

Company No. 2469592



THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

**SPECIAL RESOLUTIONS**

of

**XAAR LIMITED**

At an extraordinary general meeting of the Company held at 2 Science Park, Cambridge on 11 September 1997 the following resolutions were passed as special resolutions.

**SPECIAL RESOLUTIONS**

1. THAT the name of the company be changed to "Xaar Technology Limited".
2. THAT the memorandum of association of the Company be altered by inserting the following as new Clause 3(A)(iv):  
  
" (iv) To carry on business as manufacturers, builders, exporters and suppliers of and dealers in printheads, printers, inks, printing presses, printing equipment, printing machinery and all things incidental thereto."
3. THAT all the issued "B" Ordinary Shares of £1 each in the capital of the Company be re-designated as "A" Ordinary Shares having the same rights and privileges as the existing "A" Ordinary Shares in the capital of the Company and that the authorised Cumulative Redeemable Preference Share capital be cancelled.
4. THAT all the issued "A" Ordinary Shares of £1 each in the capital of the Company be re-designated as "Ordinary Shares" in the capital of the Company.
5. THAT the following amendments be made to the articles of association of the Company:
  - (a) THAT articles 4.2, 4.3, 4.4, 4.5, 4.6, 4.7 and 4.8 be deleted.
  - (b) THAT, subject to the passing of resolutions 2 and 3, Article 4.1 be deleted and replaced with the following article:

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"The Share Capital of the Company is £5,132,072 divided into 5,132,072 Ordinary Shares of £1 each."

(c) THAT the words "subject to article 4.8" in article 38 be deleted.

(d) THAT article 60 be deleted and following article inserted in lieu thereof:

"Subject to any rights or restrictions attached to any shares on a show of hands, every member holding ordinary shares who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to vote, shall have one vote and on a poll every member shall have one vote for every ordinary share of which he is the holder".

(e) THAT the following new article 28.14 be inserted:

"28.14 (a) If a Qualifying Offer (as that term is defined in article 28.15) is made by a Qualifying Offeror, the provisions of this article 28.14 shall apply. If this article 28.14 applies, the provisions of articles 28.1 to 28.13 inclusive shall not apply and shall be deemed never to have applied, in each case, in respect of any acceptance of any offer under articles 28.1 to 28.13 and/or any transfer or proposed transfer of shares pursuant to that offer.

(b) (i) Any ordinary shareholder of the Company ("Vendor") may on any date give any shareholder registered as the owner of more than fifty per cent. of the issued ordinary shares of the Company ("Purchaser") a notice requiring the Purchaser to purchase all the ordinary shares in the Company held by the Vendor ("Disposal Shares").

(ii) The consideration for the purchase under article 28.14(b)(i) will be the allotment of ordinary shares in the Purchaser to the Vendor, credited as fully paid, of a number equal to the number of the relevant Disposal Shares (subject to Article 28.14(d)).

(iii) Within 21 days after the date of the notice or such other date as may be agreed between the Vendor and the Purchaser ("Disposal Date") the Vendor shall be bound to transfer and the Purchaser shall be bound to purchase the Disposal Shares together with all the rights then attaching or accruing to them free from all encumbrances.

(c) (i) Any Purchaser may on any date give a notice to any Vendor (as those terms are defined in article 28.14(b)(i)) requiring the Vendor to sell to the Purchaser all of the ordinary shares in the Company held by the Vendor ("Acquired Shares").

(ii) The consideration for the sale under article 28.14(c)(i) will be the allotment of ordinary shares in the Purchaser to the Vendor, credited as fully paid, of a number equal to the number of the relevant Acquired Shares (subject to Article 28.14(d)).

(iii) Within 21 days after the date of the notice or such other date as may be agreed between the Purchaser and the Vendor the Vendor shall be bound to transfer and the Purchaser shall be bound to purchase the Acquired Shares together with all rights then attaching or accruing to them free from all encumbrances.

