SURGE COMPONENTS INC
Form SC 13D/A
January 04, 2013

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(RULE 13D-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13D-1(A) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13D-2(A)

AMENDMENT NO. 2

SURGE COMPONENTS, INC.

(Name of Issuer)

common stock, par value $0.0001 per share

(Title of Class of Securities)

868908104
(CUSIP Number)

Paul D. Sonkin
Hummingbird Management, LLC
575 Madison Avenue - 9th Floor
New York, New York 10022
212-750-7117
psonkin@hummingbirdvalue.com

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

Januray 4, 2012
(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box /_/.

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

---

1 The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1	NAME OF REPORTING PERSONS S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Hummingbird Management, LLC IRS No. 13-4082842		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a) / / (b) /X/
3	SEC USE ONLY		
4	SOURCE OF FUNDS OO		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)		/ /
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER -0-	
	8	SHARED VOTING POWER -0-	
	9	SOLE DISPOSITIVE POWER -0-	
	10	SHARED DISPOSITIVE POWER -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON -0-		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES		/ /
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		

	0%	
14	TYPE OF REPORTING PERSON*	
	OO	

1	NAME OF REPORTING PERSONS S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	Paul D. Sonkin	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) / / (b) /X/
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
	OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	/ /
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	UNITED STATES	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER	
	-0-	
	8 SHARED VOTING POWER	
	-0-	
	9 SOLE DISPOSITIVE POWER	
	-0-	
	10 SHARED DISPOSITIVE POWER	
	-0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	-0-	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/ /
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	0%	

14	TYPE OF REPORTING PERSON OO	

1	NAME OF REPORTING PERSONS S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Hummingbird Capital, LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) / / (b) /X/
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	/ /
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER -0-	
	8 SHARED VOTING POWER -0-	
	9 SOLE DISPOSITIVE POWER -0-	
	10 SHARED DISPOSITIVE POWER -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON -0-	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	/ /
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0%	

14	TYPE OF REPORTING PERSON OO	

1	NAME OF REPORTING PERSONS S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) Hummingbird Value Fund, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) / / (b) /X/
3	SEC USE ONLY	
4	SOURCE OF FUNDS WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	/ /
6	CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7 SOLE VOTING POWER -0-	
	8 SHARED VOTING POWER -0-	
	9 SOLE DISPOSITIVE POWER -0-	
	10 SHARED DISPOSITIVE POWER -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON -0-	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	/ /
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0%	
14	TYPE OF REPORTING PERSON	

LP

1	NAME OF REPORTING PERSONS S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	The Tarsier Nanocap Value Fund, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) / / (b) /X/
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
	WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	/ /
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	DELAWARE	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 7	SOLE VOTING POWER	
	-0-	
8	SHARED VOTING POWER	
	-0-	
9	SOLE DISPOSITIVE POWER	
	-0-	
10	SHARED DISPOSITIVE POWER	
	-0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	-0-	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	/ /
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	0%	
14	TYPE OF REPORTING PERSON	
	LP	

==========

The following constitutes the Schedule 13D filed by the undersigned (the "Schedule 13D").

ITEM 1 SECURITY AND ISSUER

Title of Class of Securities

common stock, par value $0.0001 per share

(the "Shares")

Name and Address of Issuer
SURGE COMPONENTS, INC.

(the "Company"or the "Issuer")
95 East Jefryn Boulevard Deer Park, New York 11729

ITEM 2 IDENTITY AND BACKGROUND

(a) This statement is filed by:
(i) Hummingbird Value Fund, L.P., a Delaware limited partnership ("Hummingbird Value"), with respect to the Shares directly and beneficially owned by it;

(ii) Tarsier Nanocap Value Fund, L.P., a Delaware limited partnership ("Tarsier"), with respect to the Shares directly and beneficially owned by it;

(iii) Hummingbird Management, LLC, a Delaware limited liability company ("Hummingbird Management"), who serves as the investment manager of each of Hummingbird Value and Tarsier;

(iv) Hummingbird Capital, LLC, a Delaware limited liability company ("Hummingbird Capital"), who serves a
s the general partner of each of
Hummingbird Value and Tarsier; and
(v) Paul D. Sonkin ("Mr. Sonkin"), who serves as the managing member of each of Hummingbird Management and Hummingbird Capital;
Each of the foregoing is referred to as a "Reporting Person" and collectively as the "Reporting Persons." Each of the Reporting Persons is party to that certain Joint Filing Agreement, as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.
(b) The address of the principal office of each of the Reporting Persons is 575 Madison Avenue 9th Floor, New York, New York 10022.
(c) The principal business of each of Hummingbird Value and Tarsier is serving as a private investment fund. The principal business of Hummingbird Management is serving as the investment manager of each of Hummingbird Value and Tarsier. The principal business of Hummingbird Capital is serving as the general partner of each of Hummingbird Value and Tarsier. The principal occupation of Mr. Sonkin is

serving as the managing member of each of Hummingbird Management and Hummingbird Capital.

(d) No Reporting Person has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) No Reporting Person has, during the last five years, been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Mr. Sonkin is a citizen of the United States of America.

ITEM 3 SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The Shares purchased by Hummingbird Value and Tarsier were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market purchases, except as otherwise noted, as set forth in Schedule A, which is incorporated by reference herein. The aggregate purchase cost of the -0- Shares beneficially owned in the aggregate by Hummingbird Value and Tarsier is approximately $0, excluding brokerage commissions.

ITEM 4 PURPOSE OF TRANSACTION

The Reporting Persons purchased the Shares based on their belief that the Shares, when purchased, were undervalued and represented an attractive investment opportunity. Depending upon overall market conditions, other investment opportunities available to the Reporting Persons, and the availability of Shares at prices that would make the purchase of additional Shares desirable, the Reporting Persons may endeavor to increase their respective positions in the Issuer through, among other things, the purchase of Shares on the open market or in private transactions or otherwise, on such terms and at such times as the Reporting Persons may deem advisable. No Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon completion of any of the actions discussed above. The Reporting Persons intend to review their respective investments in the Issuer on a continuing basis and engage in discussions with management, the Board of Directors, shareholders and franchisees of the Issuer concerning the business, operations and future plans of the Issuer. Depending on various factors including, without limitation, the Issuer's financial position and investment strategy, the price levels of the Shares, conditions in the securities markets and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their respective investments in the Issuer as they deem appropriate including, without limitation, communications with management and the Board of the Issuer, engaging in discussions with third parties about the Issuer and the Reporting Persons' investment, seeking Board representation, making proposals to the Issuer concerning changes to the capitalization, ownership structure or operations of the Issuer, purchasing additional Shares, selling some or all of their Shares, engaging in short

selling of or any hedging or similar transaction with respect to the Shares or changing their intention with respect to any and all matters referred to in Item 4.

ITEM 5 INTEREST IN SECURITIES OF THE ISSUER

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 9,060,012 Shares outstanding as of October 12, 2012 which is the total number of Shares outstanding as reported in the Issuer's report on Form 10Q, filed with the Securities and Exchange Commission on October 12, 2012.
As of the close of business on January 4, 2013, Hummingbird Value
directly owned -0- Shares, constituting approximately 0% of the Shares outstanding. As the investment manager of Hummingbird Value, Hummingbird Management may be deemed to beneficially own the -0- Shares owned by Hummingbird Value, constituting approximately 0% of the Shares outstanding. As the general partner of Hummingbird Value, Hummingbird Capital may be deemed to beneficially own the -0- Shares owned by Hummingbird Value, constituting approximately 0% of the Shares outstanding.
As of the close of business on January 4, 2013, Tarsier directly owned -0- Shares, constituting approximately 0% of the Shares outstanding. As the investment manager of Tarsier, Hummingbird Management may be deemed to beneficially own the -0- Shares owned by Tarsier, constituting approximately 0% of the Shares outstanding.
As the general partner of Tarsier, Hummingbird Capital may be deemed to beneficially own the -0- Shares owned by Hummingbird Value, constituting approximately 0% of the Shares outstanding.

Mr. Sonkin, as the managing member of each of Hummingbird Management and Hummingbird Capital, who serve as the investment manager and general partner, respectively, of each of Hummingbird Value and Tarsier, may be deemed to beneficially own the -0- Shares owned in the aggregate by Hummingbird Value and Tarsier, constituting approximately 0% of the Shares outstanding.

(b) By virtue of his position with Hummingbird Management and Hummingbird Capital, Mr. Sonkin has the sole power to vote and dispose of the Shares beneficially owned by Hummingbird Value and Tarsier.

(c) Schedule A annexed hereto lists all transactions in securities of the Issuer during the past sixty days by the Reporting Persons. All of such transactions were effected in the open market, unless indicated otherwise.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

(e) Not applicable.

The filing of this Schedule 13D shall not be construed as an admission that the Reporting Persons are, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, the beneficial owners of any of the Shares reported herein. Each of the Reporting Persons specifically disclaims beneficial ownership of the Shares reported herein that are not directly owned by such Reporting Person, except to the extent of its or his pecuniary interest therein.

ITEM 6 Inapplicable

ITEM 7 MATERIAL TO BE FILED AS EXHIBITS

Exhibit No.	Exhibit Description
1	Joint Filing Agreement dated January 4, 2013 by and among Hummingbird Management, LLC, Hummingbird Value Fund, L.P., The Tarsier Nanocap Value Fund LP, Hummingbird Capital, LLC, and Paul Sonkin.

SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

Dated: January 4, 2013 HUMMINGBIRD MANAGEMENT, LLC

By: /s/ Paul D. Sonkin
Name: Paul D. Sonkin
Title: Managing Member

/s/ Paul D. Sonkin
PAUL D. SONKIN

HUMMINGBIRD VALUE FUND, L.P.

By: Hummingbird Capital, LLC

By: /s/ Paul D. Sonkin
Name: Paul D. Sonkin
Title: Managing Member

The Tarsier Nanocap Value Fund, L.P.

By: Hummingbird Capital, LLC

By: /s/ Paul D. Sonkin

Name: Paul D. Sonkin
Title: Managing Member

HUMMINGBIRD CAPITAL, LLC

By: /s/ Paul D. Sonkin

Name: Paul D. Sonkin
Title: Managing Member

By: /s/ Paul D. Sonkin

Name: Paul D. Sonkin

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k)(1)(iii) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of a Statement on Schedule 13D dated January 4, 2013, (including amendments thereto) with respect to the Common Stock of Meade Instrument Corp. This Joint Filing Agreement shall be filed as an Exhibit to such Statement.

Dated: January 4, 2013

HUMMINGBIRD MANAGEMENT, LLC

By: /s/ Paul D. Sonkin

Name: Paul D. Sonkin
Title: Managing Member

/s/ Paul D. Sonkin

PAUL D. SONKIN

HUMMINGBIRD VALUE FUND, L.P.

By: Hummingbird Capital, LLC

By: /s/ Paul D. Sonkin

Name: Paul D. Sonkin
Title: Managing Member

The Tarsier Nanocap Value Fund, L.P.

By: Hummingbird Capital, LLC

By: /s/ Paul D. Sonkin

Name: Paul D. Sonkin
Title: Managing Member

By: Hummingbird Capital, LLC

By: /s/ Paul D. Sonkin

Name: Paul D. Sonkin
Title: Managing Member

HUMMINGBIRD CAPITAL, LLC

By: /s/ Paul D. Sonkin

Name: Paul D. Sonkin
Title: Managing Member

By: /s/ Paul D. Sonkin

Name: Paul D. Sonkin

et out in this Section 7.2 are payments of liquidated damages which are a genuine pre-estimate of the damages which the Company or Parent, as applicable, will suffer or incur as a result of the event giving rise to such payment and are not penalties. Each of the Company and Parent irrevocably waives any right that it may have to raise as a defense that any such liquidated damages are excessive or punitive. The Parties agree that the payment of an amount pursuant to this Section 7.2 in the manner provided therein is the sole and exclusive remedy of the Company or Parent, as applicable, in respect of the event giving rise to such payment; provided, however, that nothing contained in this Section 7.2, and no payment of any such amount, shall relieve or have the effect of relieving a Party in any way from liability for damages incurred or suffered by the other Party as a result of an intentional or willful breach of this Agreement.

(f) Notwithstanding any other provision in this Agreement, in no event will the Company or Parent, as applicable, be required to pay the Termination Fee more than once.

7.3 Void upon Termination

If this Agreement is terminated in accordance with Section 7.1, this Agreement shall become void and of no force and effect and no Party will have any liability or further obligation to the other Party hereunder, except that the provisions of this Section 7.3, Section 5.1, Section 7.2 and Article 9 shall survive any termination hereof in accordance with Section 7.1, provided, however, that neither the termination of this Agreement nor anything contained in Section 7.2 or this Section 7.3 will relieve any Party from any liability for any intentional or willful breach by it of this

Agreement, including any intentional or willful making of a misrepresentation in this Agreement. Notwithstanding anything to the contrary contained in this Agreement, the Non-Disclosure Agreement shall survive any termination hereof in accordance with Section 7.1. For purposes of Sections 7.2 and 7.3, an intentional or willful breach or misrepresentation means a breach of any representation, warranty, covenant or agreement in this Agreement or a failure to perform any covenant or agreement in this Agreement arising as a consequence of an act or omission undertaken with the primary intent of causing a breach of, or failure to perform under, this Agreement.

ARTICLE 8

CONDITIONS PRECEDENT

8.1 Mutual Conditions Precedent

The respective obligations of the Parties to complete the Arrangement are subject to the satisfaction, or mutual waiver by Parent and the Company, on or before the Closing Date, of each of the following conditions, each of which are for the mutual benefit of the Parties and which may be waived, in whole or in part, by Parent and the Company at any time:

(a) the Arrangement Resolution shall have been approved by the Company Shareholders at the Company Meeting in accordance with the Interim Order and applicable Laws;

(b) the Parent Shareholder Approval shall have been obtained at the Parent Shareholders Meeting;

(c) each of the Interim Order and Final Order shall have been obtained on terms consistent with this Agreement and in form and substance satisfactory to each of the Company and Parent, each acting

Table of Contents

reasonably, and shall not have been set aside or modified in any manner unacceptable to either the Company or Parent, each acting reasonably, on appeal or otherwise;

(d) the Form S-4 shall have been declared effective and no stop order suspending the effectiveness of the Form S-4 shall be in effect;

(e) the IrishCo Shares to be issued as Merger Consideration, Arrangement Stock Consideration, Qualifying Holdco Stock Consideration and Option Consideration shall have been (i) approved for listing on NASDAQ, subject only to official notice of issuance and (ii) conditionally approved for listing on the TSX, subject only to the satisfaction of the customary listing conditions of the TSX;

(f) the Required Regulatory Approvals shall have been obtained or concluded and shall be in the full force and effect and any waiting or suspensory periods related to the Required Regulatory Approvals shall have expired or been terminated, in each case, without the imposition of any Restraint;

(g) (i) No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents or prohibits consummation of the Arrangement, the Merger or any of the other transactions contemplated in this Agreement and (ii) no Governmental Authority shall have instituted or threatened any Proceeding (which remains pending at what would otherwise be the Closing Date) before any Governmental Authority of competent jurisdiction seeking to enjoin, restrain or otherwise prohibit consummation of the transactions contemplated by this Agreement; and

(h) this Agreement shall not have been terminated in accordance with its terms.

8.2 Additional Conditions Precedent to the Obligations of the Company

The obligation of the Company to complete the Arrangement shall be subject to the satisfaction, or waiver by the Company, on or before the Closing Date, of each of the following conditions, each of which is for the exclusive benefit of the Company and which may be waived by the Company at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that the Company may have:

(a) Parent shall have complied in all material respects with its obligations, covenants and agreements in this Agreement to be performed and complied with on or before the Closing Date;

(b) (i) the representations and warranties of Parent and set forth in Section 3.2(i)(i) and the representations and warranties of IrishCo set forth in Section 3.3 shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date, as if made on and as of such date; and (ii) the representations and warranties of Parent set forth in Section 3.2 (other than those referenced in clause (i) above) shall be true and correct (disregarding for this purpose all materiality or Material Adverse Effect qualifications contained therein) as of the Closing Date, as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties shall have been true and correct as of that date), except for breaches of representations and warranties which have not had and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect;

(c) since the date of this Agreement, no Parent Material Adverse Effect shall be continuing, and there shall not have occurred any result, fact, change, effect, event, circumstance, occurrence or development that would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect; and

(d) the Company shall have received a certificate of Parent signed by a senior officer of Parent for and on behalf of Parent and dated the Closing Date certifying that the conditions set out in Section 8.2(a) and Section 8.2(b) have been satisfied.

Table of Contents

8.3 Additional Conditions Precedent to the Obligations of Parent

The obligation of Parent to complete the Arrangement shall be subject to the satisfaction, or waiver by Parent, on or before the Closing Date, of each of the following conditions, each of which is for the exclusive benefit of Parent and which may be waived by Parent at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that Parent may have:

(a) the Company shall have complied in all material respects with its obligations, covenants and agreements in this Agreement to be performed and complied with on or before the Closing Date;

(b) (i) the representations and warranties of the Company set forth in Section 3.1(k)(i) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date, as if made on and as of such date; and (ii) the representations and warranties of the Company set forth in Section 3.1 (other than those referenced in clause (i) above) shall be true and correct (disregarding for this purpose all materiality or Material Adverse Effect qualifications contained therein) as of the Closing Date, as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties shall have been true and correct as of that date), except for breaches of representations and warranties which have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company;

(c) since the date of this Agreement, no Material Adverse Effect on the Company shall be continuing, and there shall not have occurred any result, fact, change, effect, event, circumstance, occurrence or development that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Company;

(d) Parent shall have received a certificate of the Company signed by a senior officer of the Company for and on behalf of the Company and dated the Closing Date certifying that the conditions set out in Section 8.3(a), Section 8.3(b), and Section 8.3(c) have been satisfied;

(e) the Plan of Arrangement shall not have been modified or amended in a manner adverse to Parent without Parent s consent;

(f) no applicable Law or Order shall be and remain in effect which imposes, and no suit, action, claim, proceeding or investigation shall be pending or threatened by any Governmental Authority which seeks to impose, any material limitations on Parent s or IrishCo s ownership of the Company or any Subsidiary of the Company or any requirement that Parent, IrishCo or the Company or any of their respective Subsidiaries agree to or implement any Restraint; and

(g) Parent will have received from Skadden, Arps, Slate, Meagher & Flom LLP, counsel to Parent, an opinion, dated as of the Closing Date, to the effect that Section 7874 of the Code and the regulations promulgated thereunder should not apply in such a manner so as to cause IrishCo to be treated as a domestic corporation for U.S. federal income tax purposes from and after the Closing Date.

8.4 Conditions Precedent to the Merger

The respective obligations of the Parties to consummate the Merger is conditioned solely upon the consummation of the Arrangement.

A-85

Table of Contents

ARTICLE 9

GENERAL

9.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by facsimile or electronic transmission, in each case, with either confirmation of receipt or confirmatory copy delivered by internationally or nationally recognized courier services within three Business Days following notification, addressed to the recipient as follows:

(i) if to Parent:

Endo Health Solutions Inc.
1400 Atwater Drive
Malvern, PA 19355
Attention: Caroline B. Manogue

Facsimile No.: (610) 884-7159

E-mail: manogue.caroline@endo.com

with a copy (which will not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
Attention: Eileen Nugent, Esq.

Brandon Van Dyke, Esq.
Facsimile No.: (212) 735-2000
E-mail: eileen.nugent@skadden.com

brandon.vandyke@skadden.com

(ii) if to the Company:

Paladin Labs Inc.

100 Alexis Nihon Blvd.

Suite 600

St-Laurent, Quebec, Canada

H4M 2P2

Attention: Mark A. Beaudet

Facsimile No.: 514-344-4675

E-mail: mbeaudet@paladinlabs.com

with a copy (which will not constitute notice) to:

Davies Ward Phillips and Vineberg LLP

1501 McGill College Avenue, 26th Floor

Montreal, Québec,

Canada H3A 3N9
Attention: Hillel W. Rosen and Neil Kravitz
Facsimile No.: (514) 841-6499
E-mail: hrosen@dwpv.com

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either Party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

Table of Contents

9.2 Expenses

Except as otherwise specified herein and except in respect of any fees associated with any filings made pursuant to Relevant Laws, which fees shall be split evenly between Parent and the Company, each Party will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred, and will indemnify and save harmless the others from and against any claim for any broker s, finder s or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions hereunder.

9.3 No Assignment

Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party without the prior written consent of the other Parties, provided that Parent may assign any or all of its rights and interests hereunder to one or more of its Subsidiaries, but no such assignment shall relieve Parent of its obligations hereunder; provided, however, that Parent shall have the right to assign all or any portion of its rights and obligations pursuant to this Agreement from and after the Effective Time and completion of the Arrangement to any Financing Source pursuant to the terms of the Debt Financing for purposes of creating a security interest herein or otherwise assigning as collateral in respect of the Debt Financing.

9.4 Benefit of Agreement

Subject to Section 9.8, this Agreement will inure solely to the benefit of and be binding upon each Party hereto.

9.5 Public Announcements

No Party shall issue any press release or otherwise make any written public statement with respect to the Arrangement, the Merger or this Agreement without the consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed). The Company shall not make any filing with any Governmental Authority with respect to the Arrangement, the Merger or the transactions contemplated hereby without prior consultation with Parent, and Parent shall not make any filing with any Governmental Authority with respect to the Arrangement, the Merger or the transactions contemplated hereby without prior consultation with the Company, provided, however, that the foregoing shall be subject to each Party s overriding obligation to make any disclosure or filing required under applicable Laws, and the Party making the disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other Party and reasonable opportunity for the other Party to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing), and if such prior notice is not possible, to give notice immediately following the making of any such disclosure or filing, and provided further, however, that, except as otherwise required pursuant to this Agreement (other than this Section 9.5), neither the Company nor Parent shall have any obligation to obtain the consent of or consult with the other Party prior to any press release, public statement, disclosure or filing by with regard to any Company Acquisition Proposal, Parent Acquisition Proposal, Company Change of Recommendation or Parent Change of Recommendation.

9.6 Governing Law; Attornment; Service of Process; Waiver of Jury Trial

(a) This Agreement, and any dispute arising out of, relating to, or in connection with this Agreement shall be governed by and construed in accordance with the Laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware of any other jurisdiction) that would cause the application

of the Laws of any jurisdiction other than the State of Delaware, except that the approval and effectiveness of the Arrangement shall be governed by the CBCA. Each of the Parties (a) consents to submit itself to the personal jurisdiction

Table of Contents

of the Court of Chancery of the State of Delaware (the **Chancery Court**) or, if, but only if, the Chancery Court lacks subject matter jurisdiction, any federal court located in the State of Delaware with respect to any dispute arising out of, relating to or in connection with this Agreement or any transaction contemplated hereby, (b) agrees that it will not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (c) agrees that it will not bring any action arising out of, relating to or in connection with this Agreement or any transaction contemplated by this Agreement, in any court other than any such court. The parties irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in the Chancery Court or, if, but only if, the Chancery Court lacks subject matter jurisdiction, in any federal court located in the State of Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each Party hereby agrees that any service of process, summons, notice or document by registered mail addressed to such Person at its address set forth in Section 9.1 shall be effective service of process for any suit, action or proceeding relating to any dispute arising out of this Agreement or the transactions contemplated by this Agreement.

(C) EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR OTHER PROCEEDING ARISING OUT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT (INCLUDING ANY SUIT, ACTION, OR OTHER PROCEEDING AGAINST OR INVOLVING ANY FINANCING SOURCE ARISING OUT OF THIS AGREEMENT OR THE DEBT FINANCING).

(d) Notwithstanding anything in this Section 9.6 to the contrary, and without limiting anything set forth in Section 9.14, each of the Parties agrees that it will not bring or support (and it will not support any of its Affiliates to bring or support) any claim, suit, action or other proceeding (whether at law, in equity, in contract, in tort or otherwise) against or involving any Financing Source in any way relating to this Agreement or any of the transactions contemplated by this Agreement (including any related financing), including any dispute arising out of or relating in any way to the Debt Financing or the performance thereof, in any forum other than any New York State court or federal court sitting in the County of New York and the Borough of Manhattan (and appellate courts thereof). The Parties further agree that all of the provisions of this Section 9.6 relating to waiver of jury trial shall apply to any suit, action or other proceeding referenced in this Section 9.6(d).

9.7 Entire Agreement

This Agreement, together with the Non-Disclosure Agreement and the Voting Agreement, and any documents delivered hereunder, constitutes the entire agreement between the Parties and supersedes all prior agreements and understandings, both written and oral, among the Parties, with respect to the subject matter thereof.

9.8 Third Party Beneficiaries

(a) This Section 9.8 and Sections, 9.6, 9.9, and 9.14 are intended to be for the benefit of the Persons referred to therein (including the Financing Sources) and may be enforced by any such Persons and shall not be amended, modified or waived with respect to any such Person without such Person s prior written consent.

(b) The provisions of Section 5.7, are: (i) intended for the benefit of the Indemnified Parties, and, in the case of Section 5.7(e) the directors of IrishCo, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives; and (ii) are in addition to,

A-88

Table of Contents

and not in substitution for, any other rights that the Indemnified Parties or such directors of IrishCo may have by contract or otherwise. It is the intention of Parent to constitute the Company as a trustee for the Company Indemnified Parties and the directors of IrishCo designated by the Company not a party to this Agreement for the covenants of Parent under Section 5.7 of this Agreement, and the Company agrees to accept such trust and to hold and enforce the obligations and covenants on behalf of each such person. It is the intention of the Company to constitute Parent as a trustee for the Parent Indemnified Parties not a party to this Agreement for the covenants of the Company under Section 5.7 of this Agreement, and the Parent agrees to accept such trust and to hold and enforce the obligations and covenants on behalf of each such person.

(c) Except as provided in this Section 9.8, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

9.9 Amendment

(a) This Agreement may, at any time and from time to time but not later than the Closing, be amended by written agreement of the Parties hereto without, subject to applicable Laws, further notice to or authorization on the part of the Company Shareholders or Parent Shareholders.

(b) Notwithstanding the foregoing, the Plan of Arrangement may only be supplemented or amended in accordance with the provisions thereof.

(c) Notwithstanding anything to the contrary contained herein, Sections 9.6, 9.8, 9.9, 9.13, 9.14 and this Section 9.9 (and any provision of this Agreement to the extent a modification, waiver by Parent or termination of such provision would modify the substance of any of the foregoing provisions) may not be modified, waived by Parent or terminated in a manner that is adverse in any respect to a Financing Source without the prior written consent of such Financing Source.

9.10 Waiver and Modifications

Any Party may (a) waive, in whole or in part, any inaccuracy of, or consent to the modification of, any representation or warranty made to it hereunder or in any document to be delivered pursuant hereto, (b) extend the time for the performance of any of the obligations or acts of the other Parties (c) waive or consent to the modification of any of the covenants herein contained for its benefit or waive or consent to the modification of any of the obligations of the other Parties hereto or (d) waive the fulfilment of any condition to its own obligations contained herein. No waiver or consent to the modifications of any of the provisions of this Agreement will be effective or binding unless made in writing and signed by the Party or Parties purporting to give the same and, unless otherwise provided, will be limited to the specific breach or condition waived. The rights and remedies of the Parties hereunder are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at Law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects any further exercise of such right or remedy or the exercise of any other right or remedy to which that Party may be entitled. No waiver or partial waiver of any nature, in any one or more instances, will be deemed or construed a continued waiver of any condition or breach of any other term, representation or warranty in this Agreement.

