided that any such termination shall be effective only with respect to future Plan Years. Participants shall be given notice of a Plan termination within sixty (60) days of the Committee's decision. A termination of this Plan pursuant to the preceding sentence shall be effective for all purposes, except that such termination shall not affect the right of a Participant whose Separation from Service occurred prior to the termination date of the Plan to receive any Severance Payment to which such Participant is then entitled under the terms of the Plan.

(b) Change of Control. In the event of a Change of Control during the term of the Plan, the term of the Plan shall automatically be the Change of Control Period.

(c) Amendment. The Committee shall have the discretionary authority to amend the Plan at any time, except that no such amendment shall affect the right of a Participant whose Separation from Service occurred prior to the amendment date of the Plan to receive any Severance Payment to which such Participant is then entitled under the terms of the Plan without the written consent of the Participant.

(d) No Impermissible Acceleration or Deferral. Any action by the Committee to terminate the Plan or amend the Plan in accordance with the foregoing provisions of this Section 10 shall be effected in a manner so as not to result in any impermissible acceleration or deferral of benefits under Code Section 409A or the Treasury Regulations thereunder.

11. Plan Administration.

(a) Plan Administrator. The Plan shall be administered by the Committee and the Committee shall be responsible for the general administration and interpretation of the Plan and for carrying out its provisions. The Committee shall have such powers as may be necessary to discharge its duties hereunder.

(b) Procedures. The Committee may adopt such rules, regulations and bylaws and shall have the discretionary authority to make such decisions as it deems necessary or desirable for the proper administration of the Plan. Any rule or decision by the Committee shall be conclusive and binding upon all Participants.

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12. Miscellaneous Provisions.

(a) Notices and all other communications contemplated by this Plan shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In the case of the Participant, mailed notices shall be addressed to him or her at the home address which he or she most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to the Company's Vice President, Human Resources, 1 Technology Drive, Milpitas, CA 95035.

(b) The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(c) The rights of any person to payments or benefits under this Plan shall not be made subject to option or assignment, either by voluntary or involuntary assignment or by operation of law, including (without limitation) bankruptcy, garnishment, attachment or other creditor's process, and any action in violation of this subsection shall be void. However, payments and benefits under the Plan may be reduced or offset by any amount a Participant may owe the Company, to the extent permitted by applicable law.

(d) Company may assign its rights under this Plan to an affiliate, and an affiliate may assign its rights under this Plan to another affiliate of the Company or to the Company; provided, however, that no assignment shall be made if the net worth of the assignee is less than the net worth of the Company at the time of assignment; provided, further, that the Company shall guarantee all benefits payable hereunder. In the case of any such assignment, the term "Company" when used in this Plan shall mean the corporation that actually employs the Participant.

(e) To the extent there is any ambiguity as to whether any provision of this Plan would otherwise contravene one or more requirements or limitations of Code Section 409A, such provision shall be interpreted and applied in a manner that does not result in a violation of the applicable requirements or limitations of Code Section 409A and the Treasury Regulations thereunder.

IN WITNESS WHEREOF, KLA-Tencor Corporation has caused this amended and restated Plan to be executed by a duly authorized officer effective as of February 19, 2009.

KLA-TENCOR CORPORATION

By: /s/ Brian M. Martin

Name: Brian M. Martin

Title: Senior Vice President and General Counsel

Dated: February 19, 2009

FOR IMMEDIATE RELEASE

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KLA-TENCOR DECLARES REGULAR CASH DIVIDEND FOR THIRD QUARTER OF FISCAL YEAR 2009

MILPITAS, Calif. - February 19, 2009 - KLA-Tencor Corporation (NASDAQ: KLAC) today announced that its Board of Directors has declared a quarterly cash dividend of $0.15 per share on its common stock payable on March 9, 2009 to KLA-Tencor stockholders of record as of the close of business on March 2, 2009.

About KLA-Tencor: KLA-Tencor is the world leader in yield management and process control solutions for semiconductor manufacturing and related nanoelectronics industries. Headquartered in Milpitas, California, the company has sales and service offices around the world. An S&P 500 company, KLA-Tencor is traded on the NASDAQ Global Select Market under the symbol KLAC. Additional information about the company is available at *http://www.kla-tencor.com (KLAC-F)*.

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