(d) If a Qualifying Offer has been made by the Purchaser and during the period in which this article applies, the Purchaser:

(i) consolidates or divides all or any of its shares into shares of larger amount than its existing shares; or

(ii) sub-divides its shares, or any of them, into shares of smaller amount,

the board of directors of the Company must ensure that the Board of the Purchaser makes such adjustments to the number of ordinary shares in the Purchaser to be allotted under articles 28.14(b)(ii) and 28.14(c)(ii) as the Board of Directors of the Company considers appropriate (except that in the case of a capitalisation issue no adjustment shall be made without the prior confirmation in writing by the auditors for the time being of the Company that the adjustment is in their opinion fair and reasonable).

(e) If, as a result of a consolidation or sub-division of shares, any Vendor would become entitled to fractions of a share, the fractional entitlements shall be rounded down to the nearest whole number of shares.

(f) No transfer notice as referred to in article 28.1 may be given whilst a Qualifying Offer is open for acceptance."

(f) THAT new article 28.15 be inserted:

"28.15 A. If a Qualifying Offeror makes a Qualifying Offer then the provisions of this Article 28.15 shall apply. If a Qualifying Offer has been both:

(i) open for acceptance for not less than the period of 10 days from (and including) the date of despatch of any document containing the Qualifying Offer (or such a shorter period as

all the members holding shares as at the date of such offer may agree); and

- (ii) accepted by members holding in aggregate shares comprising 90% or more of the total number of Ordinary Shares in issue on the date such offer was made,

then each member who has not accepted the offer shall be bound immediately upon satisfaction of the conditions mentioned in subparagraph (i) and (ii) of this Article 28.15A to accept the offer in accordance with its terms and to execute all such documents and to do all such other acts or things which may be necessary or desirable to transfer his shares to the Qualifying Offeror in accordance with the terms of the offer. For such purposes each member hereby irrevocably appoints (in accordance with section 4 of the Powers of Attorney Act 1991) the Company as his attorney and/or agent in his name and on his behalf (subject only to satisfaction of the conditions mentioned) to accept the offer in accordance with its terms and to execute all such documents (including without limitation a form of acceptance relating to such offer) and to do all such other acts and things which the Company may deem necessary or desirable to transfer all the relevant shares to the Qualifying Offeror in accordance with the terms of the offer.

- B. If a Qualifying Offer is made then the provisions of articles 28.1 to 28.13 inclusive shall not apply and shall be deemed never to have applied, in each case, in respect of any acceptance of the offer and/or any transfer or proposed transfer of shares pursuant to the offer.
- C. This article 28.15 applies in respect of any Qualifying Offer made prior to the adoption of this article as well as to any offer made after the adoption of this article.
- D. No transfer notice as referred to in article 28.1 may be given whilst a Qualifying Offer is open for acceptance.
- E. In this article:

"Qualifying Offer" means a general offer to all members of the Company other than in respect of any shares held by the Qualifying Offeror to acquire all the issued shares of the Company held by each member (but such offer need not be extended by the Qualifying Offeror to certain members who have registered addresses in jurisdictions outside the UK where the Qualifying Offeror may decide not to make the offer) which:

- (i) is made for the purpose of establishing a new holding company of the Company;

- (ii) is made on terms that each member of the Company will receive one share in the Qualifying Offeror for each share held in the Company;
- (iii) is made with the intention that each member of the Company will become the registered holder of the same number of shares in the Qualifying Offeror as they are the registered holders of shares in the Company immediately prior to the issue of shares in the Qualifying Offeror;
- (iv) on terms that give to no member of the Company any consideration for the acquisition of the Company's shares other than the issue of shares in the Qualifying Offeror;
- (v) on terms that the rights attaching to the Qualifying Offeror's shares will be the same as those attaching to the Company's shares immediately prior to the acquisition;
- (vi) with the intention that the transfer of the Company's shares in issue at the date of the acquisition should benefit from the relief from stamp duty under Section 77 Finance Act 1986; and
- (vii) on such other terms and conditions as the Qualifying Offeror may stipulate.

"Qualifying Offeror" means a company which has carried on business only in connection with its proposed flotation and the making of an offer for the Company and if deemed appropriate by the offeror, the establishment and operation of a manufacturing company or business in connection with the activities of the Company.

6. THAT the grant of 70,000 options to Graham Wylie on 21 March 1996 at an exercise price of £1.50 and the terms governing their grant and exercise be and they are hereby ratified and re-affirmed.

BY ORDER OF THE BOARD

  
CHAIRMAN