9.11 Severability

Upon such determination that any provision is illegal, invalid or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the Arrangement and Merger be consummated as originally contemplated to the

fullest extent possible.

Table of Contents

9.12 Further Assurances

Subject to the provisions of this Agreement, the Parties will, from time to time, do all acts and things and execute and deliver all such further documents and instruments, as the other Parties may, either before or after the Closing, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

9.13 Injunctive Relief

The Parties agree that irreparable harm would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached for which money damages would not be an adequate remedy at Law. It is accordingly agreed that the Parties will be entitled to an injunction or injunctions and other equitable relief to prevent breaches of this Agreement, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

9.14 No Recourse

Without limiting any other provision in this Agreement, this Agreement may only be enforced against, and any claims or causes of action that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement, may only be made against the Parties hereto, and no Financing Source shall have any liability for any obligations or liabilities of the Parties hereto or for any claim (whether in tort, contract or otherwise), based on, in respect of, or by reason of, the transactions contemplated hereby or in respect of any oral representations made or alleged to be made in connection herewith. In no event, shall the Company or any of their Affiliates, and the Company agrees not to and to cause their Affiliates not to, (A) seek to enforce this Agreement against, make any claims for breach of this Agreement against, or seek to recover monetary damages from, any Financing Source or (B) seek to enforce the commitments against, make any claims for breach of the Debt Financing commitments against, or seek to recover monetary damages from, or otherwise sue, the Financing Sources for any reason, including in connection with the Debt Financing commitments or the obligations of Financing Sources thereunder. Nothing in this Section 9.14 shall in any way limit or qualify the obligations and liabilities of the parties to the Debt Financing to each other or in connection therewith.

9.15 Counterparts

This Agreement may be executed and delivered in any number of counterparts (including by facsimile or electronic transmission), each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument, and each Party may enter into this Agreement by executing a counterpart and delivering it to the other Party (by personal delivery, facsimile, electronic transmission or otherwise).

[The remainder of this page is left intentionally blank Signature page follows]

Table of Contents

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ENDO HEALTH SOLUTIONS INC.

By: /s/ Rajiv De Silva
Name: Rajiv De Silva
Title: President and Chief Executive Officer

Given under the **COMMON SEAL** of
SPORTWELL LIMITED

By: /s/ Robert J. Cobuzzi
Name: Robert J. Cobuzzi Jr., Ph.D.
Title: Director

By: /s/ Donald DeGolyer
Name: Donald DeGolyer
Title: Director

Given under the **COMMON SEAL** of
SPORTWELL II LIMITED

By: /s/ Robert J. Cobuzzi
Name: Robert J. Cobuzzi Jr., Ph.D.
Title: Director

By: /s/ Donald DeGolyer
Name: Donald DeGolyer
Title: Director

Table of Contents

ULU ACQUISITION CORP.

By: /s/ Brian Lortie
Name: Brian Lortie
Title: President

RDS MERGER SUB, LLC

By: /s/ Brian Lortie
Name: Brian Lortie
Title: President

8312214 CANADA INC.

By: /s/ Brian Lortie
Name: Brian Lortie
Title: President

PALADIN LABS INC.

By: /s/ Mark Beaudet
Name: Mark Beaudet
Title: Interim President and CEO

Table of Contents

SCHEDULE A

The Plan of Arrangement, as originally attached to the Arrangement Agreement, has been amended and may be found at Annex B to this proxy statement/prospectus.

Table of Contents

SCHEDULE B FORM OF PALADIN LABS INC. ARRANGEMENT RESOLUTION

The Arrangement Resolution, as originally attached to the Arrangement Agreement, has been amended and may be found at Annex C to this proxy statement/prospectus.

Table of Contents

SCHEDULE C REQUIRED REGULATORY APPROVALS

1) Competition Act Approval (to the extent required under applicable Law in respect of the transactions contemplated by this Agreement (including the Arrangement and the Merger))

2) Investment Canada Act Approval

3) Approval pursuant to HSR Act

4) South African Competition Act approval

Table of Contents

SCHEDULE D FORM OF VOTING AGREEMENT

See Exhibits 10.1 and 10.2

Table of Contents

SCHEDULE E BUSINESS SEPARATION TERM SHEET

Business Separation Agreement

Summary of Terms and Conditions

Purpose:	The parties will enter into an agreement (the **Agreement**) immediately before the Effective Time that shall provide for the separation of the Therapeutics Assets and Therapeutics Liabilities from the Company Group, which is to be accomplished by the implementation of the Business Separation Transactions prior to the Effective Time. Capitalized terms used in this term sheet are defined below or, if not defined below, shall have the meanings set out in the Arrangement Agreement. Except where otherwise specified, all references to currency herein are to lawful money of Canada and $ refers to Canadian dollars.
Parties:	The Company and Knight Therapeutics Inc. (**Therapeutics**).
Performance:	The Company shall cause to be performed, and shall guarantee the performance of, all actions, agreements and obligations set forth in the Agreement or in any other Business Separation Agreement to be performed by any member of the Company Group. The Company further agrees that it shall cause the other members of the Company Group not to take any action inconsistent with, or fail to take any action necessary in connection with, the Company s obligations under this Agreement, or the obligations of any member of the Company Group under any other Business Separation Agreement, or any of the transactions contemplated hereby or thereby. The Company further agrees that Therapeutics shall not be obligated to proceed against any other member of the Company Group before proceeding against the Company to enforce any provision of the Agreement or of any other Business Separation Agreement. Therapeutics shall cause to be performed, and shall guarantee the performance of, all actions, agreements and obligations set forth in the Agreement or in any other Business Separation Agreement to be performed by any member of the Therapeutic Group. Therapeutics further agrees that it shall cause the other members of the Therapeutics Group not to take any action inconsistent with, or fail to take any action necessary in connection with, Therapeutics obligations under this Agreement, or the obligations of any member of the Therapeutics Group under any other Business Separation Agreement, or any of the transactions contemplated hereby or thereby. Therapeutics further agrees that the Company shall not be obligated to proceed against any other member of the Therapeutics Group before proceeding against Therapeutics to enforce any provision of the Agreement or any other Business Separation Agreement.
Therapeutics Assets:	Immediately before the Effective Time and as a result of the Business Separation Transactions, the following assets (the **Therapeutics Assets**) will be owned by

Therapeutics and the members of the Therapeutics Group and not directly by the Company or any other member of the Company Group:

(a) the I-IP;

(b) the Voucher or any rights to the Voucher;

(c) the common shares of Delco held by the Company;

Table of Contents

(d) Barbco s rights as licensor under License; and

(e) $1,000,000 in cash.

For greater certainty, all inventory, tenders, customer contracts, orders, purchase orders, licenses, manufacturing and other agreements relating to the Product (other than those held by or in the name of Delco) shall remain the property of the Company Group.

Distribution and License Agreement: The Therapeutics Group or one of its affiliates (as licensor) shall enter into a distribution and license agreement with Barbco granting Barbco exclusive commercialization rights for the Product for the world, other than the United States, for a ten (10) year term (the **Therapeutics Distribution and License Agreement**). Under the Therapeutics Distribution and License Agreement:

(a) the Therapeutics Group (or its affiliates) will provide no representations or warranties in respect of the I-IP; and

(b) the Company Group shall have no minimum sales or other commercialization requirements.

Barbco shall pay to Therapeutics Group or one of its affiliates a fee of 22.5% of gross sales in consideration thereof. Under that agreement (or in a separate agreement) the Therapeutics Group shall be entitled to source Product from the Company Group in respect of its own commercialization of the Product in the United States and to tag onto its own orders of Product (so as to meet minimum batch sizes etc.) at cost.

Therapeutics Liabilities: Therapeutics shall, or shall cause a member of the Therapeutics Group to, assume and fully pay, discharge and fulfill any and all Liabilities, whether arising or accruing before, on or after the Effective Date, related to the Therapeutics Assets and any Liability to be assumed by any member of the Therapeutics Group pursuant to the Business Separation Agreements (collectively, the **Therapeutics Liabilities**); provided that with respect to any such Liability arising or accruing in respect of the period before the Effective Date, the responsibility of the Therapeutics Group shall be limited to 25% of same. For greater certainty, the Therapeutics Liabilities shall exclude, and the Company Group shall be solely responsible for, all of the Liabilities

	of the Company Group under the Therapeutics Distribution and License Agreement and all activities conducted by the Company Group thereunder.
Consideration:	The consideration payable by the Therapeutics Group to the Company Group pursuant to the Business Separation Transactions shall be as set forth in Schedule A hereto.
Representations and Warranties:	The Agreement will contain representations and warranties typical for agreements of this nature.
Indemnification:	Therapeutics, for and on behalf of each member of the Therapeutics Group, shall indemnify, defend and save harmless each Company Indemnified Person from and against any and all Losses suffered or incurred by any such Company Indemnified Person as a direct or indirect result of, or arising in connection with or related in any manner whatsoever to:
	(a) any misrepresentation or breach of any warranty made or given by Therapeutics in the Agreement;

Table of Contents

(b) any lawsuits or claims made before, on or after the Effective Date arising from the design of the Product before on or after the Effective Date, including without limitation, recalls, warranty claims and product liability claims; provided that responsibility of the Therapeutics Group shall be limited to 25% of same. For greater certainty, the Therapeutics Liabilities shall exclude, and the Company Group shall be solely responsible for, all of the Liabilities of the Company Group under the Therapeutics Distribution and License Agreement and all activities conducted by the Company Group thereunder;

(c) any failure by any member of the Therapeutics Group to observe or perform any covenant or obligation contained in the Agreement, any other Business Separation Agreement or in any document delivered pursuant to the Agreement or any other Business Separation Agreement;

(d) any failure by any member of the Therapeutics Group to perform or otherwise properly discharge in accordance with its terms any of the Therapeutics Liabilities;

(e) any fees and expenses payable by the Company Group in respect of services provided in connection with the Business Separation Transactions in excess of $100,000;

(f) any misrepresentation or any alleged misrepresentation in any information included in the Joint Proxy Statement/Circular or any other public filing by the Company relating to any member of the Therapeutics Group or the Therapeutics Assets, including any order made, or any inquiry, investigation or proceeding by any Person based on any such misrepresentation or alleged misrepresentation; and

(g) any Taxes payable by any Company Indemnified Person arising solely as a consequence of the Business Separation Transactions.

For the purposes of paragraph (g) above and subject to Section 5.15(c) of the Arrangement Agreement, the Taxes payable by any Company Indemnified Person (i) shall be computed as if such Company Indemnified Person has no deductions, losses, credits or other Tax attributes (other than any such deductions, losses, credits or other Tax attributes that arise solely as a consequence of the Business Separation Transactions) that can be applied to reduce the amount of Taxes payable, and (ii) for

greater certainty, includes any reduction in a refund of Taxes otherwise receivable by such Company Indemnified Person.

The obligation of the Therapeutics Group to indemnify the Company Indemnified Persons for Losses (**Indemnified Losses**) will be limited as follows:

(a) the Therapeutics Group shall indemnify the Company Indemnified Persons for the first $2,000,000 of Indemnified Losses;

(b) if the Indemnified Losses exceed $2,000,000 in aggregate, the Therapeutics Group shall have no obligation to indemnify the Company Indemnified Persons for the next $20,000,000 of Indemnified Losses; and

Table of Contents

	(c) there shall be no limit on the obligation of Therapeutics Group to indemnify the Company Indemnified Persons for all Indemnified Losses in excess of $22,000,000.
	The Agreement will also include standard terms and procedures for indemnification claims typical of transactions of this nature, as required by Parent, acting reasonably.
Survival of Indemnification:	The indemnification shall survive until six (6) months after the period for which the taxation year of the Company in which the Business Separation Transactions occur become statute barred under the Tax Act and any other applicable Tax legislation.
Governing Law:	The law of the Province of Quebec.
Other Terms and Conditions:	The Agreement shall include such other terms and conditions as are typically included in agreements of this type.
Defined Terms:	**Arrangement Agreement** the Arrangement Agreement dated as of November 5, 2013, among Parent, IrishCo, Interco, DE INC., Merger Sub, CanCo 1 and the Company (including the Schedules attached thereto) as may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms
	Barbco means Paladin Labs (Barbados) Inc., a corporation incorporated under the laws of the Barbados.
	Business Separation Agreements means, collectively, the Agreement and all other agreements and documents effecting the Business Separation Transactions.
	Business Separation Transactions means the transactions described in Schedule A hereto which provide for the transfer to Therapeutics and its subsidiaries of (i) the shares of Delco; (ii) the I-IP; and (iii) Barbco s rights under the License.
	Company Group means, collectively, the Company and Barbco.
	Company Indemnified Person means each of the Company, Irishco and Parent and each of their respective directors, officers, employees, representatives, agents and affiliates.

Delco means Paladin Therapeutics, Inc., a corporation incorporated under the laws of Delaware.

I-IP means the Intellectual Property and any other rights related to the Product.

Intellectual Property means any or all of the following and all rights, arising out of or associated therewith: (a) all patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (b) all inventions (whether patentable or not), invention disclosures, improvements, proprietary information, know-how, technology, technical data and customer lists, and all documentation relating to any of the foregoing; (c) all copyrights, copyright registrations and applications therefor, and all other rights corresponding thereto; (d) all industrial designs and any registrations and applications therefor; (e) all internet uniform resource locators, domain names, trade names, logos, slogans, designs, common law

Table of Contents

trademarks and service marks, trademark and service mark registrations and applications therefor and all goodwill associated therewith; (f) all software, databases and data collections and all rights therein; (g) all moral and economic rights of authors and inventors, however denominated; and (h) any similar or equivalent rights to any of the foregoing.

Liability means any indebtedness, liability, assessment, expense, claim, loss damage, deficiency or obligation of any kind, whether known or unknown, primary or secondary, direct or indirect, asserted or unasserted, absolute or contingent, matured or unmatured, conditional or unconditional, latent or patent, accrued or unaccrued, secured or unsecured, liquidated or unliquidated or due or to become due and whether or not required to be reflected in a balance sheet in accordance with generally accepted accounting principles.

License means the license agreement in place as of November 5, 2013 entered into by Barbco and Delco pursuant to which Barbco granted a license to Delco to make, market and sell the Product in the United States.

Losses means all damages, losses, liabilities, payments, amounts paid in settlement, obligations, fines penalties, costs of burdens associated with performing injunctive relief and other costs and expenses (including reasonable fees and expenses of outside legal advisors, accountants and other professional advisors and of expert witnesses and other costs and expenses of investigation, preparation and litigation in connection with or related to any claim, appeal, petition, plea, charge, complaint, hearing, or similar matter or other proceeding) of any kind or nature whatsoever, including in connection with or relating to a claim whether known, or unknown, contingent or vested or matured or unmatured.

Product means the drug product containing miltefosine for the treatment of parasitic diseases such as leishmaniasis in any formulation and any dosage strength currently under development by the Company and referred to as Impavido, including an authorized generic version and/or ANDA thereof.

Therapeutics Group means Therapeutics and each of its subsidiaries.

Voucher means the priority review voucher to be issued in the name of Delco by the United States Food and Drug Administration or, if not yet issued at the time the

Business Separation Transactions are completed, the right to be issued that voucher.

Table of Contents

Annex B

PLAN OF ARRANGEMENT

FORM OF PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE CANADA

BUSINESS CORPORATIONS ACT

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions.

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings hereinafter set forth:

Amalco means [ ] Inc., a corporation amalgamated under the laws of Canada;

Amalco Common Shares means the common shares without par value in the capital of Amalco;

Arrangement means the arrangement of the Company under section 192 of the CBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement and Section 5.1 hereof or made at the discretion of the Court in the Final Order (with the consent of the Company and Parent, each acting reasonably);

Arrangement Agreement means the Arrangement Agreement dated as of November 5, 2013, among Parent, IrishCo, Interco, Endo U.S. Inc. (formerly named ULU Acquisition Corp.), RDS Merger Sub, LLC, CanCo 1 and the Company (including the Schedules attached thereto) as it may be amended, supplemented, restated or otherwise modified from time to time in accordance with its terms;

Arrangement Cash Consideration means, in respect of each Company Common Share subject to the Arrangement, $1.16 in cash, plus an amount equal to the Company Exchange Ratio multiplied by the following amount (with the result converted into Canadian dollars at the Currency Exchange Rate), as applicable:

(a) If the Endo VWAP Ratio is greater than or equal to 93%, nil; or

(b) If the Endo VWAP Ratio is greater than or equal to 80% but less than 93%, then an amount equal to (x) the Endo Announcement Date VWAP multiplied by (y) the percentage obtained by subtracting the Endo VWAP Ratio from 93%; or

(c) If the Endo VWAP Ratio is less than 80% but greater than or equal to 76%, then the aggregate of:

(i) an amount equal to (v) the Endo Announcement Date VWAP, multiplied by (w) 13%; plus

(ii) an amount equal to (x) the Endo Announcement Date VWAP, multiplied by (y) 50% multiplied by (z) the percentage obtained by subtracting the Endo VWAP Ratio from 80%; or

(d) If the Endo VWAP Ratio is less than 76%, then the aggregate of:

(i) an amount equal to (v) the Endo Announcement Date VWAP multiplied by (w) 13%; plus

(ii) an amount equal to (x) the Endo Announcement Date VWAP multiplied by (y) 2%.

Arrangement Exchange Agent means Computershare Trust Company of Canada at its offices set out in the Letter of Transmittal;

Arrangement Resolution means the special resolution of the Company to be considered and, if thought fit, passed by the Company Shareholders at the Company Meeting to approve the Arrangement, to be substantially in the form and content of Schedule B to the Arrangement Agreement;

Table of Contents

Arrangement Stock Consideration means, in respect of each Company Common Share subject to the Arrangement, 1.6331 IrishCo Shares;

Arrangement Therapeutics Consideration means, in respect of each Company Common Share subject to the Arrangement, one Therapeutics Common Share;

Articles of Arrangement means the articles of arrangement of the Company in respect of the Arrangement to be filed with the Director after the Final Order is made, which shall be in form and substance satisfactory to Parent and the Company, each acting reasonably;

Business Day means a day other than a Saturday, a Sunday or any other day on which major commercial banking institutions in Montreal, Québec, New York, New York or Dublin, Ireland are closed for business;

Calculation Agent means a nationally recognized independent investment banking firm jointly selected by Parent and the Company for the purpose of calculating the Endo Reference VWAP;

CanCo 1 means 8312214 Canada Inc., a corporation incorporated under the laws of Canada;

CanCo 1 Common Shares means the common shares without par value in the capital of CanCo 1;

CBCA means the *Canada Business Corporations Act*;

Certificate of Arrangement means the certificate of arrangement certifying that the Arrangement has been effected, issued pursuant to subsection 192(7) of the CBCA after the Articles of Arrangement have been filed;

Company means Paladin Labs Inc., a corporation continued under the laws of Canada;

Company Board of Directors means the board of directors of the Company;

Company Common Shares means the common shares without par value in the capital of the Company;

Company Common Share Closing Price means the closing price of a Company Common Share on the TSX on the trading day immediately preceding the Effective Date;

Company Exchange Ratio means 1.6331 IrishCo Shares;

Company Meeting means the special meeting of the Company Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Arrangement Agreement and the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution;

Company Shareholder means a holder of one or more Company Common Shares;

Company Share Purchase Plan means the Employee Share Purchase Plan adopted by the Company Board of Directors on May 10, 2000, as amended from time to time;

Court means the Superior Court of Québec;

CSPP Participant means a participant under the Company Share Purchase Plan;

Currency Exchange Rate means the noon rate quoted by the Bank of Canada on the fourth Business Day prior to the Company Meeting for the conversion of United States dollars into Canadian dollars;

Director means the Director appointed pursuant to section 260 of the CBCA;

Effective Date means the date upon which all of the conditions to the completion of the Arrangement as set out in Article 8 of the Arrangement Agreement have been satisfied or waived (subject to applicable Laws) in accordance with the provisions of the Arrangement Agreement and all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably, and the Arrangement becomes effective in accordance with the CBCA and the Final Order;

Effective Time means 7:00 a.m. (Montreal Time) on the Effective Date, or such other time as the parties may agree to in writing before the Effective Date;

Table of Contents

Endo Announcement Date VWAP means US$44.4642;

Endo Reference VWAP means the volume weighted average price per share of the common stock of Parent for the regular trading session of NASDAQ as displayed under the heading Bloomberg VWAP on Bloomberg Page ENDP <equity> AQR for the ten trading days ending on the third trading day prior to the date of the Company Meeting (the **Reference Valuation Period**) in respect of the period from 9:30 a.m. to 4:00 p.m. (New York City time) for such Reference Valuation Period; or if such volume weighted average price is not available, as determined by the Calculation Agent, using a reasonable, good faith estimate of such price for such Reference Valuation Period;

Endo VWAP Ratio means (x) the Endo Reference VWAP divided by (y) the Endo Announcement Date VWAP, expressed as a percentage;

Euro Purchaser means the Person identified in writing by Parent to the Company prior to the Effective Time as the Euro Purchaser ;

Final Order means the order of the Court in a form acceptable to the Company and Parent, each acting reasonably, approving the Arrangement under section 192(4) of the CBCA, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both the Company and Parent, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn, abandoned or denied, as affirmed or amended (provided that any such amendment is acceptable to both the Company and Parent, each acting reasonably) on appeal;

Former Company Common Shareholders means, at and following the Effective Time, the holders of Company Common Shares (other than Qualifying Holdcos), in each case immediately prior to the Effective Time;

Former Optionholders means, at and following the Effective Time, the Optionholders, in each case immediately prior to the Effective Time;

Former Qualifying Holdco Shareholders means, at and following the Effective Time, the holders of Qualifying Holdco Shares, in each case immediately prior to the Effective Time;

Former Shareholders means the Former Company Common Shareholders and the Former Qualifying Holdco Shareholders;

Governmental Authority means any international, multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any ministry, department, division, bureau, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body (including the TSX, the NASDAQ, or any other stock exchange), domestic or foreign, exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel, arbitrator or arbitral body acting under the authority of any of the foregoing;

Holdco Agreements means the share purchase agreement and other ancillary documentation containing such representations and warranties and covenants acceptable to Parent, acting reasonably, to be entered into by each Qualifying Holdco Shareholder, in a form consistent with Section 2.6 of the Arrangement Agreement;

Holdco Alternative means the alternative for a Qualifying Holdco Shareholder to elect to sell its Company Common Shares through its Qualifying Holdco in accordance with the terms and conditions of Section 2.6 of the Arrangement

Agreement;

Interco means Endo Limited (formerly named Sportwell II Limited), a company incorporated in Ireland (Registered Number 534651) with registered address 25-28 North Wall Quay, International Financial Services Centre, Dublin 1, Ireland;

Table of Contents

Interco 2 means a private limited company to be incorporated in Ireland prior to the Effective Time as a direct wholly-owned subsidiary of Interco;

Interim Order means the interim order of the Court in a form acceptable to the Company and Parent, each acting reasonably, to be issued following the application therefor contemplated by Section 2.1(d) of the Arrangement Agreement providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court with the consent of both the Company and Parent, each acting reasonably;

In-the-Money Amount per Share means, in respect of each Option, the amount by which (A) the Company Common Share Closing Price exceeds (B) the exercise price for each Common Share subject to the Option;

IrishCo means Endo International Limited (formerly named Sportwell Limited), a company incorporated in Ireland (Registered Number 534814), which will be renamed Endo International plc on or prior to the Effective Time, with registered address 25-28 North Wall Quay, International Financial Services Centre, Dublin 1, Ireland;

IrishCo CanCo 1 Common Share has the meaning ascribed thereto in Section 3.1(f);

IrishCo Euro Share means an ordinary share, par value 1.00 per share, in the share capital of IrishCo;

IrishCo Share means an ordinary share, par value US$0.0001 per share, in the share capital of IrishCo;

Laws means any and all laws, statutes, codes, ordinances (including zoning), approvals, decrees, rules, regulations, by-laws, notices, policies, protocols, guidelines, treaties or other requirements of any Governmental Authority having the force of law and any legal requirements arising under the common law or principles of law or equity;

Letter of Transmittal means the letter of transmittal for use by Company Shareholders or Optionholders or Qualifying Holdco Shareholders with respect to the Arrangement;

NASDAQ means the NASDAQ Global Select Market;

Optionholder means a holder of one or more Options;

Options means, at any time, rights to acquire Company Common Shares granted pursuant to the Stock Option Plan which are, at such time, outstanding and unexercised, whether or not vested;

Option Consideration means, in respect of each right to acquire one Company Common Share pursuant to an Option, the aggregate of:

(a) one Therapeutics Common Share; plus

(b) the Company Exchange Ratio multiplied by the quotient obtained by dividing:

(i)

the In-the-Money Amount per Share in respect of that Option plus the Arrangement Cash Consideration; by

(ii) the Company Common Share Closing Price;

provided that if the In-the-Money Amount per Share is equal to or less than zero, the Option Consideration shall be nil;

Parent means Endo Health Solutions Inc., a corporation incorporated under the laws of Delaware;

Person includes an individual, sole proprietorship, corporation, body corporate, incorporated or unincorporated association, syndicate or organization, partnership, limited partnership, limited liability company, unlimited liability company, joint venture, joint stock company, trust, natural Person in his or her capacity as trustee, executor, administrator or other legal representative, a government or Governmental Authority or other entity, whether or not having legal status;

Table of Contents

Plan of Arrangement , **hereof** , **herein** , **hereto** and like references mean and refer to this plan of arrangement;

Qualifying Holdco means a corporation that meets the conditions described in Section 2.6 of the Arrangement Agreement;

Qualifying Holdco Cash Consideration means, in respect of each Qualifying Holdco, an amount equal to the Arrangement Cash Consideration multiplied by the number of Company Common Shares held by such Qualifying Holdco;

Qualifying Holdco Shareholder means any Person that is a registered owner of Company Common Shares before the 10th Business Day prior to the Effective Time and is not a non-resident of Canada within the meaning of the Tax Act and that has validly elected the Holdco Alternative in accordance with Section 2.6 of the Arrangement Agreement;

Qualifying Holdco Shares means shares in the capital of a Qualifying Holdco;

Qualifying Holdco Stock Consideration means, in respect of each Qualifying Holdco, an amount equal to the Arrangement Stock Consideration multiplied by the number of Company Common Shares held by such Qualifying Holdco;

Qualifying Holdco Therapeutics Consideration means, in respect of each Qualifying Holdco, an amount equal to the Arrangement Therapeutics Consideration multiplied by the number of Company Common Shares held by such Qualifying Holdco;

Selling Shareholders means the Company Shareholders (other than Qualifying Holdcos) and the Qualifying Holdco Shareholders;

Stock Option Plan means the Company Stock Option Plan adopted by the Company Board of Directors on May 10, 2000, as amended from time to time;

Tax Act means the *Income Tax Act* (Canada);

Therapeutics means Knight Therapeutics Inc., a corporation organized under the laws of Canada;

Therapeutics Common Shares means the common shares without par value in the capital of Therapeutics;

Total Company Common Share Consideration means (i) the total fair market value of the Arrangement Stock Consideration and the Qualifying Holdco Stock Consideration delivered directly to the Selling Shareholders by IrishCo pursuant to Section 3.1(d) and Section 3.1(e); plus (ii) the total of the Arrangement Cash Consideration and Qualifying Holdco Cash Consideration paid directly to the Selling Shareholders by IrishCo pursuant to Section 3.1(d) and Section 3.1(e); plus (iii) the total fair market value of the Option Consideration that is comprised of IrishCo Shares and delivered directly to the Optionholders by IrishCo pursuant to Section 3.1(a); and

TSX means the Toronto Stock Exchange.

Words and phrases used herein that are defined in the Arrangement Agreement and not defined herein shall have the same meaning herein as in the Arrangement Agreement, unless the context otherwise requires. Words and phrases used herein that are defined in the CBCA and not defined herein or in the Arrangement Agreement shall have the

same meaning herein as in the CBCA, unless the context otherwise requires.

1.2 Interpretation Not Affected By Headings, etc.

The division of this Plan of Arrangement into Articles, Sections and subsections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.

Table of Contents

1.3 Article References

Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section or subsection by number or letter or both refer to the Article, Section or subsection respectively, bearing that designation in this Plan of Arrangement.

1.4 Number and Gender

In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender shall include all genders.

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 Statutory References

Unless otherwise indicated, references in this Plan of Arrangement to any statute include all regulations made pursuant to such statute and the provisions of any statute or regulation which amends, supplements or supersedes any such statute or regulation.

1.7 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

ARTICLE 2

ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement. This Plan of Arrangement shall become effective at, and be binding at and after, the Effective Time on:

a) Parent;

b) the Company;

c) IrishCo;

d) Interco;

e) Interco 2;

f) CanCo 1;

g) each Qualifying Holdco;

h) Therapeutics;

i) all persons who were immediately prior to the Effective Time holders or beneficial owners of Company Common Shares or Qualifying Holdco Shares;

j) all persons who were immediately prior to the Effective Time holders or beneficial owners of Options; and

k) all holders of any rights or entitlements under the Company Share Purchase Plan.

Table of Contents

ARTICLE 3

ARRANGEMENT

3.1 Arrangement

Commencing at the Effective Time, the following events or transactions shall occur and shall be deemed to occur in the following sequence without any further act or formality:

(a) notwithstanding any vesting or exercise provisions to which an Option might otherwise be subject (whether by contract, the conditions of a grant, applicable Laws or the terms of the Stock Option Plan):

(i) each right to acquire a Company Common Share pursuant to an Option that is issued and outstanding at the Effective Time shall, without any further action by or on behalf of any holder of such Option, be deemed to be fully vested and transferred and disposed of by the holder thereof to CanCo 1 (free and clear of all liens, claims and encumbrances) and cancelled in exchange for, subject to Section 3.4, (A) the delivery by Amalco (as successor to CanCo 1 s obligations and liabilities) of the portion of the Option Consideration in respect of that right consisting of Therapeutics Common Shares pursuant to Section 3.1(l)(iii), and (B) the payment by IrishCo on behalf of CanCo 1 of the portion of the Option Consideration in respect of that right consisting of IrishCo Shares; and

(ii) with respect to each such Option, the holder thereof will cease to be the holder of such Option, will cease to have any rights as a holder in respect of such Option or under the Stock Option Plan, such holder s name will be removed from the register of Options, and all option agreements, grants and similar instruments relating thereto will be cancelled;

(b) Notwithstanding any provisions of the Company Share Purchase Plan:

(i) all rights of each CSPP Participant under the Company Share Purchase Plan to contributions by the Company and to the acquisition of Company Common Shares under the Company Share Purchase Plan shall, without any further action by or on behalf of the CSPP Participant, be cancelled in exchange for a cash amount equal to 25% of the aggregate number of shares purchased on behalf of that CSPP Participant under the Company Share Purchase Plan with the CSPP Participant s contributions in respect of each of the 8 fiscal quarters ending immediately prior to the Effective Time (but excluding any Company Common Shares purchased with CSPP Participant s contributions after November 5, 2013 that exceeded his or her rate of contribution before that date), multiplied by the Company Common Share Closing Price; and

(ii) each CSPP Participant shall be entitled to the return of any contributions he or she made under the Company Share Purchase Plan after the fiscal quarter ending immediately before the Effective Time, without interest;

(c) the Stock Option Plan and the Company Share Purchase Plan shall be terminated (and all rights issued thereunder shall expire) and shall be of no further force or effect;

(d) each outstanding Company Common Share (other than those held by a Qualifying Holdco) shall be transferred and assigned to CanCo 1 in exchange for, subject to Section 3.4, (A) the payment by IrishCo on behalf of CanCo 1 of the Arrangement Cash Consideration; (B) the delivery by IrishCo on behalf of CanCo 1 of the Arrangement Stock Consideration; and (C) the delivery by Amalco (as successor to CanCo 1 s obligations and liabilities) of the Arrangement Therapeutics Consideration pursuant to Section 3.1(l)(i), and in respect of each Company Common Share so transferred and assigned,

(i) the registered holder thereof shall cease to be the registered holder of such Company Common Share and the name of such registered holder shall be removed from the register of Company Shareholders as of the Effective Time; and

Table of Contents

(ii) CanCo 1 shall be recorded as the registered holder of such Company Common Share and shall be deemed to be the legal and beneficial owner thereof (free and clear of all liens, charges, encumbrances and any other rights of others);

(e) all of the outstanding Qualifying Holdco Shares of each Qualifying Holdco shall be transferred and assigned to CanCo 1 in exchange for, subject to Section 3.4, (A) the payment by IrishCo on behalf of CanCo 1 of the Qualifying Holdco Cash Consideration in respect of each such Qualifying Holdco; (B) the delivery by IrishCo on behalf of CanCo 1 of the Qualifying Holdco Stock Consideration in respect of each such Qualifying Holdco, and (C) the delivery by Amalco (as successor to CanCo 1 s obligations and liabilities) of the Qualifying Holdco Therapeutics Consideration pursuant to Section 3.1(l)(ii), in respect of each such Qualifying Holdco, and in respect of each Qualifying Holdco Share so transferred and assigned,

(i) the registered holder thereof shall cease to be the registered holder of such Qualifying Holdco Share and the name of such registered holder shall be removed from the register of Qualifying Holdco Shareholders as of the Effective Time; and

(ii) CanCo 1 shall be recorded as the registered holder of such Qualifying Holdco Share and shall be deemed to be the legal and beneficial owner thereof (free and clear of all liens, charges, encumbrances and any other rights of others);

(f) in consideration for (A) IrishCo delivering, on behalf of CanCo 1, the Arrangement Stock Consideration and the Qualifying Holdco Stock Consideration directly to the Selling Shareholders pursuant to Section 3.1(d) and Section 3.1(e), (B) IrishCo delivering on behalf of CanCo 1 the Option Consideration consisting of IrishCo Shares directly to the Optionholders pursuant to Section 3.1(a), and (C) IrishCo paying, on behalf of CanCo 1, the Arrangement Cash Consideration and the Qualifying Holdco Cash Consideration to the Selling Shareholders pursuant to Section 3.1(d) and Section 3.1(e), 35,000,000 CanCo 1 Common Shares (the **IrishCo CanCo 1 Common Shares**) shall be issued to IrishCo, and, in respect thereof, there shall be added to the stated capital account maintained by CanCo 1 for CanCo 1 Common Shares an amount equal to the Total Company Common Share Consideration;

(g) each IrishCo CanCo 1 Common Share acquired pursuant to Section 3.1(f) shall be contributed by IrishCo to the capital of Interco and, in respect of each IrishCo CanCo 1 Common Share so contributed, IrishCo shall cease to be the registered holder thereof and IrishCo s name shall be removed from the register of shareholders of CanCo 1, and Interco shall be recorded as the registered holder of such IrishCo CanCo 1 Common Share and shall be deemed to be the legal and beneficial owner thereof (free and clear of all liens, charges, encumbrances and any other rights of others);

(h) each IrishCo CanCo 1 Common Share acquired pursuant to Section 3.1(g) shall be contributed by Interco to the capital of Interco 2 and, in respect of each IrishCo CanCo 1 Common Share so contributed, Interco shall cease to be the registered holder thereof and Interco s name shall be removed from the register of shareholders of CanCo 1, and Interco 2 shall be recorded as the registered holder of such IrishCo CanCo 1 Common Share and shall be deemed to be the legal and beneficial owner thereof (free and clear of all liens,

charges, encumbrances and any other rights of others);

(i) the Company shall transfer one IrishCo Euro Share to Euro Purchaser, in exchange for 1, and in respect of such IrishCo Euro Share so delivered, the Company shall cease to be the registered holder thereof and the Company s name shall be removed from the register of shareholders of IrishCo, and the name of Euro Purchaser shall be recorded as the registered holder of such IrishCo Euro Share and shall be deemed to be the legal and beneficial owner thereof (free and clear of all liens, charges, encumbrances and any other rights of others);

Table of Contents

(j) CanCo 1 and each Qualifying Holdco shall amalgamate to form Amalco, as more fully described in Section 3.2;

(k) all of the outstanding Therapeutics Common Shares shall be transferred and assigned to Amalco in exchange for the issuance by Amalco of a promissory note in the principal amount equal to the total fair market value of all of the outstanding Therapeutics Common Shares as determined in accordance with the Arrangement Agreement, and in respect of each Therapeutics Common Share so transferred and assigned, the Company shall cease to be the registered holder thereof and the Company s name shall be removed from the register of shareholders of Therapeutics, and Amalco shall be recorded as the registered holder of such Therapeutics Common Share and shall be deemed to be the legal and beneficial owner thereof (free and clear of all liens, charges, encumbrances and any other rights of others); and

(l) concurrently:

(i) Amalco (as successor to CanCo 1 s obligations and liabilities) shall deliver and each Former Company Common Shareholder shall acquire the Arrangement Therapeutics Consideration, and in respect of each Therapeutics Common Share so delivered, Amalco shall cease to be the registered holder thereof and Amalco s name shall be removed from the register of shareholders of Therapeutics, and the name of such Former Company Common Shareholder shall be recorded as the registered holder of such Therapeutics Common Share and shall be deemed to be the legal and beneficial owner thereof (free and clear of all liens, charges, encumbrances and any other rights of others);

(ii) Amalco (as successor to CanCo 1 s obligations and liabilities) shall deliver and each Former Qualifying Holdco Shareholder shall acquire the Qualifying Holdco Therapeutics Consideration, and in respect of each Therapeutics Common Share so delivered, Amalco shall cease to be the registered holder thereof and Amalco s name shall be removed from the register of shareholders of Therapeutics, and the name of such Former Qualifying Holdco Shareholder shall be recorded as the registered holder of such Therapeutics Common Share and shall be deemed to be the legal and beneficial owner thereof (free and clear of all liens, charges, encumbrances and any other rights of others);

(iii) Amalco (as successor to CanCo 1 s obligations and liabilities) shall deliver and each Former Optionholder shall acquire the portion of the Option Consideration consisting of Therapeutics Common Shares, and in respect of each Therapeutics Common Share so delivered, Amalco shall cease to be the registered holder thereof and Amalco s name shall be removed from the register of shareholders of Therapeutics, and the name of each Former Optionholder shall be recorded as the registered holder of such Therapeutics Common Share and shall be deemed to be the legal and beneficial owner thereof (free and clear of all liens, charges, encumbrances and any other rights of others); and

(iv) unless Therapeutics determines otherwise, Therapeutics shall file an election with the Canada Revenue Agency to be a public corporation for the purposes of the Tax Act, such election to be effective concurrently with the acquisition of the Therapeutics Common Shares pursuant to this Section 3.1(l).

3.2 Amalgamation of CanCo 1 and each Qualifying Holdco

(a) Pursuant to Section 3.1(j), CanCo 1 and each Qualifying Holdco shall amalgamate to form Amalco under the CBCA, with the effect described below, and, unless and until otherwise determined in the manner required by Law, the following shall apply:

(i) **Name.** The name of Amalco shall be [ ] Inc.

(ii) **Registered Office.** The registered office of Amalco shall be located in Saint-Laurent in the Province of Québec. The address of the registered office shall be 100 Alexis-Nihon Blvd., Suite 600, Saint-Laurent, Québec, H4M 2P2.

Table of Contents

(iii) **Business and Powers.** There shall be no restrictions on the business that Amalco may carry on or on the powers it may exercise.

(iv) **Authorized Share Capital.** Amalco shall be authorized to issue an unlimited number of common shares designated as Common Shares .

(v) **Share Provisions.** The Amalco Common Shares shall have the same terms as the CanCo 1 Common Shares.

(vi) **Shares.** Each CanCo 1 Common Share shall be converted into one fully paid and non-assessable Amalco Common Share and the shares so converted shall be added to the register of shareholders of Amalco. Each Qualifying Holdco Share shall be cancelled without any repayment of capital.

(vii) **Restrictions on Transfer.** The transfer of Amalco Common Shares shall be restricted and no holder of Amalco Common Shares shall transfer any such share without either: (i) the approval of the directors of Amalco passed at a meeting of the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or (ii) the approval of the holders of at least a majority of the shares of Amalco entitling the holders thereof to vote in all circumstances (other than holders of shares who are entitled to vote separately as a class) for the time being outstanding, expressed by a resolution passed at a meeting of the holders of such shares or by an instrument or instruments in writing signed by the holders of a majority of such shares.

(viii) **Number of Directors.** The number of directors of Amalco shall not be less than 1 and not more than 3, and otherwise as the shareholders of Amalco may from time to time determine by special resolution.

(ix) **Initial Directors.** The initial directors of Amalco shall be:

Name	Address	Canadian Resident
Suketu Upadhyay	1400 Atwater Drive, Malvern, Pennsylvania, 19355, USA	No
Robert Cobuzzi	1400 Atwater Drive, Malvern, Pennsylvania, 19355, USA	No
Mark A. Beaudet	100 Alexis-Nihon Blvd., Suite 600, Saint-Laurent,	Yes

Québec, H4M 2P2, Canada

(x) **By-laws.** The by-laws of Amalco shall be the same as the by-laws of CanCo 1.

(xi) **First Annual General Meeting.** The first annual general meeting of Amalco shall be held within 18 months from the Effective Date.

(xii) **Stated Capital.** The aggregate of the stated capital of the issued and outstanding Amalco Common Shares shall be equal to the aggregate of the stated capital of the issued and outstanding CanCo 1 Common Shares immediately before the amalgamation described in Section 3.1(j).

(xiii) **Effect of Amalgamation.** Upon the amalgamation of CanCo 1 and each Qualifying Holdco to form Amalco becoming effective pursuant to Section 3.1(j):

(A) the property of each of CanCo 1 and each Qualifying Holdco, including, for greater certainty, any and all of the Therapeutics Common Shares, shall continue to be the property of Amalco;

(B) Amalco shall continue to be liable for the obligations of CanCo 1 and each Qualifying Holdco;

(C) all existing causes of action, claims or liabilities to prosecution with respect of CanCo 1 and each Qualifying Holdco shall be unaffected;

Table of Contents

(D) all civil, criminal or administrative actions or proceedings pending by or against CanCo 1 and each Qualifying Holdco may be continued to be prosecuted by or against Amalco;

(E) all convictions against, or rulings, orders or judgments in favour of or against CanCo 1 and each Qualifying Holdco may be enforced by or against Amalco; and

(F) the Articles of Arrangement shall be deemed to be the articles of incorporation of Amalco and the Certificate of Arrangement shall be deemed to be the certificate of incorporation of Amalco.

3.3 Post-Effective Time Procedures

At or prior to the Effective Time, IrishCo shall (i) deposit or cause to be deposited with the Arrangement Exchange Agent, for the benefit of and to be held on behalf of the Selling Shareholders, the aggregate amount of cash that such Selling Shareholders are entitled to receive under the Arrangement; (ii) deposit or cause to be deposited with the Arrangement Exchange Agent, for the benefit of and to be held on behalf of the Selling Shareholders and the Optionholders, certificates representing the IrishCo Shares that such Selling Shareholders and such Optionholders are entitled to receive under the Arrangement; and (iii) deposit or cause to be deposited with the Arrangement Exchange Agent, for the benefit of and to be held on behalf of the Selling Shareholders and the Optionholders, certificates representing the Therapeutics Common Shares that such Selling Shareholders and such Optionholders are entitled to receive under the Arrangement, which certificates and cash shall be held by the Arrangement Exchange Agent as agent and nominee for the Former Shareholders and the Former Optionholders for delivery to the Former Shareholders and the Former Optionholders in accordance with the provisions of Article 4 hereof.

3.4 Fractional IrishCo Shares and Rounding of Cash Consideration

(a) No certificates representing fractional IrishCo Shares shall be issued to the Former Shareholders or the Former Optionholders upon the surrender for exchange of certificates pursuant to Section 4.1 or Section 4.2 and no dividend, stock split or other change in the capital structure of IrishCo shall relate to any such fractional security and such fractional interests shall not entitle the holder thereof to exercise any rights as a security holder of IrishCo. In lieu of any such fractional shares, each Former Shareholder and each Former Optionholder otherwise entitled to a fractional interest in an IrishCo Share will receive a cash payment equal to such Former Shareholder s or such Former Optionholder s pro rata portion of the net proceeds after expenses received by the Arrangement Exchange Agent upon the sale of whole shares representing an accumulation of all fractional interests in IrishCo Shares to which all such Former Shareholders and Former Optionholders would otherwise be entitled. The Arrangement Exchange Agent will sell such IrishCo Shares by private sale (including by way of sale through the facilities of any stock exchange upon which the IrishCo Shares are then listed) as soon as reasonably practicable following the Effective Date. The aggregate net proceeds after expenses of such sale will be distributed by the Arrangement Exchange Agent, pro rata in relation to the respective fractions, among the Former Shareholders and the Former Optionholders otherwise entitled to receive fractional interests in IrishCo Shares.

(b) If the aggregate cash amount which a Selling Shareholder is entitled to receive pursuant to Section 3.1(d) or Section 3.1(e) would otherwise include a fraction of $0.01, then the aggregate cash amount to which such Selling Shareholder shall be entitled to receive shall be rounded up to the nearest whole $0.01.

B-11

Table of Contents

ARTICLE 4

DELIVERY OF CONSIDERATION

4.1 Delivery of Share Consideration and Cash Consideration

(a) Upon surrender to the Arrangement Exchange Agent for cancellation of a certificate which immediately prior to the Effective Time represented one or more outstanding Company Common Shares, Qualifying Holdco Shares or Options, together with a duly completed and executed Letter of Transmittal, and such additional documents and instruments as the Arrangement Exchange Agent may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Arrangement Exchange Agent shall deliver to such holder following the Effective Time (in each case, less any amounts withheld pursuant to Section 4.4 hereof), (i) the number of IrishCo Shares to which such holder is entitled to receive under the Arrangement, in the form (electronic or certificate) and issued in the name set forth in the duly completed and executed Letter of Transmittal; (ii) a cheque for the cash consideration to which such holder is entitled to under the Arrangement; and (iii) the number of Therapeutics Common Shares to which such holder is entitled to receive under the Arrangement, in the form (electronic or certificate) and issued in the name set forth in the duly completed and executed Letter of Transmittal. Notwithstanding the foregoing, failure to deliver the certificate representing one or more outstanding Company Common Shares, Qualifying Holdco Shares or Options, together with the duly completed and executed Letter of Transmittal, and such additional documents and instruments as the Arrangement Exchange Agent may reasonably require, by 5:00 p.m. (Montréal time) on February 24, 2014 will result in the Arrangement Exchange Agent delivering to such holder following the Effective Time, but subject to delivery of the certificate representing one or more outstanding Company Common Shares, Qualifying Holdco Shares or Options, together with the duly completed and executed Letter of Transmittal, and such additional documents and instruments as the Arrangement Exchange Agent may reasonably require, within the time period set forth in Section 4.5 (in each case, less any amounts withheld pursuant to Section 4.4 hereof), (i) a certificate representing the number of IrishCo Shares to which such holder is entitled to receive under the Arrangement; (ii) a cheque for the cash consideration to which such holder is entitled to under the Arrangement; and (iii) a certificate representing the number of Therapeutics Common Shares to which such holder is entitled to receive under the Arrangement with each such certificate being registered in the same name as the Company Common Shares, the Qualifying Holdco Shares or Options being exchanged.

(b) After the Effective Time and until surrendered for cancellation as contemplated by Section 4.1(a) hereof, each certificate which immediately prior to the Effective Time represented one or more Company Common Shares, Qualifying Holdco Shares or Options shall be deemed at all times to represent only the right to receive in exchange therefor the entitlements which the holder of such certificate is entitled to receive in accordance with Section 4.1(a) hereof.

(c) Notwithstanding anything to the contrary herein, the only property delivered to or acquired by a Former Shareholder or a Former Optionholder herein is that which is stipulated to have been delivered to or acquired by such person in Section 3.1.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Common Shares that were exchanged pursuant to Section 3.1(d) or that were held by a Qualifying Holdco, the Qualifying Holdco Shares of which were exchanged pursuant to Section 3.1(e), shall have been lost, stolen or destroyed, then upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Arrangement Exchange Agent will deliver in exchange for such lost, stolen or destroyed certificate, the cash amount and the IrishCo Shares that such Person is entitled to receive pursuant to Section 3.1(d) or Section 3.1(e) (and any dividends or distributions with respect thereto pursuant to

Table of Contents

Section 4.3) and the Therapeutics Common Shares that such Person is entitled to receive pursuant to Section 3.1(l)(i) or Section 3.1(l)(ii) (and any dividends or distributions with respect thereto pursuant to Section 4.3), in accordance with such holder s Letter of Transmittal. When authorizing the delivery of such consideration in exchange for any lost, stolen or destroyed certificate, the Person to whom the consideration is being delivered shall, as a condition precedent to the delivery of such consideration, give a bond satisfactory to IrishCo and the Arrangement Exchange Agent in such sum as IrishCo and the Arrangement Exchange Agent may direct or otherwise indemnify IrishCo, Amalco and the Arrangement Exchange Agent in a manner satisfactory to IrishCo and the Arrangement Exchange Agent against any claim that may be made against IrishCo, Amalco or the Arrangement Exchange Agent with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to IrishCo Shares or Therapeutics Common Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Company Common Shares or Qualifying Holdco Shares or Options unless and until the holder of such certificate shall have complied with the provisions of Section 4.1 or Section 4.2 hereof. Subject to applicable law and to Section 4.4 hereof, at the time of such compliance, a Former Shareholder or a Former Optionholder entitled to receive IrishCo Shares or Therapeutics Common Shares shall receive, in addition to the delivery of a certificate representing the IrishCo Shares or Therapeutics Common Shares, a cheque for the amount of the dividend or other distribution, if any, with a record date after the Effective Time, without interest, paid with respect to such IrishCo Shares or Therapeutics Common Shares, respectively, prior to such delivery.

4.4 Withholding Rights

IrishCo, CanCo 1, Amalco, the Company and the Arrangement Exchange Agent shall be entitled to deduct and withhold from any consideration otherwise payable to any holder of Company Common Shares, Qualifying Holdco Shares or Options or any CSPP Participant, such amounts as IrishCo, CanCo 1, Amalco, the Company or the Arrangement Exchange Agent are required to deduct and withhold with respect to such payment under the Tax Act, the United States *Internal Revenue Code of 1986* or any provision of provincial, state, local or foreign tax law, in each case as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Company Common Shares, Qualifying Holdco Shares or Options or such CSPP Participant in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To the extent that the amount so required or permitted to be deducted or withheld from any payment to such holder or a CSPP Participant exceeds the cash component of the consideration otherwise payable to the holder or such CSPP Participant, IrishCo, CanCo 1, Amalco, the Company and the Arrangement Exchange Agent are hereby authorized to sell or otherwise dispose of such portion of the consideration otherwise payable to the holder or such CSPP Participant as is necessary to provide sufficient funds to IrishCo, CanCo 1, Amalco, the Company or the Arrangement Exchange Agent, as the case may be, to enable it to comply with such deduction or withholding requirement and IrishCo, CanCo 1, Amalco, the Company or the Arrangement Exchange Agent shall notify the holder or such CSPP Participant and remit the applicable portion of the net proceeds of such sale to the appropriate taxing authority, and shall remit to such holder or such CSPP Participant any unapplied balance of the proceeds of such sale.

4.5 Extinction of Rights

Any certificate which immediately prior to the Effective Time represented outstanding Company Common Shares that are exchanged pursuant to Section 3.1(d), outstanding Qualifying Holdco Shares that are exchanged pursuant to

Section 3.1(e) or outstanding Options that are exchanged pursuant to Section 3.1(a) and not deposited with all other instruments required by Section 4.1(a) or Section 4.2 on or prior to the second anniversary of the Effective Date, shall cease to represent a claim or interest of any kind or nature as a shareholder of IrishCo or

Table of Contents

Therapeutics. On such date, the cash, IrishCo Shares (or cash in lieu of fractional interests therein) and Therapeutics Common Shares to which the former registered holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to IrishCo in accordance with applicable Laws, together with all entitlements to dividends, distributions and interest thereon held for such former registered holder.

4.6 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any liens, charges, security interests, encumbrances, mortgages, hypothecs, restrictions, adverse claims or other claims of third parties of any kind.

4.7 Paramountcy

From and after the Effective Time: (i) this Plan of Arrangement shall take precedence and priority over any and all Company Common Shares, Qualifying Holdco Shares and Options issued prior to the Effective Time; (ii) the rights and obligations of the registered holders of Company Common Shares and Qualifying Holdco Shares, the Optionholders, the Company, IrishCo, Interco, Interco 2, Parent, Therapeutics, CanCo 1, each Qualifying Holdco, Amalco, the Arrangement Exchange Agent and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (iii) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Common Shares, Qualifying Holdco Shares or Options shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

4.8 Illegality of Delivery of IrishCo Shares or Therapeutics Common Shares

Notwithstanding the foregoing, if it appears to Amalco or IrishCo that it would be contrary to applicable Laws to deliver, or cause to be delivered, IrishCo Shares or Therapeutics Common Shares pursuant to the Arrangement to a Selling Shareholder or Optionholder that is not a resident of Canada, the IrishCo Shares and the Therapeutics Common Shares that otherwise would be issued to that Person will be issued to the Arrangement Exchange Agent for sale by Arrangement Exchange Agent on behalf of that Person. The IrishCo Shares and the Therapeutics Common Shares so issued to the Arrangement Exchange Agent will be pooled and sold as soon as practicable after the Effective Date, on such dates and at such prices as the Arrangement Exchange Agent determines in its sole discretion. The Arrangement Exchange Agent shall not be obligated to seek or obtain a minimum price for any of the IrishCo Shares and the Therapeutics Common Shares sold by it. Each such Person will receive a pro rata share of the cash proceeds from the sale of the IrishCo Shares or Therapeutics Common Shares sold by the Arrangement Exchange Agent (less commissions, other reasonable expenses incurred in connection with the sale of the IrishCo Shares and the Therapeutics Common Shares and any amount withheld in respect of taxes) in lieu of the IrishCo Shares and the Therapeutics Common Shares themselves. The net proceeds will be remitted in the same manner as other payments pursuant to this Article 4. None of IrishCo, Amalco or the Arrangement Exchange Agent will be liable for any loss arising out of any such sales.

ARTICLE 5

AMENDMENTS

5.1 Amendments to Plan of Arrangement

(a) Parent and the Company may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must: (i) be set out in writing; (ii) be approved by Parent and the Company; (iii) be filed with the Court and, if made following the Company Meeting, approved by the Court; and (iv) be communicated to Company Shareholders if and as required by the Court.

Table of Contents

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Company Meeting (provided that Parent shall have consented thereto in writing) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if: (i) it is consented to in writing by each of Parent and the Company (in each case, acting reasonably); and (ii) if required by the Court, it is consented to by holders of the Company Common Shares, voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Amalco, provided that it concerns a matter which, in the reasonable opinion of Amalco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any Former Shareholder or any Former Optionholder and such amendments, modifications or supplements to this Plan Arrangement need not be filed with Court or communicated to Selling Shareholders or any Former Optionholder.

(e) CanCo 1 may amend, modify and/or supplement Article 3 of this Plan of Arrangement at any time and from time to time prior to the Effective Date, including to give effect to any amendments to the Holdco Alternative and Section 2.6 of the Arrangement Agreement, provided that each such amendment, modification and/or supplement does not and will not have an adverse impact on any holder of Company Common Shares or Options.

ARTICLE 6

FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out herein.

Table of Contents

Annex C

ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the **Arrangement**) under section 192 of the Canada Business Corporations Act (the **CBCA**) of Paladin Labs Inc. (the **Company**), as more particularly described and set forth in the management proxy circular (the **Circular**) dated January 21, 2014 of the Company accompanying the notice of this meeting and as it may be amended, modified or supplemented in accordance with the arrangement agreement dated November 5, 2013 between the Company, Endo Health Solutions, Inc., Sportwell Limited, plc, Sportwell II Limited, plc, ULU Acquisition Corp., RDS Merger Sub, LLC and 8312214 Canada Inc. (as it may be amended, modified or supplemented, the Arrangement Agreement), is hereby authorized, approved and adopted.

2. The plan of arrangement of the Company, as it may be amended, modified or supplemented in accordance with its terms and the Arrangement Agreement (the **Plan of Arrangement**), the full text of which is set out in Appendix A to the Circular, is hereby authorized, approved and adopted.

3. The (i) Arrangement Agreement and transactions contemplated thereby, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified, confirmed, authorized and approved.

4. The Company is hereby authorized to apply for a final order from the Superior Court of Québec (the **Court**) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement.

5. Notwithstanding that this resolution has been passed by the holders of common shares of the Company (the **Shareholders**) or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered to, without notice to or approval of the Shareholders: (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement, to the extent permitted thereby; and (ii) subject to the terms of the Arrangement Agreement, not proceed with the Arrangement and related transactions.

6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, for filing with the Director under the CBCA articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement and transactions contemplated thereby in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

Table of Contents

Annex D

INTERIM ORDER

SUPERIOR COURT

Commercial Division

CANADA

PROVINCE OF QUEBEC

DISTRICT OF MONTRÉAL

No: 500-11-045944-143

DATE: January 17, 2014

BY: THE HONOURABLE DANIÉLE MAYRAND, J.C.S.

IN THE MATTER OF A PROPOSED ARRANGEMENT CONCERNING PALADIN LABS INC. PURSUANT TO SECTION 192 OF THE *CANADA BUSINESS CORPORATION ACT (the CBCA)*:

PALADIN LABS INC.

Petitioner

-and-

ENDO HEALTH SOLUTIONS INC.

ENDO INTERNATIONAL LIMITED

ENDO LIMITED

8312214 CANADA INC.

8312222 CANADA INC.

KNIGHT THERAPEUTICS INC.

-and-

THE DIRECTOR APPOINTED PURSUANT TO THE CBCA

Impleaded Parties

INTERIM ORDER[1]

[1] All capitalized terms used, but not otherwise defined herein, shall have the same meaning as set out in the Glossary contained in the Circular (Exhibit P-1, *en liasse,* at pp. 5 to 12).

Table of Contents

GIVEN Paladin Labs Inc. s (**Paladin**) *Motion for Interim and Final Orders in connection with a proposed arrangement* pursuant to the *Canada Business Corporations Act,* R.S.C. 1985, c. C-44 (as amended, the ***CBCA***) (the **Motion**), the exhibits, and the affidavit of Samira Sakhia filed in support thereof;

GIVEN that this Court is satisfied that the Director appointed pursuant to the *CBCA* has been duly served with the Motion and has confirmed in writing that he would not appear or be heard on the Motion;

GIVEN the provisions of the *CBCA*;

GIVEN the representations made by counsel for Paladin;

GIVEN that this Court is satisfied, at the present time, that the proposed transaction is an arrangement within the meaning of Section 192(1) of the *CBCA*;

GIVEN that this Court is satisfied, at the present time, that it is not practicable for Paladin to effect the arrangement proposed under any other provision of the *CBCA*;

GIVEN that this Court is satisfied, at the present time, that Paladin meets the requirements set out in Subsections 192(2)(a) and (b) of the *CBCA* and that Paladin is not insolvent;

GIVEN that this Court is satisfied, at the present time, that the arrangement is put forward in good faith and, in all likelihood, for a valid business purpose;

GIVEN that this Court is satisfied, based on the Motion and the representations made by Paladin s counsel, that it is not appropriate to grant an order permitting a shareholder to dissent under Section 190 of the *CBCA*;

FOR THESE REASONS, THE COURT:

[1] **GRANTS** the Interim Order sought in the Motion;

[2] **DISPENSES** Paladin of the obligation, if any, to notify any person other than the Director appointed pursuant to the CBCA with respect to the Interim Order;

[3] **ORDERS** that each Qualifying Holdco and all holders or beneficial owners of Paladin Shares or Qualifying Holdco Shares, all holders or beneficial owners of Paladin Options and all holders of any rights or entitlements under the Paladin ESPP (in each case immediately prior to the effective time) be deemed parties, as Impleaded Parties, to the present proceedings and be bound by the terms of the Orders from this Court;

As to the Interim Order:

The Meeting

[4]

ORDERS that Paladin may convene, hold and conduct the Meeting on February 24, 2014, commencing at 3:00 P.M. (Montréal time) at the following location: 6111 Royalmount Avenue, Montréal, Québec, H4P 2T4, at which time the Paladin Shareholders will be asked, among other things, to consider and, if thought appropriate, to pass, with or without variation, the Arrangement Resolution substantially in the form set forth in Appendix B of the Circular (Exhibit P-1, en liasse) to, among other things, authorize, approve and adopt the Arrangement, and to transact such other business as may properly come before the Meeting, the whole in accordance with the terms, restrictions and conditions of the articles and by-laws of Paladin, the CBCA, and this Interim Order, provided that to the extent there is any inconsistency between this Interim Order and the terms, restrictions and conditions of the articles and by-laws of Paladin or the CBCA, this Interim Order shall govern;

Table of Contents

[5] **ORDERS** that in respect of the vote on the Arrangement Resolution or any matter determined by the Chair of the Meeting to be related to the Arrangement, each registered holder of Paladin Shares shall be entitled to cast one vote in respect of each such Paladin Share held;

[6] **ORDERS** that, on the basis that each registered holder of Paladin Shares be entitled to cast one vote in respect of each such Paladin Share for the purpose of the vote on the Arrangement Resolution, the quorum for the Meeting is fixed at Paladin Shareholders present in person or by proxy holding, in aggregate, 5% of all the outstanding Paladin Shares;

[7] **ORDERS** that the only persons entitled to attend, be heard or vote at the Meeting (as it may be adjourned or postponed) shall be the registered Paladin Shareholders at the close of business on the January 21, 2014 (the **Record Date**), their proxy holders, the directors and advisors of Paladin, and representatives and advisors of Endo, provided however that such other persons having the permission of the Chair of the Meeting shall also be entitled to attend and be heard at the Meeting;

[8] **ORDERS** that for the purpose of the vote on the Arrangement Resolution, or any other vote taken at the Meeting, any spoiled ballots, illegible ballots and defective ballots shall be deemed not to be votes cast by Paladin Shareholders and further **ORDERS** that proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution;

[9] **ORDERS** that Paladin, subject to compliance with the terms of the Arrangement Agreement, if it deems it advisable, be authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present), without the necessity of first convening the Meeting or first obtaining any vote of Paladin Shareholders respecting the adjournment or postponement; further **ORDERS** that notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or by mail, as determined to be the most appropriate method of communication by Paladin; further **ORDERS** that any adjournment or postponement of the Meeting will not change the Record Date for Paladin Shareholders entitled to notice of, and to vote at, the Meeting and further **ORDERS** that at any subsequent reconvening of the Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Meeting;

[10] **ORDERS** that Paladin is authorized to make, subject to the terms of the Arrangement Agreement, and paragraph [11] below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Paladin Shareholders, or any other person entitled to receive notice pursuant to this Interim Order, and further **ORDERS** that the Arrangement and Plan of Arrangement, as so amended, modified or supplemented, shall be the Arrangement and Plan of Arrangement to be submitted to the Paladin Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing for the final approval of the Arrangement;

[11]

ORDERS that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement, as referred to in paragraph [10] above, would, if disclosed, reasonably be expected to affect a Paladin Shareholder s decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further Order of this Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as Paladin may determine;

[12] **ORDERS** that Paladin is authorized to use proxies at the Meeting; that Paladin is authorized, at its expense, to solicit proxies on behalf of its management, directly or through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine; and that Paladin may waive, in its discretion, the time limits for the deposit of proxies by the Paladin Shareholders (5:00 P.M., Montréal time, on February 20, 2014) if it considers it advisable to do so;

Table of Contents

[13] **ORDERS** that, to be effective, the Arrangement Resolution, with or without variation, must be approved by the affirmative vote of not less than 66 ⅔% of the total votes cast on the Arrangement Resolution by the Paladin Shareholders present in person or by proxy at the Meeting and entitled to vote at the Meeting; and further **ORDERS** that such vote shall be sufficient to authorize and direct Paladin to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what has been disclosed to the Paladin Shareholders in the Notice Materials (as this term is defined below);

The Notice Materials

[14] **ORDERS** that Paladin shall give notice of the Meeting, and that service of the *Motion for a Final Order* shall be made by mailing or delivering, in the manner hereinafter described and to the persons hereinafter specified, a copy of this Interim Order, together with the following documents, with such non-material amendments thereto as Paladin may deem to be necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order (collectively, the **Notice Materials**):

(a) the Notice of Meeting substantially in the same form as contained in Exhibit P-1;

(b) the Circular substantially in the same form as contained in Exhibit P-1;

(c) a form of proxy substantially in the same form as Exhibit P-13, which shall be finalized by inserting the relevant dates and other information;

(d) a Letter of Transmittal substantially in the same form as Exhibit P-14;

(e) a notice substantially in the same form as Exhibit P-15 providing, among other things, the date, time and room where the *Motion for a Final Order* will be heard, and that a copy of the Motion can be found on Paladin s Website (www.paladin-labs.com) (the **Notice of Presentation**);

[15] **ORDERS** that the Notice Materials shall be distributed:

(a) to the registered Paladin Shareholders by mailing the same to such persons in accordance with the CBCA and Paladin s by-laws at least twenty-one (21) days prior to the date of the Meeting;

(b) to the non-registered Paladin Shareholders, in compliance with National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer;

(c) to the holders of Paladin Options and participants under the Paladin ESPP, by delivering same at least twenty-one (21) days prior to the date of the Meeting in person or by recognized courier service;

(d) to Paladin s directors and auditors, by delivering same at least twenty-one (21) days prior to the date of the Meeting in person or by recognized courier service; and

(e) to the Director appointed pursuant to the CBCA, by delivering same at least twenty-one (21) days prior to the date of the Meeting in person or by recognized courier service;

[16] **ORDERS** that a copy of the Motion be posted on Paladin s Website (www.paladin-labs.com) at the same time the Notice Materials are mailed;

[17] **ORDERS** that the Record Date for the determination of Paladin Shareholders entitled to receive the Notice Materials and to attend and be heard at the Meeting and vote on the Arrangement Resolution shall be the close of business (Montréal time) on January 21, 2014;

[18] **ORDERS** that Paladin, subject to compliance with the terms of the Arrangement Agreement, may make, in accordance with this Interim Order, such additions, amendments or revision to the Notice Materials as it determines to be appropriate (the **Additional Materials**), which shall be distributed to the persons entitled to receive the Notice Materials pursuant to this Interim Order by the method and in the time determined by Paladin to be most practicable in the circumstances;

Table of Contents

[19] **DECLARES** that the mailing or delivery of the Notice Materials and any Additional Materials in accordance with this Interim Order as set out above constitutes good and sufficient notice of the Meeting upon all persons, and that no other form of service of the Notice Materials and any Additional Materials or any portion thereof, or of the Motion need be made, or notice given or other material served in respect of the Meeting to any persons;

[20] **ORDERS** that the Notice Materials and any Additional Materials shall be deemed, for the purposes of the present proceedings, to have been received and served upon:

(a) in the case of distribution by mail, three (3) business days after delivery thereof to the post office;

(b) in the case of delivery in person or by courier, upon receipt thereof at the intended recipient s address; and

(c) in the case of delivery by facsimile transmission or by e-mail, on the day of transmission;

[21] **DECLARES** that the accidental failure or omission to give notice of the Meeting to, or the non-receipt of such notice by one or more of the persons specified in this Interim Order shall not invalidate any resolution passed at the Meeting or the proceedings herein, and shall not constitute a breach of this Interim Order or defect in the calling of the Meeting, provided that if any such failure or omission is brought to the attention of Paladin, it shall use reasonable efforts to rectify such failure or omission by the method and in the time it determines to be most reasonably practicable in the circumstances;

[22] **DECLARES** that it is not appropriate that dissent rights be ordered in respect to the Arrangement;

The Final Order Hearing

[23] **ORDERS** that subject to the approval by the Paladin Shareholders of the Arrangement Resolution in the manner set forth in this Interim Order, Paladin may apply for this Court to sanction the Arrangement by way of a final judgment (the ***Motion for a Final Order***);

[24] **ORDERS** that the *Motion for a Final Order* be presented on February 27, 2014 before the Superior Court of Québec, sitting in the Commercial Division in and for the district of Montréal at the Montréal Courthouse, located at 1 Notre-Dame Street East in Montréal, Québec, Room 16.12 at 9:15 A.M. or so soon thereafter as counsel may be heard, or at any other date this Court may see fit;

[25] **ORDERS** that the mailing or delivery of the Notice Materials constitutes good and sufficient service of the Motion and good and sufficient Notice of Presentation of the *Motion for a Final Order* to all persons, whether those persons reside within Québec or in another jurisdiction;

[26] **ORDERS** that the only persons entitled to appear and be heard at the hearing of the *Motion for a Final Order* shall be the Petitioner, the Impleaded Parties, and any person that:

(a) files an appearance with this Court s registry and serve same on Paladin s counsel, (c/o: Mtre Louis-Martin O Neill, 1501 McGill College, 26th Floor, Montréal, Québec, H3A 3N9, facsimile number (514) 841-6499), no later than 4:30 p.m. on February 19, 2014 with a copy to counsel to Endo Health Solutions Inc. (c/o Andrew Gray, Torys LLP, Suite 3000, 79 Wellington Street West, Toronto, Ontario, M5K 1N2 facsimile number (416) 865-7380); and

(b) if such appearance is with a view to contesting the *Motion for a Final Order,* serves on Paladin s counsel (at the above address and facsimile number), no later than 4:30 p.m. on February 21, 2014, a written contestation supported as to the facts alleged by affidavit(s), and exhibit(s), if any;

[27] **ALLOWS** the Petitioner and the Impleaded Parties to file any further evidence they deem appropriate, by way of supplementary affidavits or otherwise, in connection with the *Motion for a Final Order*;

Table of Contents

Miscellaneous

[28] **DECLARES** that the Petitioner shall be entitled to seek leave to vary this Interim Order upon such terms and such notice as this Court deems just;

[29] **ORDERS** provisional execution of the Interim Order notwithstanding any appeal therefrom and without the necessity of furnishing any security;

[30] **THE WHOLE** without costs.

/s/ Daniele Mayrand, J.C.S
DANIELE MAYRAND, J.C.S

Table of Contents

Annex E

COMPANIES ACTS, 1963 TO 2013

A PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

ENDO INTERNATIONAL PUBLIC LIMITED COMPANY

(As adopted by Special Resolution dated [ ])

A&L Goodbody

Solicitors

Table of Contents

COMPANIES ACTS, 1963 to 2013

A PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

ENDO INTERNATIONAL PUBLIC LIMITED COMPANY

1. The name of the Company is: Endo International public limited company.
2. The Company is to be a public limited company.
3. The objects for which the Company is established are:
   - 3.1. To carry on all or any of the businesses of manufacturers, buyers, sellers, and distributing agents of and dealers in all kinds of patent, pharmaceutical, medicinal, and medicated preparations, patent medicines, drugs, herbs, and of and in pharmaceutical, medicinal, proprietary and industrial preparations, compounds, and articles of all kinds; and to manufacture, make up, prepare, buy, sell, and deal in all articles, substances, and things commonly or conveniently used in or for making up, preparing, or packing any of the products in which the Company is authorised to deal, or which may be required by customers of or persons having dealings with the Company.
   - 3.2. To invest in pharmaceutical and related assets, including, amongst other items, investments in pharmaceutical companies, products, businesses, divisions, technologies, devices, sales force and other marketing capabilities, development projects and related activities, licences, intellectual and similar property rights, premises and equipment, royalty rights and all other assets needed to operate a pharmaceuticals business.
   - 3.3. To establish, maintain and operate laboratories for the purpose of carrying on chemical, physical and other research in medicine, chemistry, industry or other unrelated or related fields.
   - 3.4. To invest (including long-term investments in, and acquisitions of, the shares of pharmaceutical companies) any monies of the Company in such investments and in such manner as may from time to time be determined, and to hold, sell or deal with such investments and generally to purchase, take on lease or in exchange or otherwise acquire any real and personal property and rights or privileges.
   - 3.5. To develop and turn to account any land acquired by the Company or in which it is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up and improving buildings and conveniences, and by planting, paving, draining, farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.
   - 3.6. To acquire and hold shares and stocks of any class or description, debentures, debenture stock, bonds, bills, mortgages, obligations, investments and securities of all descriptions and of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wheresoever constituted or carrying on business or issued or guaranteed by any government, state, dominion, colony, sovereign ruler, commissioners, trust, public; municipal, local or other authority or body of whatsoever nature and wheresoever situated and investments, securities and property of all descriptions and of any kind,

including real and chattel real estates, mortgages, reversions, assurance policies, contingencies and choses in action.

Table of Contents

3.7. To remunerate by cash payments or allotment of shares or securities of the Company credited as fully paid up or otherwise any person or company for services rendered or to be rendered to the Company or any parent or subsidiary body corporate whether in the conduct or management of its business, or in placing or assisting to place or guaranteeing the placing of any of the shares of the Company s capital, or any debentures or other securities of the Company or in or about the formation or promotion of the Company.

3.8. To purchase for investment only property of any tenure and any interest therein, and to make advances upon the security of land or other similar property or any interest therein.

3.9. To acquire by purchase, exchange, lease, fee farm grant or otherwise, either for an estate in fee simple or for any less estate or other estate or interest, whether immediate or reversionary and whether vested or contingent, any lands, tenements or hereditaments of any tenure, whether subject or not to any charges or encumbrances, and to hold, farm, work and manage and to let, sublet, mortgage or charge land and buildings of any kind, reversions, interests, annuities, life policies, and any other property real or personal, movable or immovable, either absolutely or conditionally, and either subject or not to any mortgage, charge, ground rent or other rents or encumbrances.

3.10. To erect or secure the erection of buildings of any kind with a view of occupying or letting them and to enter into any contracts or leases and to grant any licences necessary to effect the same.

3.11. To maintain and improve any lands, tenements or hereditaments acquired by the Company or in which the Company is interested, in particular by decorating, maintaining, furnishing, fitting up and improving houses, shops, flats, maisonettes and other buildings and to enter into contracts and arrangements of all kinds with tenants and others.

3.12. To sell, exchange, mortgage (with or without power of sale), assign, turn to account or otherwise dispose of and generally deal with the whole or any part of the property, shares, stocks, securities, estates, rights or undertakings of the Company, real, chattels real or personal, movable or immovable, either in whole or in part, upon whatever terms and whatever consideration the Company shall think fit.

3.13. To take part in the management, supervision, or control of the business or operations of any company or undertaking, and for that purpose to appoint and remunerate any directors, accountants, or other experts or agents to act as consultants, supervisors and agents of other companies or undertakings and to provide managerial, advisory, technical, design, purchasing and selling services.

3.14. To make, draw, accept, endorse, negotiate, issue, execute, discount and otherwise deal with bills of exchange, promissory notes, letters of credit, circular notes, and other negotiable or transferable instruments.

3.15. To redeem, purchase, or otherwise acquire in any manner permitted by law and on such terms and in such manner as the Company may think fit any shares in the Company s capital.

3.16. To guarantee, support or secure whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company or by both such methods the performance of the obligations of, and the repayment or payment of the principal amounts of and the premiums, interest and dividends on any security of any person, firm or company including (without prejudice to the generality of the foregoing) any company which is for the time being the Company s holding company or subsidiary as defined by section 155 of the Companies Act 1963 or another subsidiary as defined by the said section of the Company s holding company or otherwise associated with the Company in business notwithstanding the fact that the Company may not receive any consideration, advantage or benefit, direct or indirect from entering into such guarantee or

other arrangement or transaction contemplated herein.

Table of Contents

3.17. To lend the funds of the Company with or without security and at interest or free of interest and on such terms and conditions as the directors shall from time to time determine.

3.18. To raise or borrow or secure the payment of money in such manner and on such terms as the directors may deem expedient whether or not by the issue of bonds, debentures or debenture stock, perpetual or redeemable, or by mortgage, charge, lien or pledge upon the whole or any part of the undertaking, property, assets and rights of the Company, present or future, including its uncalled capital and generally in any other manner as the directors shall from time to time determine and to enter into or issue interest and currency hedging and swap agreements, forward rate agreements, interest and currency futures or options and other forms of financial instruments, and to purchase, redeem or pay off any of the foregoing and to guarantee the liabilities of the Company or any other person, and any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, transfer, drawings, allotments of shares; attending and voting at general meetings of the Company, appointment of directors and otherwise.

3.19. To accumulate capital for any of the purposes of the Company, and to appropriate any of the Company s assets to specific purposes, either conditionally or unconditionally, and to admit any class or section of those who have any dealings with the Company to any share in the profits thereof or in the profits of any particular branch of the Company s business or to any other special rights, privileges, advantages or benefits.

3.20. To reduce the share capital of the Company in any manner permitted by law.

3.21. To make gifts or grant bonuses to officers or other persons who are or have been in the employment of the Company and to allow any such persons to have the use and enjoyment of such property, chattels or other assets belonging to the Company upon such terms as the Company shall think fit.

3.22. To establish and maintain or procure the establishment and maintenance of any pension or superannuation fund (whether contributory or otherwise) for the benefit of and to give or procure the giving of donations, gratuities, pensions, annuities, allowances, emoluments or charitable aid to any persons who are or were at any time in the employment or service of the Company or any of its predecessors in business, or of any company which is a subsidiary of the Company or who may be or have been directors or officers of the Company, or of any such other company as aforesaid, or any persons in whose welfare the Company or any such other company as aforesaid may be interested and the wives, husbands, widows, widowers, families, relatives or dependants of any such persons and to make payments towards insurance and assurance and to form and contribute to provident and benefit funds for the benefit of such persons and to remunerate any person, firm or company rendering services to the Company, whether by cash payment, gratuities, pensions, annuities, allowances, emoluments or by the allotment of shares or securities of the Company credited as paid up in full or in part or otherwise.

3.23. To employ experts to investigate and examine into the conditions, prospects, value, character and circumstances of any business concerns, undertakings, assets, property or rights.

3.24. To insure the life of any person who may, in the opinion of the Company, be of value to the Company, as having or holding for the Company interests, goodwill, or influence or otherwise and to pay the premiums on such insurance.

3.25. To distribute either upon a distribution of assets or division of profits among the Members of the Company in kind any property of the Company, and in particular any shares, debentures or securities of other companies belonging to the Company or of which the Company may have the power of disposing.

E-4

Table of Contents

3.26. To give, whether directly or indirectly, and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company, or, where the Company is a subsidiary company, in its holding company.

3.27. To do and carry out all or any of the foregoing objects in any part of the world and either as principals, agents, contractors, trustees or otherwise, and either by or through agents, trustees or otherwise and either alone or in partnership or in conjunction with any other company, firm or person, provided that nothing herein contained shall empower the Company to carry on the businesses of insurance.

3.28. Apply for, purchase or otherwise acquire any patents, brevets d invention, licences, trademarks, industrial designs, know-how, concessions and other forms of intellectual property rights and the like conferring any exclusive or non-exclusive or limited or contingent rights to use, or any secret or other information as to any invention or process of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired.

3.29. Enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the Company is authorised to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.

3.30. Acquire and undertake the whole or any part of the undertaking, business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or which is capable of being conducted so as to benefit the Company directly or indirectly or which is possessed of assets suitable for the purposes of the Company.

3.31. Adopt such means of making known the Company and its products and services as may seem expedient.

3.32. Acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company.

3.33. Promote any company or companies for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company.

3.34. Amalgamate with, merge with or otherwise become part of or associated with any other company or association in any manner permitted by law.

3.35. To do and carry out all such other things, except the issuing of policies of insurance, as may be deemed by the Company capable of being conveniently carried on in connection with the above objects or any of them or calculated to enhance the value of or render profitable any of the Company s properties or rights.

And it is hereby declared that the word company in this clause, except where used in reference to this Company, shall be deemed to include any person, partnership or other body of persons whether incorporated or not incorporated and whether domiciled in the State or elsewhere and that the objects of the Company as specified in each of the foregoing paragraphs of this clause shall be separate and distinct objects and shall not be in anyway limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of each Member is limited to the amount from time to time unpaid on such Member s Shares.

E-5

Table of Contents

5. The authorised share capital of the Company is 40,000 and US$100,000 divided into 4,000,000 euro deferred shares of 0.01 each and 1,000,000,000 ordinary shares of US$0.0001 each.

6. The shares forming the capital, increased or reduced, may be increased or reduced and be divided into such classes and issued with any special rights, privileges and conditions or with such qualifications as regards preference, dividend, capital, voting or other special incidents, and be held upon such terms as may be attached thereto or as may from time to time be provided by the original or any substituted or amended Articles of Association and regulations of the Company for the time being, but so that where shares are issued with any preferential or special rights attached thereto such rights shall not be alterable otherwise than pursuant to the provisions of the Company s Articles of Association for the time being.

7. Capitalised terms that are not defined in this Memorandum of association bear the same meaning as those given in the Articles of Association of the Company.

We, the corporate body whose name and address is subscribed, wish to be formed into a company in pursuance of this memorandum of association, and we agree to take the number of shares in the capital of the Company set opposite our respective names.

Name, Address and Description of the Subscriber	Number of shares taken by the Subscriber
For and on behalf of Goodbody Subscriber One Limited IFSC, North Wall Quay, Dublin 1 Limited Liability Company	One Ordinary Share of EUR 1.00 each
For and on behalf of Goodbody Subscriber Two Limited IFSC, North Wall Quay, Dublin 1 Limited Liability Company	One Ordinary Share of EUR 1.00 each

Total Number of Shares Taken: 2

Dated

Witness to the above signature:

Name:

Address:

Occupation:

Table of Contents

Companies Acts 1963 to 2013

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ENDO INTERNATIONAL PUBLIC LIMITED COMPANY

PRELIMINARY

1. The regulations contained in Table A in the First Schedule to the 1963 Act shall not apply to the Company.

2.

2.1. In these Articles:

1963 Act	means the Companies Act 1963.
1983 Act	means the Companies (Amendment) Act 1983.
1990 Act	means the Companies Act 1990.
Address	includes, without limitation, any number or address used for the purposes of communication by way of electronic mail or other electronic communication.
Adoption Date	means the date of adoption of these Articles.
Articles or Articles of Association	means these articles of association of the Company, as amended from time to time by Special Resolution.
Assistant Secretary	means any person appointed by the Secretary from time to time to assist the Secretary.
Auditors	means the persons for the time being performing the duties of auditors of the Company.
Board	means the board of Directors for the time being of the Company.
Chairman	means the chairman of the Board from time to time and/or chairman of a general meeting of the Company as the context may require.
clear days	means, in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect.
Companies Acts	means the Companies Acts 1963-2013.
Company	means the above-named company.
Court	means the Irish High Court.
Directors	means the directors for the time being of the Company.

dividend	includes interim dividends and bonus dividends.
electronic communication	shall have the meaning given to those words in the Electronic Commerce Act 2000.

Table of Contents

electronic signature	shall have the meaning given to those words in the Electronic Commerce Act 2000.
Exchange	means any securities exchange or other system on which the Shares of the Company may be listed or otherwise authorised for trading from time to time.
Exchange Act	means the Securities Exchange Act of 1934 of the United States of America.
Member	means a person who has agreed to become a Member of the Company and whose name is entered in the Register of Members as a registered holder of Shares.
Member Associated Person	means (in connection to a Member) (A) any person controlling, directly or indirectly, or acting as a group (as such term is used in Rule 13d-5(b) under the Exchange Act) with, such Member, (B) any beneficial owner of shares of the Company owned of record or beneficially by such Member and (C) any person controlling, controlled by or under common control with such Member director by whatever name called.
Memorandum	means the memorandum of association of the Company as amended from time to time by Special Resolution.
month	means a calendar month.
Ordinary Resolution	means an ordinary resolution of the Company s Members within the meaning of section 141 of the 1963 Act.
paid-up	means paid-up in accordance with the 1983 Act as to the nominal value and any premium payable in respect of the issue of any Shares and includes credited as paid-up.
Redeemable Shares	means redeemable shares in accordance with section 206 of the 1990 Act.
Register of Members or **Register**	means the register of Members of the Company maintained by or on behalf of the Company, in accordance with the Companies Acts and includes (except where otherwise stated) any duplicate Register of Members.
registered office	means the registered office for the time being of the Company.
Seal	means the seal of the Company, if any, and includes every duplicate seal.
Secretary	means the person appointed by the Board to perform any or all of the duties of secretary of the Company and includes an Assistant Secretary and any person appointed by the Board to perform the duties of secretary of the Company.
Share and **Shares**	means a share or shares in the capital of the Company.
Special Resolution	means a special resolution of the Company s Members within the meaning of section 141 of the 1963 Act.

2.2. In these Articles:

2.2.1. words importing the singular number include the plural number and vice-versa;

2.2.2. words importing the feminine gender include the masculine gender;

E-8

Table of Contents

2.2.3. words importing persons include any company, partnership or other body of persons, whether corporate or not, any trust and any government, governmental body or agency or public authority, whether of Ireland or elsewhere;

2.2.4. expressions referring to written and in writing shall be construed, unless the contrary intention appears, as including references to printing, lithography, photography and any other modes of representing or reproducing words in a visible form except as provided in these Articles and/or where it constitutes writing in electronic form sent to the Company, and the Company has agreed to its receipt in written form;

2.2.5. expressions referring to execution of any document shall include any mode of execution whether under seal or under hand or any mode of electronic signature as shall be approved by the Directors;

2.2.6. expressions referring to receipt of any electronic communications shall, unless the contrary intention appears, be limited to receipt in such manner as the Company has approved;

2.2.7. references to a company include any body corporate or other legal entity, whether incorporated or established in Ireland or elsewhere;

2.2.8. references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;

2.2.9. any phrase introduced by the terms including , include , in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

2.2.10. reference to officer or officers in these Articles means any executive that has been designated by the Company as an officer and, for the avoidance of doubt, shall not have the meaning given to such term in the 1963 Act and any such officers shall not constitute officers of the Company within the meaning of section 2(1) of the 1963 Act;

2.2.11. headings are inserted for reference only and shall be ignored in construing these Articles; and

2.2.12. references to US$, USD, $ or dollars shall mean United States dollars, the lawful currency of the United States of America and references to , euro, or EUR shall mean the euro, the lawful currency of Ireland.

REGISTERED OFFICE

3. The registered office shall be at such place in Ireland as the Board from time to time shall decide.

SHARE CAPITAL; ISSUE OF SHARES

4. The authorised share capital of the Company is 40,000 and US$100,000 divided into 4,000,000 euro deferred shares of 0.01 each and 1,000,000,000 ordinary shares of US$0.0001 each.

Table of Contents

5. Subject to the provisions of these Articles relating to new Shares, the Shares shall be at the disposal of the Directors, and they may (subject to the provisions of the Companies Acts) allot, grant options over or otherwise dispose of them to such persons, on such terms and conditions and at such times as they may consider to be in the best interests of the Company and its Members, but so that no Share shall be issued at a discount save in accordance with sections 26(5) and 28 of the 1983 Act, and so that, in the case of Shares offered to the public for subscription, the amount payable on application on each Share shall not be less than one-quarter of the nominal amount of the Share and the whole of any premium thereon.

6. Subject to any requirement to obtain the approval of Members under any laws, regulations or the rules of any Exchange, the Board is authorised, from time to time, in its discretion, to grant such persons, for such periods and upon such terms as the Board deems advisable, options to purchase or subscribe for any number of Shares of any class or classes or of any series of any class as the Board may deem advisable, and to cause warrants or other appropriate instruments evidencing such options to be issued.

7.

7.1. The Directors are, for the purposes of section 20 of the 1983 Act, generally and unconditionally authorised to exercise all powers of the Company to allot and issue relevant securities (as defined by the said section 20) up to the amount of Company s authorised share capital as at the date of adoption of these Articles and to allot and issue any Shares purchased or redeemed by or on behalf of the Company pursuant to the provisions of Part XI of the 1990 Act and held as treasury shares and this authority shall expire five years from the date of adoption of these Articles.

7.2. The Directors are hereby empowered pursuant to sections 23 and 24(1) of the 1983 Act to allot equity securities within the meaning of the said section 23 for cash pursuant to the authority conferred by Article 7.1 as if section 23(1) of the said 1983 Act did not apply to any such allotment. The Company may before the expiry of such authority make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Board may allot equity securities in pursuance of such an offer or agreement as if the power conferred by Article 7.1 had not expired.

7.3. The Company may issue share warrants to bearer pursuant to section 88 of the 1963 Act.

8. Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, any Share in the Company may be issued with such preferred or deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by Ordinary Resolution determine.

9. The Company may pay commission to any person in consideration of any person subscribing or agreeing to subscribe, whether absolutely or conditionally, for the Shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any Shares in the Company on such terms and, subject to the provisions of the Companies Acts and to such conditions as the Board may determine, including, without limitation, by paying cash or allotting and issuing fully or partly paid Shares or any combination of the two. The Company may also on any issue of Shares pay such brokerage as may be lawful.

ORDINARY SHARES

10. The holder of an ordinary share shall be:

10.1. entitled to dividends on a *pro rata* basis in accordance with the relevant provisions of these Articles;

10.2. entitled to participate *pro rata* in the distribution of the total assets of the Company in the event of the Company s winding up; and

10.3. entitled, subject to the right of the Company to set record dates for the purpose of determining the identity of Members entitled to notice of and/or vote at a general meeting, to attend general meetings of the Company and shall be entitled to one vote for each Ordinary Share registered in his or her name in the Register of Members, in accordance with the relevant provisions of these Articles.

Table of Contents

11. An ordinary share shall be deemed to be a Redeemable Share on, and from the time of, the existence or creation of an agreement, transaction or trade between the Company (including any agent or broker acting on behalf of the Company) and any third party pursuant to which the Company acquires or will acquire ordinary shares, or an interest in ordinary shares, from the relevant third party. In these circumstances, the acquisition of such shares by the Company shall constitute the redemption of a Redeemable Share in accordance with Part XI of the 1990 Act.

12. All ordinary shares shall rank *pari passu* with each other in all respects.

EURO DEFERRED SHARES

13. The holders of the euro deferred shares shall not be entitled to receive any dividend or distribution and shall not be entitled to receive notice of, nor to attend, speak or vote at any general meeting of the Company. On a return of assets, whether on liquidation or otherwise, the euro deferred shares shall entitle the holder thereof only to the repayment of the amounts paid up on such shares after repayment of the capital paid up on the ordinary shares plus the payment of $5,000,000 on each of the ordinary shares and the holders of the euro deferred shares (as such) shall not be entitled to any further participation in the assets or profits of the Company.

14. The Special Resolution adopting these Articles passed on the Adoption Date shall be deemed to confer irrevocable authority on the Company at any time after the Adoption Date:

14.1. to acquire all or any of the fully paid euro deferred shares otherwise than for valuable consideration in accordance with section 41(2) of the 1983 Act and without obtaining the sanction of the holders thereof;

14.2. to appoint any person to execute on behalf of the holders of the euro deferred shares remaining in issue (if any) a transfer thereof and/or an agreement to transfer the same otherwise than for valuable consideration to the Company or to such other person as the Company may nominate;

14.3. to cancel any acquired euro deferred shares; and

14.4. pending such acquisition and/or transfer and/or cancellation to retain the certificate (if any) for such euro deferred shares.

15. In accordance with section 43(3) of the 1983 Act the Company shall, not later than three (3) years after any acquisition by it of any euro deferred shares as aforesaid, cancel such shares (except those which, or any interest of the Company in which, it shall have previously disposed of) and reduce the amount of the share capital by the nominal value of the shares so cancelled and the Board may take such steps as are requisite to enable the Company to carry out its obligations under that subsection without complying with sections 72 and 73 of the 1963 Act including passing resolutions in accordance with section 43(5) of the 1983 Act.

16. Neither the acquisition by the Company otherwise than for valuable consideration of all or any of the euro deferred shares nor the redemption thereof nor the cancellation thereof by the Company in accordance with this Article shall constitute a variation or abrogation of the rights or privileges attached to the euro deferred shares, and accordingly the euro deferred shares or any of them may be so acquired, redeemed and cancelled without any such consent or sanction on the part of the holders thereof. The rights conferred upon the holders of the euro deferred shares shall not be deemed to be varied or abrogated by the creation of further shares ranking in priority thereto or pari passu therewith.

ISSUE OF WARRANTS

17. The Board may issue warrants to subscribe for any class of Shares or other securities of the Company on such terms as it may from time to time determine.

Table of Contents

CERTIFICATES FOR SHARES

18. Unless otherwise provided for by the Board or the rights attaching to or by the terms of issue of any particular Shares, or to the extent required by any Exchange, depository or any operator of any clearance or settlement system, no person whose name is entered as a Member in the Register of Members shall be entitled to receive a share certificate for all Shares of each class held by him or her (nor on transferring a part of holding, to a certificate for the balance).

19. Any share certificate, if issued, shall specify the number of Shares in respect of which it is issued and the amount paid thereon or the fact that they are fully paid, as the case may be, and may otherwise be in such form as shall be determined by the Board. Such certificates may be under Seal. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. The name and address of the person to whom the Shares represented thereby are issued, with the number of Shares and date of issue, shall be entered in the Register of Members of the Company. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of Shares shall have been surrendered and cancelled. The Board may authorise certificates to be issued with the Seal and authorised signature(s) affixed by some method or system of mechanical process. In respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue a certificate or certificates to each such person, and the issue and delivery of a certificate or certificates to one of several joint holders shall be sufficient delivery to all such holders.

20. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating such evidence, as the Board may prescribe, and, in the case of defacement or wearing out, upon delivery of the old certificate.

REGISTER OF MEMBERS

21. The Company shall maintain or cause to be maintained a Register of its Members in accordance with the Companies Acts.

22. If the Board considers it necessary or appropriate, the Company may establish and maintain a duplicate Register or Registers of Members at such location or locations within or outside Ireland as the Board thinks fit. The original Register of Members shall be treated as the Register of Members for the purposes of these Articles and the Companies Acts.

23. The Company, or any agent(s) appointed by it to maintain the duplicate Register of Members in accordance with these Articles, shall as soon as practicable and on a regular basis record or procure the recording in the original Register of Members all transfers of Shares effected on any duplicate Register of Members and shall at all times maintain the original Register of Members in such manner as to show at all times the Members for the time being and the Shares respectively held by them, in all respects in accordance with the Companies Acts.

24. The Company shall not be bound to register more than four (4) persons as joint holders of any Share. If any Share shall stand in the names of two (2) or more persons, the person first named in the Register of Members shall be deemed the sole holder thereof as regards service of notices and, subject to the provisions of these Articles, all or any other matters connected with the Company.

E-12

Table of Contents

TRANSFER OF SHARES

25. Subject to such of the restrictions of these Articles and to such of the conditions of issue or transfer as may be applicable, all transfers of Shares shall be effected by an instrument in writing (an instrument of transfer) in such form as the Board may approve. All such instruments of transfer must be left at the registered office or at such other place as the Board may specify and all such instruments of transfer shall be retained by the Company. An instrument of transfer need not be executed by the transferee.

26.

26.1. The instrument of transfer of any Share shall be executed by the transferor or alternatively for and on behalf of the transferor by the Secretary (or such other person as may be nominated by the Secretary for this purpose) on behalf of the Company, and the Company, the Secretary (or relevant nominee) shall be deemed to have been irrevocably appointed agent for the transferor of such Share or Shares with full power to execute, complete and deliver in the name of and on behalf of the transferor of such Share or Shares all such transfers of Shares held by the Members in the share capital of the Company. Any document which records the name of the transferor, the name of the transferee, the class and number of Shares agreed to be transferred, the date of the agreement to transfer Shares, shall, once executed in accordance with this Article, be deemed to be a proper instrument of transfer for the purposes of section 81 of the 1963 Act.

26.2. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered on the Register in respect thereof, and neither the title of the transferee nor the title of the transferor shall be affected by any irregularity or invalidity in the proceedings in reference to the sale should the Board so determine.

26.3. The Company, at its absolute discretion and insofar as the Companies Acts or any other applicable law permits, may, or may procure that a subsidiary of the Company shall, pay Irish stamp duty arising on a transfer of Shares on behalf of the transferee of such Shares of the Company. If stamp duty resulting from the transfer of Shares in the Company which would otherwise be payable by the transferee is paid by the Company or any subsidiary of the Company on behalf of the transferee, then in those circumstances, the Company shall, on its behalf or on behalf of its subsidiary (as the case may be), be entitled to (i) seek reimbursement of the stamp duty from the transferee, (ii) set-off the stamp duty against any dividends payable to the transferee of those Shares and (iii) to claim a first and permanent lien on the Shares on which stamp duty has been paid by the Company or its subsidiary for the amount of stamp duty paid.

26.4. Notwithstanding the provisions of these Articles and subject to any regulations made under section 239 of the 1990 Act, title to any Shares in the Company may also be evidenced and transferred without a written instrument in accordance with section 239 of the 1990 Act or any regulations made thereunder. The Board shall have power to permit any class of Shares to be held in uncertificated form and to implement any arrangements they think fit for such evidencing and transfer which accord with such regulations and in particular shall, where appropriate, be entitled to disapply or modify all or part of the provisions in these Articles with respect to the requirement for written instruments of transfer and share certificates (if any), in order to give effect to such regulations.

27. The Board may in its absolute discretion and without assigning any reason for its decision, decline to register any transfer of any Share which is not a fully paid Share. The Board may also, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any Share unless:

27.1. The instrument of transfer is fully and properly completed and is lodged with the Company accompanied by

the certificate for the Shares (if any) to which it relates (which shall upon registration of the transfer be cancelled) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

27.2. the instrument of transfer is in respect of only one class of Shares;

Table of Contents

27.3. a registration statement under the Securities Act of 1933 of the United States of America is in effect with respect to such transfer or such transfer is exempt from registration and, if requested by the Board, a written opinion from counsel reasonably acceptable to the Board is, obtained to the effect that such transfer is exempt from registration;

27.4. the instrument of transfer is properly stamped (in circumstances where stamping is required);

27.5. in the case of a transfer to joint holders, the number of joint holders to which the Share is to be transferred does not exceed four;

27.6. it is satisfied, acting reasonably, that all applicable consents, authorisations, permissions or approvals of any governmental body or agency in Ireland or any other applicable jurisdiction required to be obtained under relevant law prior to such transfer have been obtained; and

27.7. it is satisfied, acting reasonably, that the transfer would not violate the terms of any agreement to which the Company (or any of its subsidiaries) and the transferor are party or subject.

28. If the Board shall refuse to register a transfer of any Share, it shall, within two (2) months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

29. The Company shall not be obligated to make any transfer to an infant or to a person in respect of whom an order has been made by a competent court or official on the grounds that he or she is or may be suffering from mental disorder or is otherwise incapable of managing his or her affairs or under other legal disability.

30. Upon every transfer of Shares the certificate (if any) held by the transferor shall be given up to be cancelled, and shall forthwith be cancelled accordingly, and subject to Article 18 a new certificate may be issued without charge to the transferee in respect of the Shares transferred to him or her, and if any of the Shares included in the certificate so given up shall be retained by the transferor, a new certificate in respect thereof may be issued to him or her without charge.

REDEMPTION AND REPURCHASE OF SHARES

31. Subject to the provisions of Part XI of the 1990 Act and the other provisions of this Article 31, the Company may:

31.1. pursuant to section 207 of the 1990 Act, issue any Shares of the Company which are to be redeemed or are liable to be redeemed at the option of the Company or the Member on such terms and in such manner as may be determined by the Company in general meeting (by Special Resolution) on the recommendation of the Board;

31.2. redeem Shares of the Company on such terms as may be contained in, or be determined pursuant to the provisions of, these Articles. Subject as aforesaid, the Company may cancel any Shares so redeemed or may hold them as treasury shares and re-issue such treasury shares as Shares of any class or classes or cancel them;

31.3. subject to or in accordance with the provisions of the Companies Acts and without prejudice to any relevant special rights attached to any class of Shares, pursuant to section 211 of the 1990 Act, purchase any of its own Shares (including any Redeemable Shares and without any obligation to purchase on any *pro rata* basis as between Members or Members of the same class) and may cancel any Shares so purchased or hold them as treasury (as defined by section 209 of the 1990 Act) and may reissue any such Shares as Shares of any class or classes or cancel them; or

31.4. pursuant to section 210 of the 1990 Act, convert any of its Shares into Redeemable Shares provided that the total number of Shares which shall be redeemable pursuant to this authority shall not exceed the limit in section 210(4) of the 1990 Act.

Table of Contents

32. The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Acts.

33. The holder of the Shares being purchased shall be bound to deliver up to the Company at its registered office or such other place as the Board shall specify, the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him or her the purchase or redemption monies or consideration in respect thereof.

VARIATION OF RIGHTS OF SHARES

34. If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may be varied or abrogated with the consent in writing of the holders of three-quarters of all the votes of the issued Shares of that class, or with the sanction of a Special Resolution passed at a general meeting of the holders of the Shares of that class.

35. The provisions of these Articles relating to general meetings of the Company shall apply *mutatis mutandis* to every such general meeting of the holders of one class of Shares except that the necessary quorum shall be one or more persons holding or representing by proxy at least one-half of the issued Shares of the class.

36. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by (i) the creation or issue of further Shares ranking pari passu therewith; (ii) a purchase or redemption by the Company of its own Shares; or (iii) the creation or issue for value (as determined by the Board) of further Shares ranking as regards participation in the profits or assets of the Company or otherwise in priority to them.

LIEN ON SHARES

37. The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all monies (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Board, at any time, may declare any Share to be wholly or in part exempt from the provisions of this Article 37. The Company s lien on a Share shall extend to all monies payable in respect of it.

38. The Company may sell in such manner as the Board determines any Share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen (14) clear days after notice demanding payment, and stating that if the notice is not complied with the Share may be sold, has been given to the holder of the Share or to the person entitled to it by reason of the death or bankruptcy of the holder.

39. To give effect to a sale, the Board may authorise some person to execute an instrument of transfer of the Share(s) sold to, or in accordance with, the directions of, the transferee. The transferee shall be entered in the Register as the holder of the Share(s) comprised in any such transfer and he or she shall not be bound to see to the application of the purchase monies nor shall his or her title to the Share be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale, and after the name of the transferee has been entered in the Register, the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

40.

The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the sum for which the lien exists as is presently payable and any residue (upon surrender to the Company for cancellation of the certificate for the Shares sold and subject to a like lien for any monies not presently payable as existed upon the Shares before the sale) shall be paid to the person entitled to the Shares at the date of the sale.

Table of Contents

41. Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any Shares registered in the Register as held either jointly or solely by any Members or in respect of any dividends, bonuses or other monies due or payable or accruing due or which may become due or payable to such Member by the Company on, or in respect of, any Shares registered as mentioned above or for or on account or in respect of any Member and whether in consequence of:

a) the death of such Member;

b) the non-payment of any income tax or other tax by such Member;

c) the non-payment of any estate, probate, succession, death, stamp or other duty by the executor or administrator of such Member or by or out of his or her estate; or

d) any other act or thing;

in every such case (except to the extent that the rights conferred upon holders of any class of Shares renders the Company liable to make additional payments in respect of sums withheld on account of the foregoing):

41.1. the Company shall be fully indemnified by such Member or his or her executor or administrator from all liability;

41.2. the Company shall have a lien upon all dividends and other monies payable in respect of the Shares registered in the Register as held either jointly or solely by such Member for all monies paid or payable by the Company as referred to above in respect of such Shares or in respect of any dividends or other monies thereon or for or on account or in respect of such Member under or in consequence of any such law, together with interest at the rate of fifteen percent (15%) per annum (or such other rate as the Board may determine) thereon from the date of payment to date of repayment, and the Company may deduct or set off against such dividends or other monies so payable any monies paid or payable by the Company as referred to above together with interest at the same rate;

41.3. the Company may recover as a debt due from such Member or his or her executor or administrator (wherever constituted) any monies paid by the Company under or in consequence of any such law and interest thereon at the rate and for the period referred to above in excess of any dividends or other monies then due or payable by the Company; and

41.4. the Company may if any such money is paid or payable by it under any such law as referred to above refuse to register a transfer of any Shares by any such Member or his or her executor or administrator until such money and interest is set off or deducted as referred to above or in the case that it exceeds the amount of any such dividends or other monies then due or payable by the Company, until such excess is paid to the Company.

Subject to the rights conferred upon the holders of any class of Shares, nothing in this Article 41 will prejudice or affect any right or remedy which any law may confer or purport to confer on the Company. As between the Company and every such Member as referred to above (and, his or her executor, administrator and estate, wherever constituted), any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

Table of Contents

CALLS ON SHARES

42. Subject to the terms of allotment, the Board may make calls upon the Members in respect of any monies unpaid on their Shares and each Member (subject to receiving at least fourteen (14) clear days notice specifying when and where payment is to be made) shall pay to the Company as required by the notice the amount called on his or her Shares. A call may be required to be paid by instalments. A call may be revoked before receipt by the Company of a sum due thereunder, in whole or in part and payment of a call may be postponed in whole or in part.

43. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

44. A person on whom a call is made shall (in addition to a transferee) remain liable notwithstanding the subsequent transfer of the Share in respect of which the call is made.

45. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

46. If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due until it is paid at the rate fixed by the terms of allotment of the Share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Companies Acts) but the Board may waive payment of the interest wholly or in part.

47. An amount payable in respect of a Share on allotment or at any fixed date, whether in respect of nominal value by way of premium, shall be deemed to be a call and if it is not paid, the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

48. Subject to the terms of allotment, the Board may make arrangements on the issue of Shares for a difference between the holders in the amounts and times of payment of calls on their Shares.

49. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the monies uncalled and unpaid upon any Shares held by him or her, and upon all or any of the monies so advanced may pay (until the same would, but for such advance, become payable) interest at such rate as may be agreed upon between the Directors and the Member paying such sum in advance.

FORFEITURE

50. If a Member fails to pay any call or instalment of a call on the day appointed for payment thereof, the Directors, at any time thereafter during such times as any part of the call or instalment remains unpaid, may serve a notice on him or her requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued.

51. The notice shall state a further day (not earlier than the expiration of fourteen (14) clear days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

52. If the requirements of any such notice as aforesaid are not complied with, then at any time thereafter before the payment required by the notice has been made, any Shares in respect of which the notice has been given may be forfeited by a resolution of the Directors to that effect. The forfeiture shall include all dividends or other monies payable in respect of the forfeited Shares and not paid before forfeiture. The Board may accept

a surrender of any Share liable to be forfeited hereunder.

Table of Contents

53. On the trial or hearing of any action for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one of the holders, of the Shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the Member sued, in pursuance of these Articles, and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

54. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal, such a Share is to be transferred to any person, the Board may authorise some person to execute an instrument of transfer of the Share to that person. The Company may receive the consideration, if any, given for the Share on any sale or disposition thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed of and thereupon he or she shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his or her title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

55. A person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but nevertheless shall remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him or her to the Company in respect of the Shares, without any deduction or allowance for the value of the Shares at the time of forfeiture but his or her liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.

56. A statutory declaration or affidavit that the declarant is a Director or the Secretary of the Company, and that a Share in the Company has been duly forfeited on the date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

57. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

58. The Directors may accept the surrender of any Share which the Directors have resolved to have been forfeited upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered Share shall be treated as if it has been forfeited.

NON-RECOGNITION OF TRUSTS

59. The Company shall not be obligated to recognise any person as holding any Share upon any trust (except as is otherwise provided in these Articles or to the extent required by law) and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future, or partial interest in any Share, or any interest in any fractional part of a Share, or (except only as is otherwise provided by these Articles or the Companies Acts) any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder. This shall not preclude the Company from requiring the Members or a transferee of Shares to furnish to the Company with information as to the beneficial ownership of any Share when such information is reasonably required by the Company.

Table of Contents

TRANSMISSION OF SHARES

60. If a Member dies, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he or she was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his or her interest in the Shares; but nothing herein contained shall release the estate of any deceased holder from any liability in respect of any Share which had been jointly held by him or her solely or jointly with other persons.

61. A person becoming entitled to a Share in consequence of the death, bankruptcy, liquidation or insolvency of a Member, or otherwise becoming entitled to a Share by operation of any law, directive or regulation (whether of the State, the European Union, or any other jurisdiction) may elect, upon such evidence of title being produced as the Directors may reasonably require at any time and from time to time, and subject as further provided in this Article, either to become the holder of the Share or to have some person nominated by him or her registered as the transferee. If he or she elects to become the holder of the Share, he or she shall give notice to the Company to that effect and, where the Directors are satisfied with the evidence of title produced to them, they may register such persons as the holder of the Share, subject to the other provisions of these Articles and of the Acts. If he or she elects to have another person registered he or she shall execute an instrument of transfer of the Share to that person. All of these Articles relating to the transfer of Shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer executed by the Member and the event giving rise to the entitlement of the relevant person to the Shares had not occurred.

62. A person becoming entitled to a Share by transmission shall have the rights to which he or she would be entitled if he or she were the holder of the Share (including, without limitation, the right to receive and give a valid discharge for any dividends, distributions or other moneys payable on or in respect of the Share), except that, before being registered as the holder of the Share he or she shall not be entitled in respect of it to receive notices of, or to attend or vote at any meeting of the Company or at any separate meeting of holders of any class of Shares in the Company, so, however, that the Directors, at any time, may give notice requiring any such person to elect either to be registered himself or herself to transfer the Share and, if the notice is not complied with within ninety (90) days, the Directors thereupon may withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

AMENDMENT OF MEMORANDUM OF ASSOCIATION; CHANGE OF LOCATION OF REGISTERED OFFICE; AND ALTERATION OF CAPITAL

63. The Company may by Ordinary Resolution:

63.1. divide its share capital into several classes and attach to them respectively any preferential, deferred, qualified or special rights, privileges or conditions;

63.2. increase the authorised share capital by such sum to be divided into Shares of such nominal value, as such Ordinary Resolution shall prescribe;

63.3. consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares;

63.4. by subdivision of its existing Shares or any of them, divide the whole or any part of its share capital into Shares of smaller nominal value than is fixed by the Memorandum subject to section 68(1)(d) of the 1963

Act, so, however, that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;

Table of Contents

63.5. cancel any Shares that at the date of the passing of the relevant Ordinary Resolution have not been taken or agreed to be taken by any person; and

63.6. subject to applicable law, change the currency denomination of its share capital.

64. Subject to the provisions of the Companies Acts, the Company may:

64.1. by Special Resolution change its name, alter or add to the Memorandum with respect to any objects, powers or other matters specified therein or alter or add to these Articles;

64.2. by Special Resolution reduce its issued share capital and any capital redemption reserve fund or any share premium account. In relation to such reductions, the Company may by Special Resolution determine the terms upon which the reduction is to be effected, including in the case of a reduction of part only of any class of Shares, those Shares to be affected; and

64.3. by resolution of the Directors, change the location of its registered office.

65. Whenever as a result of an alteration or reorganisation of the share capital of the Company any Members would become entitled to fractions of a Share, the Board may, on behalf of those Members, sell the Shares representing the fractions for the best price reasonably obtainable to any person and distribute the proceeds of sale in due proportion among those Members, and the Board may authorise any person to execute an instrument of transfer of the Shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his or her title to the Shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

66. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjournment thereof, or Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, the Board may provide, subject to the requirements of section 121 of the 1963 Act, that the Register of Members shall be closed for transfers at such times and for such periods, not exceeding in the whole thirty (30) days in each year. If the Register of Members shall be so closed for the purpose of determining Members entitled to notice of, or to vote at, a meeting of Members, such Register of Members shall be so closed for at least five (5) days immediately preceding such meeting and the record date for such determination shall be the date of the closure of the Register of Members.

67. In lieu of, or apart from, closing the Register of Members, the Board may fix in advance a date as the record date (a) for any such determination of Members entitled to notice of or to vote at a meeting of the Members, which record date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, and (b) for the purpose of determining the Members entitled to receive payment of any dividend, or in order to make a determination of Members for any other proper purpose, which record date shall not be more than sixty (60) days prior to the date of payment of such dividend or the taking of any action to which such determination of Members is relevant.

68. If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of or to vote at a meeting of Members, the date immediately preceding the date on which notice of the meeting is deemed given under these Articles shall be the record date for such determination of Members. Where a determination of Members entitled to vote at any meeting of Members has been made as provided in these Articles, such determination shall apply to any adjournment thereof; provided, however, that the Directors may fix a new record date of the adjourned meeting, if they think fit.

E-20

Table of Contents

GENERAL MEETINGS

69. The Board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Companies Acts.

70. The Board may, whenever it thinks fit, and shall, on the requisition in writing of Members holding such number of Shares as is prescribed by, and made in accordance with, section 132 of the 1963 Act, convene a general meeting in the manner required by the Companies Acts. All general meetings other than annual general meetings shall be called extraordinary general meetings.

71. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notice calling it. Not more than fifteen (15) months shall elapse between the date of one annual general meeting of the Company and that of the next. Each general meeting shall be held at such time and place as designated by the Board and as specified in the notice of meeting. Subject to section 140 of the 1963 Act, all general meetings may be held outside of Ireland.

72. The Board may, in its absolute discretion, authorise the Secretary to postpone any general meeting called in accordance with the provisions of these Articles (other than a meeting requisitioned under Article 70 or the postponement of which would be contrary to the Companies Acts, law or a Court order pursuant to the Companies Acts) if the Board considers that, for any reason, it is impractical or unreasonable to hold the general meeting, provided that notice of postponement is given to each Member before the time for such meeting. Fresh notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Articles.

NOTICE OF GENERAL MEETINGS

73. Subject to the provisions of the Companies Acts allowing a general meeting to be called by shorter notice, an annual general meeting, and an extraordinary general meeting called for the passing of a Special Resolution, shall be called by at least twenty-one (21) clear days notice and all other extraordinary general meetings shall be called by at least fourteen (14) clear days notice. Such notice shall state the date, time, place of the meeting and, in the case of an extraordinary general meeting, the general nature of the business to be considered. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day of the meeting and shall specify such other details as are required by applicable law or the relevant code, rules and regulations applicable to the listing of the Shares on the Exchange.

74. A general meeting of the Company shall, whether or not the notice specified in this Article 74 has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if applicable law so permits and it is so agreed by the Auditors and by all the Members entitled to attend and vote thereat or by their proxies.

75. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a Special Resolution shall specify the intention to propose the resolution as a Special Resolution. Notice of every general meeting shall be given in any manner permitted by these Articles to all Members other than such as, under the provisions hereof or the terms of issue of the Shares they hold, those who are not entitled to receive such notice from the Company.

76. There shall appear with reasonable prominence in every notice of general meetings of the Company a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and

vote instead of him or her and that a proxy need not be a Member of the Company.

77. The accidental omission to give notice of a general meeting to, or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings of that meeting.

Table of Contents

78. In cases where instruments of proxy are sent out with notices, the accidental omission to send such instrument of proxy to, or the non-receipt of such instrument of proxy by, any person entitled to receive notice shall not invalidate any resolution passed or any proceeding at any such meeting. A Member present, either in person or by proxy, at any general meeting of the Company or of the holders of any class of Shares in the Company, will be deemed to have received notice of that meeting and, where required, of the purpose for which it was called.

PROCEEDINGS AT GENERAL MEETINGS

79. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets and the reports of the Directors and Auditors, the election of Directors, the re-appointment of the retiring Auditors and the fixing of the remuneration of the Auditors.

80. No business shall be transacted at any general meeting unless a quorum is present. One or more Members present in person or by proxy holding not less than a majority of the issued and outstanding ordinary shares of the Company entitled to vote at the meeting in question shall be a quorum.

81. If within one hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other time or such other place as the Board may determine and if at the adjourned meeting a quorum is not present within one hour from the time appointed for the meeting the Members present shall be a quorum.

82. If the Board wishes to make this facility available to Members for a specific or all general meetings of the Company, a Member may participate in any general meeting of the Company, by means of a telephone, video, electronic or similar communication equipment by way of which all persons participating in such meeting can communicate with each other simultaneously and instantaneously and such participation shall be deemed to constitute presence in person at the meeting.

83. Each Director and the Auditors shall be entitled to attend and speak at any general meeting of the Company.

84. The Chairman, or in his absence some other Director nominated by the Directors, shall preside at every general meeting of the Company, but if at any meeting neither the Chairman, nor such other Director is present within fifteen minutes after the time appointed for the holding of the meeting, or if none of them are willing to act as Chairman, the Directors present shall choose some Director present to be Chairman, or if no Director is present, or if all the Directors present decline to take the chair, the Members present shall choose some Member present to be Chairman.

85. The Chairman of the meeting may, with the consent of any general meeting duly constituted hereunder, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished, or which might have been transacted, at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned general meeting.

Table of Contents

86. No business may be transacted at a general meeting of the Company or of any class of Members, other than business that is either proposed by or at the direction of the Board; proposed at the direction of a court of competent jurisdiction; proposed on the requisition in writing of such number of Members as is prescribed by, and is made in accordance with, the relevant provisions of the Companies Acts and, in respect of an annual general meeting only, these Articles; or the Chairman determines in his or her absolute discretion that the business may properly be regarded as within the scope of the meeting. For business or nominations to be properly brought by a Member at any general meeting, the Member proposing such business must be a Member at the time of giving the notice provided for in Articles 73 to 78 and must be entitled to vote at such meeting and any proposed business must be a proper matter for Member action.

87.

87.1. Subject to the Companies Acts, a resolution may only be put to a vote at a general meeting of the Company or of any class of Members if:

a) it is specified in the notice of meeting;

b) it is proposed by or at the direction of the Board;

c) it is proposed at the direction of a court of competent jurisdiction;

d) it is proposed pursuant to, and in accordance with, the procedures and requirements of Article 146;

e) it is proposed on the requisition in writing of such number of Members as is prescribed by, and is made in accordance with, section 132 of the 1963 Act; or

f) the Chairman of the meeting in his or her absolute discretion decides that the resolution may properly be regarded as within the scope of the meeting.

87.2. No amendment may be made to a resolution, at or before the time when it is put to a vote, unless the Chairman of the meeting in his or her absolute discretion decides that the amendment or the amended resolution may properly be put to a vote at that meeting.

87.3. If the Chairman of the meeting rules a resolution or an amendment to a resolution admissible or out of order (as the case may be), the proceedings of the meeting or on the resolution in question shall not be invalidated by any error in his or her ruling. Any ruling by the Chairman of the meeting in relation to a resolution or an amendment to a resolution shall be final and conclusive.

88.

88.1. For business to be properly requested by a Member to be brought before an annual general meeting, the Member must:

a) be a Member of the Company at the time of the giving of the notice for such annual general meeting;
b) be entitled to vote at such meeting; and

c) have given timely and proper notice in writing to the Secretary in accordance with this Article 88.

Table of Contents

88.2. To be timely for an annual general meeting, a Member s notice to the Secretary must be delivered to or mailed and received at the registered office of the Company not less than sixty (60) days nor more than ninety (90) days prior to the anniversary date of the immediately preceding annual general meeting of Members (save that in the case of the Company s first annual general meeting, references to the preceding year s annual general meeting will be to the annual general meeting of Endo Health Solutions, Inc. held that preceding year); provided, however, that in the event that the annual general meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the Member in order to be timely must be so received not later than the close of business on the tenth (10th) day following the day on which such notice of the date of the annual general meeting was mailed or such public disclosure of the date of the annual general meeting was made, whichever first occurs.

88.3. To be in proper written form, a Member s notice must set forth as to each matter such Member proposes to bring before the meeting:

88.3.1. A brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and if such business includes a proposal to amend the Articles, the text of the proposed amendment) and the reasons for conducting such business at the meeting;

88.3.2. As to the member giving notice:

(i) the name and address, as they appear in the Register of Members, of such Member and any Member Associated Person covered by this Article 88.3.2(i) and Article 88.3.2(ii) below;

(ii) (A) the class and number of Shares of the Company which are held of record or are beneficially owned by the Member and by any Member Associated Person with respect to the Company s securities; (B) a description of any agreement, arrangement or understanding in connection with the proposal of such business between or among such Member and any Member Associated Person, any of their respective affiliates or associates, and any others (including their names) acting as a group (as such term is used in Rule 13d-5(b) under the Exchange Act) with any of the foregoing; (C) a description of any agreement, arrangement or understanding (including, regardless of the form of settlement, any derivative, long or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned securities) that has been entered into, the effect or intent of which is to mitigate loss to, manage risk or benefit from share price changes for, or increase or decrease the voting power of, such Member or such Member Associated Person, with respect to shares of the Company; (D) a representation that the Member is a holder of Shares of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business; (E) a representation whether the Member or the Member Associated Person, if any, intends or is part of a group which intends (x) to deliver a proxy statement and / or form of proxy to holders of at least the percentage of the Company s outstanding Shares required to adopt the proposal and / or (y) otherwise to solicit proxies from Members in support of such proposal. If requested by the Company, the information required under clauses (A), (B) and (C) of the preceding sentence shall be supplemented by such Member and any Member Associated Person not later than ten days after the later of the record date for the meeting or the date notice of the record date is first publicly disclosed to disclose such information as of the record date; and

(iii) any material interest of the Member or any Member Associated Person in such business.

Table of Contents

The Chairman shall have the power and duty to determine whether any business proposed to be brought before the meeting was made or proposed in accordance with the procedures set forth in this Article, and if any proposed business is not in compliance with this Article 88, to declare that such defective proposal shall be disregarded. The Chairman shall, if the facts reasonably warrant, refuse to acknowledge that a proposal that is not made in compliance with the procedure specified in this Article, and any such proposal not properly brought before the meeting, be considered.

89. Except where a greater majority is required by the Companies Acts or these Articles, any question proposed for a decision of the Members at any general meeting of the Company or a decision of any class of Members at a separate meeting of any class of Shares shall be decided by an Ordinary Resolution.

90. At any general meeting, a resolution put to the vote of the meeting shall be decided on a poll. The Board or the Chairman may determine the manner in which the poll is to be taken and the manner in which the votes are to be counted.

91. A poll demanded on the election of the Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time, not being more than ten days from the date of the meeting or adjourned meeting at which the vote was taken, as the Chairman of the meeting directs, and any business other than that on which a poll has been demanded may be proceeded with pending the taking of the poll.

92. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded. On a poll, a Member entitled to more than one vote need not use all his or her votes or cast all the votes he or she uses in the same way.

93. If authorised by the Board, any vote taken by written ballot may be satisfied by a ballot submitted by electronic or telephonic transmission, provided that any such electronic or telephonic submission must either set forth or be submitted with information from which it can be determined that the electronic submission has been authorised by the Member or proxy.

94. The Board may, and at any general meeting, the Chairman of such meeting may make such arrangement and impose any requirement or restriction it or he or she considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of personal property and the restriction of items that may be taken into the meeting place. The Board and, at any general meeting, the Chairman of such meeting are entitled to refuse entry to a person who refuses to comply with such arrangements, requirements or restrictions.

95. Subject to section 141 of the 1963 Act, a resolution in writing signed by all of the Members for the time being entitled to attend and vote on such resolution at a general meeting (or being bodies corporate by their duly authorised representatives) shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held, and may consist of several documents in like form each signed by one or more persons, and if described as a special resolution shall be deemed to be a special resolution within the meaning of the 1963 Act. Any such resolution shall be served on the Company.

VOTES OF MEMBERS

96. Subject to any rights or restrictions for the time being attached to any class or classes of Shares, every Member of record present in person or by proxy shall have one vote for each Share registered in his or her name in the Register of Members.

Table of Contents

97. In the case of joint holders of record the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.

98. A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote by his or her committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other persons may vote by proxy.

99. No Member shall be entitled to vote at any general meeting unless he or she is registered as a Member on the record date for such meeting.

100. No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at such general meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the general meeting whose decision shall be final and conclusive.

101. Votes may be given either personally or by proxy. A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting and may appoint a proxy to vote both in favour of and against the same resolution in such proportion as specified in the instrument appointing the proxy.

PROXIES AND CORPORATE REPRESENTATIVES

102.

102.1. Every Member entitled to attend and vote at a general meeting may appoint a proxy to attend, speak and vote on his or her behalf and may appoint more than one proxy to attend, speak and vote at the same meeting. The appointment of a proxy or corporate representative shall be in such form and may be accepted by the Company at such place and at such time as the Board or the Secretary shall from time to time determine, subject to applicable requirements of the United States Securities and Exchange Commission and the Exchange on which the Shares are listed. No such instrument appointing a proxy or corporate representative shall be voted or acted upon after two (2) years from its date.

102.2. Without limiting the foregoing, the Board may from time to time permit appointments of a proxy to be made by means of an electronic or internet communication or facility and may in a similar manner permit supplements to, or amendments or revocations of, any such electronic or internet communication or facility to be made. The Board may in addition prescribe the method of determining the time at which any such electronic or internet communication or facility is to be treated as received by the Company. The Board may treat any such electronic or internet communication or facility which purports to be or is expressed to be sent on behalf of a Member as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that Member.

103. Any body corporate which is a Member of the Company may authorise such person or persons as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company and the person or persons so authorised shall be entitled to exercise the same powers on behalf of the body corporate which he or she represents as that body corporate could exercise if it were an individual Member of the Company. The Company may require evidence from the body corporate of the due authorisation of such person or persons to act as the representative of the relevant body corporate.

E-26

Table of Contents

104. An appointment of proxy relating to more than one meeting (including any adjournment thereof) having once been received by the Company for the purposes of any meeting shall not require to be delivered, deposited or received again by the Company for the purposes of any subsequent meeting to which it relates.

105. Receipt by the Company of an appointment of proxy in respect of a meeting shall not preclude a Member from attending and voting at the meeting or at any adjournment thereof which attendance and voting will automatically cancel any proxy previously submitted.

106. An appointment proxy shall be valid, unless the contrary is stated therein, for any adjournment of the meeting as well as for the meeting to which it relates.

107.

107.1. A vote given in accordance with the terms of an appointment of proxy or a resolution authorising a representative to act on behalf of a body corporate shall be valid notwithstanding the death or insanity of the principal, or the revocation of the appointment of proxy or of the authority under which the proxy was appointed or of the resolution authorising the representative to act or transfer of the Share in respect of which the proxy was appointed or the authorisation of the representative to act was given, provided that no direction in writing (whether in electronic form or otherwise) of such death, insanity, revocation or transfer shall have been received by the Company at the Office, at least one hour before the commencement of the meeting or adjourned meeting at which the appointment of proxy is used or at which the representative acts; PROVIDED, HOWEVER, that where such direction is given in electronic form, it shall have been received by the Company at least 24 hours (or such lesser time as the Directors may specify) before the commencement of the meeting.

107.2. The Board may send, at the expense of the Company, by post, electronic mail or otherwise, to the Members, forms for the appointment of a proxy (with or without stamped envelopes for their return) for use at any general meeting or at any class meeting, either in blank or nominating any one or more of the Directors or any other persons in the alternative.

DIRECTORS

108. Unless otherwise determined by the Company by Ordinary Resolution, the number of Directors on the Board shall be not less than five (5) nor more than twelve (12). The exact number of Directors shall be fixed from time to time by resolution of the Board.

109. The remuneration to be paid to the Directors shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Board from time to time, or a combination partly of one such method and partly the other.

110. The Board may approve additional remuneration to any Director undertaking any special work or services for, or undertaking any special mission on behalf of, the Company other than his or her ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his or her remuneration as a Director.

111. Members of special or standing committees may be allowed like compensation for attending committee meetings.

E-27

Table of Contents

DIRECTORS AND OFFICERS INTERESTS

112. A Director or an officer of the Company who is in any way, whether directly or indirectly, interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company shall, in accordance with section 194 of the 1963 Act, declare the nature of his or her interest at the first opportunity either (a) at a meeting of the Board at which the question of entering into the contract, transaction or arrangement is first taken into consideration, if the Director or officer of the Company knows this interest then exists, or in any other case, at the first meeting of the Board after learning that he or she is or has become so interested or (b) by providing a general notice to the Directors declaring that he or she is a Director or an officer of, or has an interest in, a person and is to be regarded as interested in any transaction or arrangement made with that person, and after giving such general notice it shall not be necessary to give special notice relating to any particular transaction.

113. A Director may hold any other office or place of profit under the Company (other than the office of its Auditors) in conjunction with his or her office of Director for such period and on such terms as to remuneration and otherwise as the Board may determine.

114. A Director may act by himself or herself or by his or her firm in a professional capacity for the Company (other than as its Auditors) and he or she or his or her firm shall be entitled to remuneration for professional services as if he or she were not a Director.

115. A Director may be or become a Director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or Member of any other company or otherwise interested in any company promoted by the Company or in which the Company may be interested as Member or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him or her as a Director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or Member of such other company; provided that he or she has declared the nature of his or her position with, or interest in, such company to the Board in accordance with Article 112.

116. No person shall be disqualified from the office of Director or from being an officer of the Company or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or officer of the Company shall be in any way interested be or be liable to be avoided, nor shall any Director or officer of the Company so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director or officer of the Company holding office or of the fiduciary relation thereby established; provided that:

116.1. he has declared the nature of his or her interest in such contract or transaction to the Board in accordance with Article 112; and

116.2. the contract or transaction is approved by a majority of the disinterested Directors, notwithstanding the fact that the disinterested Directors may represent less than a quorum.

117. A Director may be counted in determining the presence of a quorum at a meeting of the Board which authorises or approves the contract, transaction or arrangement in which he or she is interested and he or she shall be at liberty to vote in respect of any contract, transaction or arrangement in which he or she is interested, provided that the nature of the interest of any Director in any such contract or transaction shall be disclosed by him or her in accordance with Article 112, at or prior to its consideration and any vote thereon.

118. For the purposes of Article 112:

118.1. a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;

Table of Contents

118.2. an interest of which a Director has no knowledge and of which it is unreasonable to expect him or her to have knowledge shall not be treated as an interest of his or hers; and

118.3. a copy of every declaration made and notice given under Article 112 shall be entered within three (3) days after the making or giving thereof in a book kept for this purpose. Such book shall be open for inspection without charge by any Director, Secretary, the Auditors or Member of the Company at the registered office and shall be produced at every general meeting of the Company and at any meeting of the Directors if any Director so requests in sufficient time to enable the book to be available at the meeting.

POWERS AND DUTIES OF DIRECTORS

119. The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company and may exercise all such powers of the Company as are not, by the Companies Acts or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to any of these Articles and to the provisions of the Companies Acts. No resolution made by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been made.

120. The Board shall have the power to appoint and remove officers on such terms as the Board sees fit and to give such titles and delegate such responsibilities to those executives as it sees fit.

121. The Company may exercise the powers conferred by section 41 of the 1963 Act with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

122. Subject as otherwise provided with these Articles, the Directors may exercise the voting powers conferred by shares of any other company held or owned by the Company in such manner in all respects as they think fit and in particular they may exercise their voting powers in favour of any resolution appointing the Directors or any of them as Director or officers of such other company or providing for the payment of remuneration or pensions to the Directors or officers of such other company.

123. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person or persons and in such manner as the Directors shall from time to time by resolution determine.

124. The Directors may from time to time authorise such person or persons as they see fit to perform all acts, including without prejudice to the foregoing, to effect a transfer of any Shares, bonds, or other evidences of indebtedness or obligations, subscription rights, warrants, and other securities in another body corporate in which the Company holds an interest and to issue the necessary powers of attorney for the same; and each such person is authorised on behalf of the Company to vote such securities, to appoint proxies with respect thereto, and to execute consents, waivers and releases with respect thereto, or to cause any such action to be taken.

125. The Board may exercise all powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds or such other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Table of Contents

126. The Directors may procure the establishment and maintenance of or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, scheme or arrangement or life assurance scheme or arrangement for the benefit of, and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors or other officers) who are or shall have been at any time in the employment or service of the Company or of any company which is or was a subsidiary of the Company or of the predecessor in business of the Company or any such subsidiary or holding Company and the wives, husbands, widows, widowers, families, relatives or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription to and support of any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or its Members, and payments for or towards the issuance of any such persons as aforesaid and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object. Provided that any Director shall be entitled to retain any benefit received by him or her under this Article 126, subject only, where the Companies Acts require, to disclosure to the Members and the approval of the Company in general meeting.

127. The Board may from time to time provide for the management of the affairs of the Company in such manner as it shall think fit and the specific delegation provisions contained in the Articles shall not limit the general powers conferred by these Articles.

MINUTES

128. The Board shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Board, all resolutions and proceedings at meetings of the Company or the holders of any class of Shares, of the Directors and of committees of Directors, including the names of the Directors present at each meeting.

DELEGATION OF THE BOARD S POWERS

129. The Board may delegate any of its powers (with power to sub-delegate) to any committee consisting of one or more Directors. The Board may also delegate to any Director, officer or member of the management of the Company or any of its subsidiaries such of its powers as it considers desirable to be exercised by him or her. The Board may also designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. Any such delegation may be made subject to any conditions the Board may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of the Board shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying. Each committee shall keep regular minutes and report to the Board when required.

130. The Board may, by power of attorney or otherwise, appoint any person to be the agent of the Company on such conditions as the Board may determine, provided that the delegation is not to the exclusion of its own powers and may be revoked by the Board at any time.

131. The Board may, by power of attorney or otherwise, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in

or exercisable by the Board under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Board may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him or her.

Table of Contents

CHAIRMAN AND EXECUTIVE OFFICERS

132. The Board may elect any Director as Chairman of the Board and determine the period for which he or she is to hold office.

133. In addition to the Chairman, the Directors and the Secretary, the Company may have such officers as the Board may from time to time determine and, without limitation to the foregoing, may appoint any person (whether or not a Director) to fill the position of chief executive officer.

134. The use of the word officer (or similar words) in the title of any executive or other position shall not be deemed to imply that the person holding such executive or other position is an officer of the Company within the meaning of the Companies Acts.

PROCEEDINGS OF DIRECTORS

135. Except as otherwise provided by these Articles, the Directors shall meet together for the despatch of business, convening, adjourning and otherwise regulating their meetings and procedures as they think fit. Questions arising at any meeting shall be decided by a majority of votes of the Directors present at a meeting at which there is a quorum. Each Director shall have one vote.

136. Regular meetings of the Board may be held at such times and places as may be provided for in resolutions adopted by the Board. No additional notice of a regularly scheduled meeting of the Board shall be required.

137. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors by at least 24 hours notice in writing to every Director, which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors either at, before or after the meeting is held and provided further if notice is given in person, by telephone, cable, telex, telecopy or email, the same shall be deemed to have been given on the day it is delivered to the Directors or transmitting organisation as the case may be. The accidental omission to give notice of a meeting of the Directors to, or the non-receipt of notice of a meeting by any person entitled to receive notice, shall not invalidate the proceedings of that meeting.

138. The quorum necessary for the transaction of the business of the Board may be fixed by the Board from time to time and unless so fixed shall be a majority of the Directors in office. If a quorum shall not be present at any meeting of the Board, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

139. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

140. Any casual vacancy shall only be filled by decision of a majority of the Board then in office, provided that a quorum is present. Any Director elected to fill a vacancy not resulting from an increase in the number of Directors shall have the same remaining term as that of his or her predecessor. Any vacancy on the Board, including a vacancy that results from an increase in the number of Directors or from the death, resignation, retirement, disqualification or removal of a Director, shall be deemed a casual vacancy.

141.

If no Chairman is elected, or if at any meeting the Chairman is not present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be the Chairman of the meeting.

Table of Contents

142. All acts done by any meeting of the Directors or of a committee of Directors shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director.

143. Members of the Board or of any committee thereof may participate in a meeting of the Board or of such 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 participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. Unless otherwise determined by the Directors the meeting shall be deemed to be held at the place where the telephone call or similar communication was initiated.

144. A resolution in writing (in one or more counterparts), signed by all the Directors for the time being or all the members of a committee of Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or committee as the case may be duly convened and held.

RESIGNATION AND DISQUALIFICATION OF DIRECTORS

145. The office of a Director shall be vacated ipso facto:

145.1. if he or she resigns his or her office, on the date on which notice of his or her resignation is delivered to the registered office or tendered at a meeting of the Board or on such later date as may be specified in such notice; or

145.2. on him or her being prohibited by law from being a Director; or

145.3. on him or her ceasing to be a Director by virtue of any provision of the Companies Acts.

APPOINTMENT, ROTATION, REMOVAL AND NOMINATION OF DIRECTORS

146.

146.1. No person shall be appointed a Director, unless nominated in accordance with the provisions of this Article 146. Nominations of persons for election to the Board at a general meeting may be made:

(a) by the affirmative vote of the Board;

(b) with respect to election at an annual general meeting, by any Member who holds ordinary Shares or other Shares carrying the general right to vote at general meetings of the Company, who is a Member at the time of the giving of the notice provided for in Article 146.2 and at the time of the relevant annual general meeting, and who timely complies with the notice procedures set forth in this Article 146; and

(c) with respect to election at an extraordinary general meeting requisitioned in accordance with section 132 of the 1963 Act, by a Member or Members who hold ordinary Shares or other Shares carrying the general right to vote at general meetings of the Company and who make such nomination in the written requisition of the extraordinary general meeting in accordance with these Articles and the Companies Acts relating to nominations of Directors and the proper bringing of special business before an extraordinary general meeting,

(sub-clauses (b) and (c) being the exclusive means for a Member to make nominations of persons for election to the Board).

146.2. For nominations of persons for election as Directors at an annual general meeting to be timely, a Member s notice must comply with the requirements of Article 88.2.

Table of Contents

146.3. To be in proper written form, a Member s notice for nomination(s) of person(s) for election must in addition to any other applicable requirements set forth:

(a) as to each person whom the Member proposes to nominate for election or re election as a Director:

(i) the name, age, business address and residence address of such person;

(ii) the principal occupation or employment of such person;

(iii) the class and number of Shares of which are beneficially owned by such person in the Company and any other direct or indirect pecuniary or economic interest in any Shares of the Company of such person, including, without limitation, any derivative instrument, swap, option, warrant, short interest, hedge or profit sharing arrangement; and

(iv) any other information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of Directors, or is otherwise required, in each case pursuant to section 14 of the Exchange Act, and the rules and regulations promulgated thereunder (including, without limitation, such person s written consent to being named in the proxy statement as a nominee and to serving as a Director if elected),

(b) as to the Member giving the notice and the beneficial owner, if any, on whose behalf the nomination is made:

(i) the name and address, as they appear on the Company s Register of Members, of such Member, and of such beneficial owner;

(ii) the class and number of Shares in the Company which are beneficially owned by such Member and such beneficial owner and any other direct or indirect pecuniary or economic interest in any capital Shares of the Company of such Member and such beneficial owner, including, without limitation, any derivative instrument, swap, option, warrant, short interest, hedge or profit sharing arrangement;

(iii) a description of any arrangements or understandings between such Member and each proposed nominee and any other person (including their names) pursuant to which the nomination(s) are to be made by such Member and such beneficial owner;

(iv) a representation that such Member intends to appear in person or by proxy at the meeting to nominate the persons named in its notice; and

(v) any other information relating to such Member and such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of Directors, or may otherwise be required, in each case pursuant to section 14 of the Exchange Act and the rules and regulations promulgated thereunder.

146.4. Notwithstanding the foregoing provisions of this Article 146, unless otherwise required by law, if the Member (or a qualified representative of the Member) does not appear at the meeting of Members of the Company to present a nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Company.

146.5. The Chairman of the meeting shall determine whether a nomination was not made in accordance with the procedures prescribed by these Articles, and if he or she should so determine, he or she shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Table of Contents

146.6. The Company may require any proposed nominee to furnish such other information as it may reasonably require, including the completion of any questionnaires to determine the eligibility of such proposed nominee to serve as a Director of the Company and the impact that such service would have on the ability of the Company to satisfy the requirements of laws, rules, regulations and listing standards applicable to the Company or its Directors.

147. At every annual general meeting of the Company, all of the Directors shall retire from office unless re-elected by Ordinary Resolution at the annual general meeting. A Director retiring at a meeting shall retain office until the close of that meeting (including any adjournment thereof).

148. Every Director shall be eligible to stand for re-election at an annual general meeting.

149. If a Director offers himself for re-election, he shall be deemed to have been re-elected, unless at such meeting the Ordinary Resolution for the re-election of such Director has been defeated.

150. The Company may, by Ordinary Resolution, of which extended notice has been given in accordance with section 142 of the 1963 Act, remove any Director before the expiration of his or her period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him or her and the Company.

151. The Company may, by Ordinary Resolution, appoint another person in place of a Director removed from office under Article 147 and without prejudice to the powers of the Directors under Article 108, the Company in general meeting by Ordinary Resolution may appoint any person to be a Director either to fill a casual vacancy or as an additional Director, subject to the maximum number of Directors set out in Article 108.

152. Notwithstanding any other provision of these Articles, the Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed the number fixed by or in accordance with these Articles as the maximum number of Directors. A Director so appointed shall hold office only until the next following annual general meeting. If not reappointed at such annual general meeting, such Director shall vacate office at the conclusion thereof.

ALTERNATE DIRECTORS

153.

153.1. Any Director may appoint by writing under his or her hand one or more persons (including another Director) to be his or her alternate provided always that no such appointment of any person(s) other than a Director as an alternate shall be operative unless and until such appointment(s) shall have been approved by resolution of the Directors.

153.2. An alternate Director shall be entitled, subject to him or her giving to the Company an address, to receive notices of all meetings of the Directors and of all meetings of committees of Directors of which his or her appointor is a member, to attend and vote at any such meeting at which the Director appointing him or her is not personally present and in the absence of his or her appointor to exercise all the powers, rights, duties and authorities of his or her appointor as a Director (other than the right to appoint an alternate hereunder).

153.3. Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his or her own acts and defaults and he or she shall not be deemed to be the agent of the Director appointing him or her. The remuneration of any such alternate Director shall

be payable out of the remuneration paid to the Director appointing him or her and shall consist of such portion of the last mentioned remuneration as shall be agreed between the alternate and the Director appointing him or her.

Table of Contents

153.4. A Director may revoke at any time the appointment of any alternate appointed by him or her. If a Director shall die or cease to hold the office of Director, the appointment of his or her alternate shall thereupon cease and determine but if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he or she retires, any appointment of an alternate Director made by him or her which was in force immediately prior to his or her retirement shall continue after his or her re-appointment.

153.5. Any appointment or revocation pursuant to this Article 153 may be sent by delivery, post, cable, commercial courier, telegram, telex, telefax, electronic mail or any other means of communication approved by the Directors and may bear a printed or facsimile signature of the Director making such appointment or revocation or in any other manner approved by the Directors.

SECRETARY

154. The Secretary shall be appointed by the Board at such remuneration (if any) and on such terms as the Board sees fit and any Secretary so appointed may be removed by the Board at any time.

155. The duties of the Secretary shall be those prescribed by the Companies Acts, together with such other duties as shall from time to time be prescribed by the Board, and in any case, shall include the making and keeping of records of the votes, doings and proceedings of all meetings of the Members and the Board of the Company, and committees, and the authentication of records of the Company.

156. A provision of the Companies Acts or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

SEAL

157. The Company may, if the Board so determines, have a Seal (including any official seals kept pursuant to the Companies Acts) which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that regard and every instrument to which the Seal has been affixed shall be signed by any person who shall be either a Director or the Secretary or some other person authorised by the Board, either generally or specifically, for the purpose.

158. The Company may have for use in any place or places outside Ireland, a duplicate Seal or Seals each of which shall be a duplicate of the Seal of the Company except, in the case of a seal for use in sealing documents creating or evidencing securities issued by the Company, for the addition on its face of the word Securities and if the Board so determines, with the addition on its face of the name of every place where it is to be used.

DIVIDENDS, DISTRIBUTIONS AND RESERVES

159. The Company in general meeting may declare dividends, but no dividends shall exceed the amount recommended by the Board. Any general meeting declaring a dividend and any resolution of the Directors declaring an interim dividend may direct payment of such dividend or interim dividend wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures or debenture stocks of any other company or in any one or more of such ways, and the Board shall give effect to such resolution, and

where any difficulty arises in regard to such distribution, the Board may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed, in order to adjust the rights of all the parties, and may vest any such specific assets in trustees as may seem expedient to the Board.

Table of Contents

160. Subject to the Companies Acts, the Board may from time to time declare dividends (including interim dividends) and distributions on Shares outstanding and authorise payment of the same out of the funds of the Company lawfully available therefore and in any currency chosen at its discretion.

161. The Board may, before declaring any dividends or distributions, set aside such sums as it thinks proper as a reserve or reserves which shall at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company. The Directors may also, without placing the same to reserve, carry forward any profits which they may think it prudent not to divide.

162. No dividend, interim dividend or distribution shall be paid otherwise than in accordance with the provisions of Part IV of the 1983 Act.

163. Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends or distributions, if dividends or distributions are to be declared on a class of Shares, they shall be declared and paid according to the amounts paid or credited as paid on the Shares of such class outstanding on the record date for such dividend or distribution as determined in accordance with these Articles.

164. The Directors may deduct from any dividend payable to any Member all sums of money (if any) immediately payable by him or her to the Company in relation to his or her Shares.

165. The Board or any general meeting declaring a dividend (upon the recommendation of the Board), may direct that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid up shares, debentures, or debenture stock or similar instrument of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees as may seem expedient to the Board.

166. Any dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post, or sent by any electronic or other means of payment, directed to the registered address of the holder or, in the case of joint holders, to the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant, electronic or other payment shall be made payable to the order of the person to whom it is sent and payment of the cheque or warrant shall be a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the Share held by them as joint holders. Any such dividend or other distribution may also be paid by any other method (including payment in a currency other than US$, electronic funds transfer, direct debit, bank transfer or by means of a relevant system) which the Directors consider appropriate and any Member who elects for such method of payment shall be deemed to have accepted all of the risks inherent therein. The debiting of the Company s account in respect of the relevant amount shall be evidence of good discharge of the Company s obligations in respect of any payment made by any such methods.

167. No dividend or distribution shall bear interest against the Company.

168. If the Directors so resolve, any dividend which has remained unclaimed for six (6) years from the date of its declaration shall be forfeited and cease to remain owing by the Company. The payment by the Directors of any unclaimed dividend or other monies payable in respect of a Share into a separate account shall not constitute the Company a trustee in respect thereof.

Table of Contents

CAPITALISATION

169. Without prejudice to any powers conferred on the Directors as aforesaid, and subject to the Board s authority to issue and allot Shares under Articles 6 and 7, the Board may:

169.1. resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;

169.2. appropriate the sum resolved to be capitalised to the Members in proportion to the nominal amount of Shares held by them respectively and apply that sum on their behalf in or towards paying up in full unissued Shares or debentures of a nominal amount equal to that sum, and allot the Shares or debentures, credited as fully paid, to the Members (or as the Board may direct) in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve and profits that are not available for distribution may, for the purposes of this Article 169, only be applied in paying up unissued Shares to be allotted to Members credited as fully paid;

169.3. make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions, the Board may deal with the fractions as it thinks fit;

169.4. authorise a person to enter (on behalf of all the Members concerned) into an agreement with the Company providing for the allotment to the Members respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation and any such agreement made under this authority being effective and binding on all those Members; and

169.5. generally do all acts and things required to give effect to the resolution.

ACCOUNTS

170. The Board shall cause to be kept proper books of account, whether in the form of documents, electronic form or otherwise, that:

170.1. correctly record and explain the transactions of the Company;

170.2. will at any time enable the financial position of the Company to be determined with reasonable accuracy;

170.3. will enable the Board to ensure that any balance sheet, profit and loss account or income and expenditure account of the Company complies with the requirements of the Companies Acts;

170.4. will record all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company; and

170.5. will enable the accounts of the Company to be readily and properly audited.

171. Books of account shall be kept on a continuous and consistent basis and entries therein shall be made in a timely manner and be consistent from year to year. The Company may send by post, electronic mail or any other means of electronic communication a summary financial statement to its Members or persons nominated by any Member. The Company may meet, but shall be under no obligation to meet, any request from any of its Members to be sent additional copies of its full report and accounts or summary financial statement or other communications with its Members.

172. The books of account shall be kept at the registered office of the Company or, subject to the provisions of the Companies Acts, at such other place as the Directors think fit and shall be open at all reasonable times to the inspection of the Directors.

Table of Contents

173. Proper books shall not be deemed to be kept as required by Articles 170 to 172, if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company s affairs and to explain its transactions.

174. In accordance with the provisions of the Companies Acts, the Board may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

175. A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the annual general meeting of the Company together with a copy of the Directors report and Auditors report shall be sent by post, electronic mail or any other means of communication (electronic or otherwise), not less than twenty-one (21) clear days before the date of the annual general meeting, to every person entitled under the provisions of the Companies Acts to receive them; provided that in the case of those documents sent by electronic mail or any other means of electronic communication, such documents shall be sent with the consent of the recipient, to the Address of the recipient notified to the Company by the recipient for such purposes.

AUDIT

176. Auditors shall be appointed and their duties regulated in accordance with sections 160 to 163 of the 1963 Act or any statutory amendment thereof, any other applicable law and such requirements not inconsistent with the Companies Acts as the Board may from time to time determine.

NOTICES

177. Any notice to be given, served, sent or delivered pursuant to these Articles shall be in writing (whether in electronic form or otherwise).

177.1. A notice or document to be given, served, sent or delivered in pursuance of these Articles, and the annual report of the Company, may be given to, served on or delivered to any Director, Member or committee member by the Company:

(a) by handing same to their authorised agent;

(b) by delivering same to their registered address;

(c) by sending same by the post in a pre-paid cover addressed to their registered address; or

(d) by sending, with the consent of the Director, Member or committee member to the extent required by law, same by means of electronic mail or other means of electronic communication approved by the Directors, to the Address of the Director, Member or committee member notified to the Company by the Director, Member or committee member for such purpose (or if not so notified, then to the Address of the Director, Member or committee member last known to the Company).

177.2. For the purposes of these Articles and the Companies Act, a document shall be deemed to have been sent to a Director, Member or committee member if a notice is given, served, sent or delivered to the Director, Member or committee member and the notice specifies the website or hotlink or other electronic link at or through which the Director, Member or committee member may obtain a copy of the relevant document.

177.3.

Where a notice or document is given, served or delivered pursuant to sub-paragraph 177.1(a) or 177.1(b) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the time the same was handed to the Director, Member or committee member or his or her authorised agent, or left at his or her registered Address (as the case may be).

Table of Contents

177.4. Where a notice or document is given, served or delivered pursuant to sub-paragraph 177.1(c) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the expiration of twenty-four (24) hours after the cover containing it was posted. In proving service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.

177.5. Where a notice or document is given, served or delivered pursuant to sub-paragraph 177.1(d) of this Article, the giving, service or delivery thereof shall be deemed to have been effected at the expiration of forty-eight (48) hours after despatch.

177.6. Every legal personal representative, committee, receiver, curator bonis or other legal curator, assignee in bankruptcy, examiner or liquidator of a Member shall be bound by a notice given as aforesaid if sent to the last registered Address of such Member, or, in the event of notice given or delivered pursuant to sub-paragraph 177.1(d), if sent to the Address notified by the Company by the Member for such purpose notwithstanding that the Company may have notice of the death, lunacy, bankruptcy, liquidation or disability of such Member.

177.7. Notwithstanding anything contained in this Article, the Company shall not be obliged to take account of or make any investigations as to the existence of any suspension or curtailment of postal services within or in relation to all or any part of any jurisdiction.

177.8. Any requirement in these Articles for the consent of a Member in regard to the receipt by such Member of electronic mail or other means of electronic communications approved by the Directors, including the receipt of the Company s annual report, audited accounts and the Directors and auditor s reports thereon, shall be deemed to have been satisfied where the Company has written to the Member informing him or her of its intention to use electronic communications for such purposes and the Member has not, within four (4) weeks of the issue of such notice, served an objection in writing on the Company to such proposal. Where a Member has given, or is deemed to have given, his/her consent to the receipt by such Member of electronic mail or other means of electronic communications approved by the Directors, she/he may revoke such consent at any time by requesting the Company to communicate with him or her in documented form; provided, however, that such revocation shall not take effect until five (5) days after written notice of the revocation is received by the Company.

177.9. Without prejudice to the provisions of sub-paragraphs 177.1(a) and 177.1(b) of this Article, if at any time by reason of the suspension or curtailment of postal services in any territory, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a public announcement (as defined below) and such notice shall be deemed to have been duly served on all Members entitled thereto at noon (New York time) on the day on which the said public announcement is made. In any such case the Company shall put a full copy of the notice of the general meeting on its website. A public announcement shall mean disclosure in a press release reported by a financial news service or in a document publicly filed by the Company with the U.S. Securities and Exchange Commission pursuant to sections 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

178. Notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder whose name stands first in the Register in respect of the Share and notice so given shall be sufficient notice to all the joint holders.

179.

179.1. Every person who becomes entitled to a Share shall before his or her name is entered in the Register in respect of the Share, be bound by any notice in respect of that Share which has been duly given to a person from whom he or she derives his or her title.

Table of Contents

179.2. A notice may be given by the Company to the persons entitled to a Share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorised by these Articles for the giving of notice to a Member, addressed to them at the address, if any, supplied by them for that purpose. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

180. The signature (whether electronic signature, an advanced electronic signature or otherwise) to any notice to be given by the Company may be written (in electronic form or otherwise) or printed.

181. A Member present, either in person or by proxy, at any meeting of the Company or the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

UNTRACED HOLDERS

182.

182.1. The Company shall be entitled to sell at the best price reasonably obtainable, any Share or stock of a Member or any Share or stock to which a person is entitled by transmission if and provided that:

(a) for a period of six (6) years (not less than three (3) dividends having been declared and paid) no cheque or warrant sent by the Company through the post in a prepaid letter addressed to the Member or to the person entitled by transmission to the Share or stock at his or her address on the Register or other than the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Member or the person entitled by transmission; and

(b) at the expiration of the said period of six (6) years the Company has given notice by advertisement in a leading newspaper circulating in the area in which the address referred to in paragraph (a) of this Article is located of its intention to sell such Share or stock; and

(c) the Company has not during the further period of three (3) months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission.

182.2. To give effect to any such sale, the Company may appoint any person to execute as transferor an instrument of transfer of such Share or stock and such instrument of transfer shall be as effective as if it had been executed by the Member or person entitled by transmission to such Share or stock. The Company shall account to the Member or other person entitled to such Share or stock for the net proceeds of such sale by carrying all monies in respect thereof to a separate account which shall be a permanent debt of the Company and the Company shall be deemed to be a debtor and not a trustee in respect thereof for such Member or other person. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

DESTRUCTION OF DOCUMENTS

183. Former shareholders of Paladin Labs Inc. (Paladin) who do not deliver their Paladin share certificates and all other required documentation to Paladin s exchange agent on or before the second anniversary of the completion of the Company s indirect acquisition of Paladin (the Paladin Acquisition) may in the absolute discretion of the Board, have their relevant Shares repurchased by the Company for nil consideration in accordance with the procedures set out in Article 31.3 and thereafter shall cease to have a claim or interest of any kind or nature as a Member and shall lose their right to receive any dividend or other distribution declared by the Company with respect to his or her relevant Shares after the completion of the Paladin Acquisition.

Table of Contents

184. The Company may destroy:

184.1. any dividend mandate or any variation or cancellation thereof or any notification of change of name or address, at any time after the expiry of two (2) years from the date such mandate variation, cancellation or notification was recorded by the Company;

184.2. any instrument of transfer of Shares which has been registered, at any time after the expiry of six (6) years from the date of registration; and

184.3. any other document on the basis of which any entry in the Register was made, at any time after the expiry of six (6) years from the date an entry in the Register was first made in respect of it;

184.4. and it shall be presumed conclusively in favour of the Company that every share certificate (if any) so destroyed was a valid certificate duly and properly sealed and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided always that:

(a) the foregoing provisions of this Article shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to a claim;

(b) nothing contained in this Article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso (a) above are not fulfilled; and

(c) references in this Article to the destruction of any document include references to its disposal in any manner.

WINDING UP

185. If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up or credited as paid up share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up or credited as paid up at the commencement of the winding up on the Shares held by them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the share capital paid up or credited as paid up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital at the commencement of the winding up paid up or credited as paid up on the said Shares held by them respectively. Provided that this Article shall not affect the rights of the Members holding Shares issued upon special terms and conditions.

185.1. In case of a sale by the liquidator under section 260 of the 1963 Act, the liquidator may by the contract of sale agree so as to bind all the Members, for the allotment to the Members directly, of the proceeds of sale in proportion to their respective interests in the Company and may further, by the contract, limit a time at the expiration of which obligations or Shares not accepted or required to be sold shall be deemed to have been irrevocably refused and be at the disposal of the Company, but so that nothing herein contained shall be taken to diminish, prejudice or affect the rights of dissenting Members conferred by the said section.

185.2. The power of sale of the liquidator shall include a power to sell wholly or partially for debentures, debenture stock, or other obligations of another company, either then already constituted or about to be constituted for the purpose of carrying out the sale.

186. If the Company is wound up, the liquidator, with the sanction of a Special Resolution and any other sanction required by the Companies Acts, may divide amongst the Members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not), and, for such purpose, may value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator, with the like sanction, may vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as, with the like sanction, he or she determines, but so that no Member shall be compelled to accept any assets upon which there is a liability.

Table of Contents

INDEMNITY

187.

187.1. Subject to the provisions of, and so far as may be permitted by, the Companies Acts, every Director and Secretary shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him or her in the execution and discharge of his or her duties or in relation thereto including any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his or her favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his or her part) or in which he or she is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

187.2. As far as permissible under the Companies Acts, the Company shall indemnify any current or former executive or officer of the Company (excluding any Directors or Secretary) or any person who is serving or has served at the request of the Company as a Director, executive, officer or trustee of another company, joint venture, trust or other enterprise against expenses, including attorneys fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Company, to which he or she was, is, or is threatened to be, made a party by reason of the fact that he or she is or was such a Director, executive, officer or trustee, provided always that the indemnity contained in this Article 187.2 shall not extend to any matter which would render it void pursuant to the Companies Acts.

187.3. In the case of any threatened, pending or completed action, suit or proceeding by or in the right of the Company, the Company shall indemnify each person indicated in Article 187.2 against expenses, including attorneys fees, actually and reasonably incurred in connection with the defence or the settlement thereof, except no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for fraud or dishonesty in the performance of his or her duty to the Company unless and only to the extent that the Court or the Court in which such action or suit was brought shall determine upon application that despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the Court shall deem proper.

187.4. As far as permissible under the Companies Acts, expenses, including attorneys fees, incurred in defending any action, suit or proceeding referred to in Articles 187.2 and 187.3 may be paid by the Company in advance of the final disposition of such action, suit or proceeding as authorised by the Board in the specific case upon receipt of an undertaking by or on behalf of the Director, executive, officer or trustee, or other indemnitee to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Company as authorised by these Articles.

187.5. It being the policy of the Company that indemnification of the persons specified in this Article shall be made to the fullest extent permitted by law, the indemnification provided by this Article shall not be deemed exclusive (a) of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Memorandum, Articles, any agreement, any insurance purchased by the Company, any vote of Members or disinterested Directors, or pursuant to the direction (however embodied) of any court of competent jurisdiction, or otherwise, both as to action in his or her official capacity and as to action in

another capacity while holding such office, or (b) of the power of the Company to indemnify any person who is or was an employee or agent of the Company or of another company, joint venture, trust or other enterprise which he or she is serving or has served at the request of the Company, to the same extent and in the same situations and subject to the same determinations as are hereinabove set forth with respect to a Director, executive, officer or trustee. As used in this Article 187.5, references to the Company include all constituent companies in a consolidation or merger in which the Company or a predecessor to the Company by consolidation or merger was involved. The indemnification provided by this Article shall continue as to a person who has ceased to be a Director, executive, officer or trustee and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Table of Contents

187.6. The Directors shall have power to purchase and maintain for any Director, the Secretary or other officers or employees of the Company insurance against any such liability as referred to in section 200 of the 1963 Act.

187.7. The Company may additionally indemnify any employee or agent of the Company or any Director, executive, officer, employee or agent of any of its subsidiaries to the fullest extent permitted by law.

FINANCIAL YEAR

188. The financial year of the Company shall be as prescribed by the Board from time to time.

SHAREHOLDER RIGHTS PLAN

189. The Board is hereby expressly authorised to adopt any shareholder rights plan, upon such terms and conditions as the Board deems expedient and in the best interests of the Company, subject to applicable law.

Name, Address and Description of the Subscriber	Number of shares taken by the Subscriber
For and on behalf of Goodbody Subscriber One Limited IFSC, North Wall Quay, Dublin 1 Limited Liability Company	One Ordinary Share of EUR 1.00 each
For and on behalf of Goodbody Subscriber Two Limited IFSC, North Wall Quay, Dublin 1 Limited Liability Company	One Ordinary Share of EUR 1.00 each

Total Number of Shares Taken: 2

Dated

Witness to the above signature:

Name:

Address:

Occupation:

Table of Contents

Annex F

[Deutsche Bank Letterhead]

November 5, 2013

Board of Directors

Endo Health Solutions Inc.
1400 Atwater Drive
Malvern, PA 19355

Deutsche Bank Securities Inc.
60 Wall Street
New York, NY 10005

Ladies and Gentlemen:

Deutsche Bank Securities Inc. (Deutsche Bank) has acted as financial advisor to Endo Health Solutions Inc. (Parent) in connection with the Arrangement Agreement, dated as of November 5, 2013 (the Agreement), among Parent, Sportwell Limited, a holding company of Parent (IrishCo), Sportwell II Limited, ULU Acquisition Corp. (DE Inc.), RDS Merger Sub, LLC (Merger Sub), 8312214 Canada Inc. and Paladin Labs Inc. (the Company), which provides, among other things, for (collectively, the Transaction):

i. the acquisition by IrishCo of all outstanding shares, without par value, of the Company (the Company Shares) pursuant to the Arrangement (as defined in the Agreement), as a result of which each outstanding Company Share will be cancelled and the holder thereof will have the right to receive (a) 1.6331 (the Company Exchange Ratio) shares of common stock, par value $0.0001 per share, of IrishCo (the IrishCo Shares) (the Stock Consideration), (b) $1.16 plus an amount equal to the Company Exchange Ratio multiplied by the following amount, as applicable: (w) if the Endo VWAP Ratio (as defined in the Form of Plan of Arrangement, included as Schedule A to the Agreement) is greater than or equal to 93%, then nil; or (x) if the Endo VWAP Ratio is greater than or equal to 80% but less than 93%, then an amount equal to the Endo Announcement Date VWAP (as defined in the Form of Plan of Arrangement, included as Schedule A to the Agreement) multiplied by the percentage obtained by subtracting the Endo VWAP Ratio from 93%; or (y) if the Endo VWAP Ratio is less than 80% but greater than or equal to 76%, then the aggregate of (i) an amount equal to the Endo Announcement Date VWAP multiplied by 13%, plus (ii) an amount equal to the Endo Announcement Date VWAP multiplied by 50% multiplied by the percentage obtained by subtracting the Endo VWAP Ratio from 80%; or (z) if the Endo VWAP Ratio is less than 76%, then the aggregate of (i) an amount equal to the Endo Announcement Date VWAP multiplied by 13%, plus (ii) an amount equal to the Endo Announcement Date VWAP multiplied by 2% (the Cash Consideration) and (c) one share of common stock, without par value, of Knight Therapeutics Inc., a to be formed subsidiary of the Company (the Arrangement Therapeutics Consideration , and together with the Cash Consideration and the Stock Consideration, the Arrangement Consideration), and the Company will become a direct wholly owned subsidiary of IrishCo; and

ii. the merger of Merger Sub with and into Parent, as a result of which each outstanding share of common stock, par value $0.01 per share, of Parent (the Parent Shares) will be cancelled and automatically converted into the right to receive one IrishCo Share (the Exchange Ratio), and Parent will become a direct subsidiary of DE Inc. and indirect, wholly owned subsidiary of IrishCo.

The terms and conditions of the Transaction are more fully set forth in the Agreement.

You have requested our opinion, as investment bankers, as to the fairness of the Exchange Ratio (taking into account the Arrangement), from a financial point of view, to the holders of the outstanding Parent Shares.

In connection with our role as financial advisor to Parent, and in arriving at our opinion, we reviewed certain publicly available financial and other information concerning the Company and certain internal analyses, financial forecasts and other information relating to the Company prepared by management of the Company and approved for our use by Parent. We also reviewed certain publicly available financial and other information

Table of Contents

concerning Parent and certain internal analyses, financial forecasts and other information relating to Parent and the combined company prepared by management of Parent or approved for our use by Parent. We have also held discussions with certain senior officers and other representatives and advisors of the Company and Parent regarding the businesses and prospects of the Company and Parent, respectively, and the combined company. In addition, we have (i) reviewed the reported prices and trading activity for the Company Shares and Parent Shares, (ii) compared certain financial and stock market information for the Company with, to the extent publicly available, similar information for certain other companies we considered relevant whose securities are publicly traded, (iii) reviewed, to the extent publicly available, the financial terms of certain recent business combinations which we deemed relevant, (iv) reviewed the Agreement and certain related documents, including the Voting Agreements, dated November 5, 2013, among 4527712 Canada Inc., certain Company shareholders and Parent and (v) performed such other studies and analyses and considered such other factors as we deemed appropriate.

We have not assumed responsibility for independent verification of, and have not independently verified, any information, whether publicly available or furnished to us, concerning the Company or Parent, including, without limitation, any financial information considered in connection with the rendering of our opinion. Accordingly, for purposes of our opinion, we have, with your knowledge and permission, assumed and relied upon the accuracy and completeness of all such information. We have not conducted a physical inspection of any of the properties or assets, and have not prepared, obtained or reviewed any independent evaluation or appraisal of any of the assets or liabilities (including any contingent, derivative or off-balance-sheet assets or liabilities), of the Company or Parent or any of their respective subsidiaries, nor have we evaluated the solvency or fair value of the Company, Parent or any of their respective subsidiaries under any law relating to bankruptcy, insolvency or similar matters. With respect to the financial forecasts, including, without limitation, the analyses and forecasts of the amount and timing of certain tax benefits, cost savings and other strategic benefits projected by Parent to be achieved as a result of the Transaction (collectively, the Synergies), made available to us and used in our analyses, we have assumed with your knowledge and permission that such forecasts, including the Synergies, have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of the Company and Parent as to the matters covered thereby, and that the financial results, including the Synergies, reflected in such forecasts will be realized in the amounts and at the times projected and have relied on such forecasts in arriving at our opinion. We have further assumed with your knowledge and permission, and we were directed by Parent to use in our analyses, that the Transaction will have the tax effects that we have discussed with Parent. We also have assumed with your knowledge and permission that, upon consummation of the Transaction, IrishCo will not have any rights to the Therapeutics Assets (as defined in Schedule E to the Agreement). In rendering our opinion, we express no view as to the reasonableness of such forecasts and projections, including, without limitation, the Synergies, or the assumptions on which they are based. Our opinion is necessarily based upon economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. We expressly disclaim any undertaking or obligation to advise any person of any change in any fact or matter affecting our opinion of which we become aware after the date hereof.

For purposes of rendering our opinion, we have assumed with your knowledge and permission that, in all respects material to our analysis, the Transaction will be consummated in accordance with the terms of the Agreement, without any waiver, modification or amendment of any term, condition or agreement, and no adjustments or modifications to the structure of the Transaction will be made, in each case that would be material to our analysis, and without any adjustment to the Exchange Ratio or Arrangement Consideration attributable to changes in the outstanding shares of capital stock of Parent, IrishCo or the Company by reason of any reclassification, recapitalization, stock split or combination, exchange or readjustment of shares, or any stock dividend thereon. We also have assumed with your knowledge and permission that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Transaction will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, no restrictions, terms or conditions will be

imposed that would be material to our analysis. We are not legal, regulatory, tax or accounting experts and have relied on the assessments made by Parent and its other advisors with respect to such issues.

Table of Contents

This opinion has been approved and authorized for issuance by a Deutsche Bank fairness opinion review committee and is addressed to, and is for the use and benefit of, the Board of Directors of Parent in connection with and for the purpose of its evaluation of the Transaction. This opinion is limited to the fairness of the Exchange Ratio (taking into account the Arrangement), from a financial point of view, to the holders of the outstanding Parent Shares as of the date hereof. This opinion does not address any other terms of the Transaction or the Agreement nor does it address the terms of any other agreement entered into in connection with the Transaction. You have not asked us to, and this opinion does not, address the fairness of the Transaction, or any consideration received in connection therewith, to the holders of any other class of securities, creditors or other constituencies of Parent, nor does it address the fairness of the contemplated benefits of the Transaction. We express no opinion as to the merits of the underlying decision by Parent to engage in the Transaction or the relative merits of the Transaction as compared to any alternative transactions or business strategies. Nor do we express an opinion, and this opinion does not constitute a recommendation, as to how any holder of securities of Parent or any other entity should vote or act with respect to the Transaction or any related matter. In addition, we do not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to or to be received by any of the officers, directors or employees of any parties to the Transaction, or any class of such persons, in connection with the Transaction relative to the Exchange Ratio. This opinion does not in any manner address what the value of IrishCo Shares actually will be when issued pursuant to the Transaction or the prices at which the Company Shares, Parent Shares or other securities will trade following the announcement or consummation of the Transaction.

Deutsche Bank will be paid a fee for its services as financial advisor to Parent in connection with the Transaction, a portion of which becomes payable upon delivery of this opinion (or would have become payable if Deutsche Bank had advised the Board of Directors that it was unable to render this opinion) and a substantial portion of which is contingent upon consummation of the Transaction. Parent has also agreed to reimburse Deutsche Bank for its expenses, and to indemnify Deutsche Bank against certain liabilities, in connection with its engagement. We are an affiliate of Deutsche Bank AG (together with its affiliates, the DB Group). In addition, one or more members of the DB Group have, from time to time, provided, and are currently providing, investment banking, commercial banking (including extension of credit) and other financial services to Parent or its affiliates for which they have received, and in the future may receive, compensation, including having acted as joint bookrunner with respect to an offering of 7% Senior Notes due 2019 (aggregate principal amount of $500 million), 7.25% Senior Notes due 2022 (aggregate principal amount of $400 million), a $1.5 billion Term Loan A Facility and as lender on a $500 million revolving credit facility in connection with Parent s acquisition of American Medical Holdings, Inc. in June 2011 and in advising Parent in a potential divestiture involving its HealthTronics division. One or more members of the DB Group have agreed to provide financing to Parent and IrishCo in connection with the Transaction. The DB Group may also provide investment and commercial banking services to the Company, Parent and IrishCo in the future, for which we would expect the DB Group to receive compensation. In the ordinary course of business, members of the DB Group may actively trade in the securities and other instruments and obligations of IrishCo, the Company, Parent and their respective affiliates for their own accounts and for the accounts of their customers. Accordingly, the DB Group may at any time hold a long or short position in such securities, instruments and obligations.

Based upon and subject to the foregoing assumptions, limitations, qualifications and conditions, it is Deutsche Bank s opinion, as investment bankers, that, as of the date hereof, the Exchange Ratio (taking into account the Arrangement) is fair, from a financial point of view, to the holders of the outstanding Parent Shares.

Very truly yours,

DEUTSCHE BANK SECURITIES INC.

F-3

Table of Contents

Annex G

[Houlihan Letterhead]

November 5, 2013

Endo Health Solutions Inc.

1400 Atwater Drive

Malvern, PA 19355

Attn: Board of Directors

Dear Board of Directors:

We understand that Endo Health Solutions Inc. (the Company) intends to enter into an arrangement agreement (the Transaction Agreement) with Paladin Labs Inc. (Paladin), an entity newly formed by the Company and/or Paladin (Holdco), and two newly formed wholly-owned subsidiaries of Holdco (Company Merger Sub and Paladin Acquisition Sub , respectively), pursuant to which, (a) the Company will merge with Company Merger Sub (the Company Merger), each outstanding share of common stock, par value US$0.01, of the Company (Company Common Stock) will be converted into the right to receive one ordinary share (the Company Exchange Ratio), par value US$0.0001, of Holdco (Holdco Common Stock), and the Company will become a wholly-owned subsidiary of Holdco, and (b) Paladin will be acquired by Paladin Acquisition Sub pursuant to the Arrangement (as defined in the Transaction Agreement) (the Paladin Acquisition and, together with the Company Merger, the Transaction), in which each outstanding share of common stock, without par value, of Paladin will be converted into the right to receive (i) C$1.16 in cash, (ii) 1.6331 shares of Holdco Common Stock, and (iii) one common share, without par value, of Knight Therapeutics Inc., a to be formed subsidiary of Paladin, and Paladin will become a wholly-owned subsidiary of Holdco.

The Board of Directors of the Company (the Board) has requested that Houlihan Lokey Financial Advisors, Inc. (Houlihan Lokey , with all references to we or our herein being references to Houlihan Lokey) provide an opinion (the Opinion) to the Board as to whether, as of the date hereof, taking into account the Transaction, the Company Exchange Ratio provided for in the Transaction pursuant to the Transaction Agreement is fair to the holders of the Company Common Stock immediately prior to the Transaction (the Covered Stockholders) from a financial point of view.

Table of Contents

In connection with this Opinion, we have made such reviews, analyses and inquiries as we have deemed necessary and appropriate under the circumstances. Among other things, we have:

1. reviewed the following agreements and documents:

   a. a draft of the Transaction Agreement dated as of November 5, 2013, including Schedule A Plan of Arrangement attached thereto, but not including any other schedule attached thereto; and

   b. Project Unicorn Acquisition and Financing Structure, Preliminary Summary Steps and Tax Consequences memorandum, prepared by KPMG LLP, dated November 3, 2013.

2. reviewed certain publicly available business and financial information relating to the Company and Paladin that we deemed to be relevant, including certain publicly available research analyst estimates with respect to the future financial performance of the Company and Paladin;

3. reviewed certain information relating to the sources and uses of the financing in the Transaction prepared by the management of the Company;

4. reviewed certain information relating to the historical, current and future operations, financial condition and prospects of the Company and Paladin made available to us by the Company, including (a) financial projections prepared by and discussed with the management of the Company relating to the Company for the fiscal years ending 2013 through 2016, (b) financial projections (and adjustments thereto) prepared in consultation with the management of the Company relating to the Company for the fiscal years ending 2017 through 2018 that the management of the Company has advised us have been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of such management as to the future financial results and condition of the Company, (c) financial projections prepared by and discussed with the management of the Company relating to Paladin for the fiscal years ending 2013 through 2023, and (d) certain forecasts and estimates of potential cost savings and tax benefits expected to result from the Transaction, all as prepared by or at the direction of the management of the Company (the Savings);

5. spoken with certain members of the management of the Company and certain of its representatives and advisors regarding the business of the Company and Paladin, operations, financial condition and prospects of the Company and Paladin, the Transaction and related matters;

6. spoken with certain members of the management of Paladin regarding the business, operations, financial condition and prospects of Paladin and related matters;

7.

compared the financial and operating performance of the Company and Paladin with that of other public companies that we deemed to be relevant;

8. considered the publicly available financial terms of certain transactions that we deemed to be relevant;

9. reviewed the current and historical market prices and trading volume for certain of the Company s and Paladin s publicly-traded securities, and the current and historical market prices and trading volume of the publicly-traded securities of certain other companies that we deemed to be relevant; and

10. conducted such other financial studies, analyses and inquiries and considered such other information and factors as we deemed appropriate.

We have relied upon and assumed, without independent verification, the accuracy and completeness of all data, material and other information furnished, or otherwise made available, to us, discussed with or reviewed by us, or publicly available, and do not assume any responsibility with respect to such data, material and other information. In addition, management of the Company has advised us, and we have assumed, that the financial projections (and adjustments thereto) reviewed by us have been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of such management as to the future financial results and condition of the Company and Paladin, and we express no opinion with respect to such projections or the assumptions on which they are based. Furthermore, upon the advice of the management of the Company, we

Table of Contents

have assumed that the estimated Savings reviewed by us have been reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the management of the Company and that the Savings will be realized in the amounts and the time periods indicated thereby, and we express no opinion with respect to such Savings or the assumptions on which they are based. We have relied upon and assumed, without independent verification, that there has been no change in the business, assets, liabilities, financial condition, results of operations, cash flows or prospects of the Company and Paladin since the respective dates of the most recent financial statements and other information, financial or otherwise, provided to us that would be material to our analyses or this Opinion, and that there is no information or any facts that would make any of the information reviewed by us incomplete or misleading. In addition, we have relied upon, without independent verification, the assessment of the management of the Company as to its ability to integrate the businesses of the Company and Paladin, and we have assumed, at the direction of the Company, that there will be no developments with respect to any such matters that would affect our analyses or this Opinion.

At the instruction of management of the Company, we have assumed that, upon consummation of the Transaction, Holdco will not have any rights to the assets of Knight Therapeutics Inc.

We have relied upon and assumed, without independent verification, that (a) the representations and warranties of all parties to the draft Transaction Agreement identified in item 1 above and all other related documents and instruments that are referred to therein are true and correct, (b) each party to such Transaction Agreement and such other related documents and instruments will fully and timely perform all of the covenants and agreements required to be performed by such party, (c) all conditions to the consummation of the Transaction will be satisfied without waiver thereof, and (d) the Transaction will be consummated in a timely manner in accordance with the terms described in such Transaction Agreement and such other related documents and instruments, without any amendments or modifications thereto. We have relied upon and assumed, without independent verification, that (i) the Transaction will be consummated in a manner that complies in all respects with all applicable foreign, federal and state statutes, rules and regulations, and (ii) all governmental, regulatory, and other consents and approvals necessary for the consummation of the Transaction will be obtained and that no delay, limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would result in the disposition of any assets of the Company or Paladin, or otherwise have an effect on the Transaction, the Company, Paladin or Holdco or any expected benefits of the Transaction that would be material to our analyses or this Opinion. We have also relied upon and assumed, without independent verification, at the direction of the Company, that any adjustments to the Company Exchange Ratio pursuant to the Agreement will not be material to our analyses or this Opinion. In addition, we have relied upon and assumed, without independent verification, that the final forms of any draft documents identified above will not differ in any respect from the drafts of said documents.

Furthermore, in connection with this Opinion, we have not been requested to make, and have not made, any physical inspection or independent appraisal or evaluation of any of the assets, properties or liabilities (fixed, contingent, derivative, off-balance-sheet or otherwise) of the Company, Paladin or any other party, nor were we provided with any such appraisal or evaluation. We did not estimate, and express no opinion regarding, the liquidation value of any entity or business. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities, to which the Company or Paladin is or may be a party or is or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which the Company or Paladin is or may be a party or is or may be subject.

We have not been requested to, and did not, (a) initiate or participate in any discussions or negotiations with, or solicit any indications of interest from, third parties with respect to the Transaction, the securities, assets, businesses or operations of the Company, Paladin, Holdco or any other party, or any alternatives to the Transaction, (b) negotiate the terms of the Transaction, or (c) advise the Board, the Company, Paladin or any other party with respect to

alternatives to the Transaction. This Opinion necessarily assumes the absence of further material changes in the financial, economic and market conditions from those prevailing on the date

Table of Contents

hereof. This Opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. We have not undertaken, and are under no obligation, to update, revise, reaffirm or withdraw this Opinion, or otherwise comment on or consider events occurring or coming to our attention after the date hereof. Subsequent events that could materially affect the conclusion set forth in this Opinion include, without limitation, changes in industry performance or market conditions; changes to the business, financial condition and results of operations of the Company or Paladin; changes in the terms of the Transaction; and the failure to consummate the Transaction within a reasonable period of time.

We are not expressing any opinion as to what the value of the Company Common Stock actually will be when exchanged pursuant to the Transaction Agreement or the price or range of prices at which the Company Common Stock or Holdco Common Stock may be purchased or sold, or otherwise be transferable, at any time. We have assumed that the Holdco Common Stock to be issued in the Transaction to Covered Stockholders will be listed on NASDAQ and TSX. In addition, we are not expressing any opinion as to the terms of any refinancing of convertible notes of the Company.

This Opinion is furnished for the use of the Board (in its capacity as such) in connection with its evaluation of the Transaction and may not be used for any other purpose without our prior written consent. This Opinion should not be construed as creating any fiduciary duty on Houlihan Lokey s part to any party. This Opinion is not intended to be, and does not constitute, a recommendation to the Board, the Covered Stockholders or any other party as to how to act, vote or make any election with respect to any matter relating to, or whether to tender shares in connection with, the Transaction or otherwise.

In the ordinary course of business, certain of our employees and affiliates, as well as investment funds in which they may have financial interests or with which they may co-invest, may acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including loans and other obligations) of, or investments in, the Company, Paladin, or any other party that may be involved in the Transaction and their respective affiliates or any currency or commodity that may be involved in the Transaction.

Houlihan Lokey has in the past provided certain financial advisory services to the Company for which Houlihan Lokey has received compensation. Houlihan Lokey and certain of its affiliates may provide investment banking, financial advisory and other financial services to the Company, other participants in the Transaction or certain of their respective affiliates in the future, for which Houlihan Lokey and such affiliates may receive compensation. Furthermore, in connection with bankruptcies, restructurings, and similar matters, Houlihan Lokey and certain of its affiliates may have in the past acted, may currently be acting and may in the future act as financial advisor to debtors, creditors, equity holders, trustees, agents and other interested parties (including, without limitation, formal and informal committees or groups of creditors) that may have included or represented and may include or represent, directly or indirectly, or may be or have been adverse to, the Company, Paladin, other participants in the Transaction or certain of their respective affiliates, for which advice and services Houlihan Lokey and such affiliates have received and may receive compensation.

Houlihan Lokey has also provided certain additional financial analyses related to the Transaction, for which we will receive a fee for such services, which is not contingent upon the consummation of the Transaction. In addition, we will receive a fee for rendering this Opinion, which is not contingent upon the consummation of the Transaction. The Company has agreed to reimburse certain of our expenses and to indemnify us and certain related parties for certain potential liabilities arising out of our engagement.

This Opinion only addresses the matters set forth below as of the date hereof, and does not in any manner address any other aspect of the Transaction or any part thereof or any agreement, arrangement or understanding entered into in

connection therewith or otherwise. We have not been requested to opine as to, and this Opinion does not express an opinion as to or otherwise address, among other things: (a) the underlying business decision of the Company, its affiliates, their respective security holders or any other party to proceed with or effect any

Table of Contents

portion or aspect of the Transaction, (b) the terms of any arrangements, understandings, agreements or documents related to, or the form, structure or any other portion or aspect of, the Transaction or otherwise (except if and only to the extent expressly specified herein), (c) the fairness of any portion or aspect of the Transaction to the holders of any class of securities, creditors or other constituencies of the Company or its affiliates, or to any other party, except if and only to the extent expressly set forth in the last sentence of this Opinion, (d) the relative merits of the Transaction as compared to any alternative business strategies or transactions that might be available for the Company, Paladin, their affiliates or any other party or the effect of any other transaction in which any party might engage, (e) the fairness of any portion or aspect of the Transaction to any one class or group of the Company s or any other party s security holders or other constituents vis-à-vis any other class or group of the Company s or such other party s security holders or other constituents (including, without limitation, the allocation of any consideration amongst or within such classes or groups of security holders or other constituents), (f) how the Board, any Covered Stockholder or any other securityholder of the Company, or any other party should act with respect to any portion or aspect of the Transaction (including, without limitation, how to vote with respect to the Transaction) or any investment decision, (g) the solvency, creditworthiness or fair value of the Company, Paladin, Holdco, their affiliates or any other participant in the Transaction, or any of their respective assets, under any applicable laws relating to bankruptcy, insolvency, fraudulent conveyance or similar matters, or (h) the fairness, financial or otherwise, of the amount, nature or any other aspect of any compensation to or consideration payable to or received by any officers, directors or employees of any party to the Transaction, any class of such persons or any other party, relative to the Company Exchange Ratio or otherwise. Furthermore, no opinion, counsel or interpretation is intended in matters that require legal, regulatory, accounting, insurance, tax or other similar professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources. Furthermore, we have relied, with the consent of the Board, on the assessments by the Company and its advisors, as to all legal, regulatory, accounting, insurance and tax matters with respect to the Company, Paladin, Holdco, Company Merger Sub, Paladin Acquisition Sub and the Transaction or otherwise. We have further relied upon and assumed that (i) Holdco will not be treated as a U.S. corporation for U.S. federal income tax purposes, and (ii) the tax benefits of the Transaction, as articulated to us by the Company, will be realized on a timeframe and in amounts not materially different from the descriptions we received from the Company. The issuance of this Opinion was approved by a committee authorized to approve opinions of this nature.

Based upon and subject to the foregoing, and in reliance thereon, it is our opinion that, as of the date hereof, taking into account the Transaction, the Company Exchange Ratio provided for in the Transaction pursuant to the Transaction Agreement is fair to the Covered Stockholders from a financial point of view.

Very truly yours,

HOULIHAN LOKEY FINANCIAL ADVISORS, INC.

Table of Contents

Annex H

INFORMATION CONCERNING KNIGHT THERAPEUTICS

NOTICE TO READERS

The following is a summary of Knight Therapeutics Inc. (**Knight Therapeutics**), its business and operations, which should be read together with the more detailed information contained elsewhere in the proxy statement/prospectus to which this Annex H (the **Annex**) is attached. The information contained in this Annex, unless otherwise indicated, is given as of the date of the proxy statement/prospectus.

Unless otherwise indicated herein, references to $ or Canadian dollars are to Canadian dollars, references to US$ or U.S. dollars are to United States dollars.

FORWARD LOOKING INFORMATION

This Annex contains certain forward-looking statements. Any statements made in this Annex that are not statements of historical fact or that refer to estimated or anticipated future events are forward-looking statements. Please see *Cautionary Note Regarding Forward-Looking Statements* in the proxy statement/prospectus.

Table of Contents

CORPORATE STRUCTURE

Knight Therapeutics was incorporated under the *Canada Business Corporations Act* on November 1, 2013 and is currently a wholly owned subsidiary of Paladin Labs Inc. (**Paladin**), a corporation existing under the *Canada Business Corporations Act* (TSX:PLB). Knight Therapeutics (Barbados) Inc., a wholly owned subsidiary of Knight Therapeutics, was incorporated under the laws of Barbados as an international business corporation on January 6, 2014.

On November 5, 2013, Paladin announced that it had entered into an arrangement agreement (the **Arrangement Agreement**) with Endo Health Solutions Inc. (**Endo**), Sportwell Limited (subsequently renamed Endo International Limited) (**New Endo**), Sportwell II Limited (subsequently renamed Endo Limited), ULU Acquisition Corp. (subsequently renamed Endo U.S. Inc.), RDS Merger Sub, LLC and 8312214 Canada Inc. with respect to the proposed arrangement of Paladin under section 192 of the *Canada Business Corporation Act* (the **Arrangement**) on the terms and subject to the conditions set forth in the plan of arrangement (the **Plan of Arrangement**) attached to the Arrangement Agreement as Schedule A. A copy has been filed on EDGAR under Endo s company profile and a copy is attached to the proxy statement/prospectus as *Annex A*.

The Arrangement Agreement provides for the proposed Arrangement on the terms and conditions of the Plan of Arrangement. In accordance with the Plan of Arrangement, at the effective time of the Arrangement each holder of common shares of Paladin (the **Paladin Common Shares**) and each holder of an option to acquire a Paladin Common Share that has a positive in-the-money amount per share, which in this Annex H means, in respect of each Paladin option, the amount by which the closing price of a Paladin Common Share on the Toronto Stock Exchange on the trading day immediately preceding the effective date of the Arrangement exceeds the exercise price for each Paladin Common Share subject to that Paladin option, will be entitled to receive, among other things one common share in the capital of Knight Therapeutics (a **Knight Common Share**) in exchange for each Paladin Common Share or Paladin option, as applicable, held by such holder, and Knight Therapeutics will become a publicly held corporation. Please see The Merger and the Arrangement in the proxy statement/prospectus.

The following is an organizational chart showing the intercorporate relationships of Knight Therapeutics before the completion of the Arrangement:

Table of Contents

The following is an organizational chart showing the intercorporate relationships of Knight Therapeutics immediately after the completion of the Arrangement:

Each subsidiary indicated on the above charts is wholly-owned.

Knight Therapeutics head and registered offices are located at 6111 Royalmount Avenue, Suite 102, Montréal, Québec, Canada, H4P 2T4.

KNIGHT THERAPEUTICS BUSINESS

Overview

Knight Therapeutics intends to become a specialty pharmaceutical company and believes that this can be accomplished through (i) the acquisition or in-licensing of over-the-counter and prescription pharmaceutical products and targeted promotion of these products and (ii) the acquisition of specialty pharmaceutical businesses in select international markets. Knight Therapeutics also expects to expand its presence in specialty therapeutic fields by developing innovative products that are in late stage development. In addition, Knight Therapeutics intends to finance other life science companies in Canada and internationally.

Impavido® and Voucher

On November 5, 2013, Paladin announced that it had entered into the Arrangement Agreement with respect to the Arrangement. The Arrangement Agreement provides that, among other things, Paladin or one of its affiliates shall transfer all of the intellectual property rights on a worldwide basis for the drug known as Impavido® (miltefosine) (**Impavido**) to Knight Therapeutics, or one of its affiliates, before the effective time of the Arrangement. Please see Corporate Structure in this Annex. Please also see Knight Therapeutics Business Business Separation Agreement in this Annex, for more information on the transfer of Impavido.

In 2012, global net sales of Impavido were $2.1 million. Under the distribution and license agreement to be entered into between Knight Therapeutics, or one of its affiliates, and Paladin Labs (Barbados) Inc. (**Barbco**), an international business corporation incorporated under the laws of Barbados, and a subsidiary of Paladin which will become an indirect subsidiary of New Endo as of the effective time of the Arrangement, which, among other things, grants Barbco exclusive commercialization rights for Impavido for the world, other than the United States, for a ten year term and Barbco shall pay to Knight Therapeutics or its affiliate, as applicable, a fee of 22.5% of gross sales of Impavido worldwide, other than the United States. For the year ended December 31, 2012 and for the nine-month period ended September 30, 2013, 22.5% of gross sales of Impavido would have been $467,251 and $653,034, respectively. It is expected that net sales of Impavido will decline due to the emergence of generic competition. Please see Knight Therapeutics Business Separation Agreement in this Annex.

Impavido is an oral agent for the treatment of leishmaniasis and currently the only oral treatment for leishmaniasis approved for sale in Europe, the Indian subcontinent, and Central and South America. Leishmaniasis is a parasitic disease transmitted by a species of sandfly (Phlebotomus sp. and Lutzomyia sp.) and

H-3

Table of Contents

is found in over 80 countries worldwide. It is estimated that 350 million people are at risk for leishmaniasis. Twelve million people are currently infected, with 1.5 to 2 million new cases being reported annually, and 70,000 deaths occurring annually. While exact data on incidence of leishmaniasis is not available for the United States, persons immigrating/travelling from endemic countries, military personnel, and immunocompromised patients are most at risk for infection. Based on the evidence of safety and efficacy from multiple clinical studies, miltefosine has been recognized by the World Health Organization (WHO) as being one of only five therapeutic agents to be placed on their Essential Medicines List for the treatment of leishmaniasis.

Leishmaniasis is also one of the diseases targeted by the U.S. Food and Drug Administration (**FDA**) for innovation and development of new therapies through their tropical disease priority review voucher program. A priority review granted by the FDA reduces the target review time for a new drug application (**NDA**) from the standard target of ten months to a target of six months. Under this program, if a therapy for a selected tropical disease qualifies for priority review and receives FDA approval, the sponsor will be awarded a priority review voucher. A priority review voucher entitles the bearer to a priority review of a future NDA that would not otherwise qualify for such a review. Such vouchers are designed to encourage the development of new treatments for tropical diseases.

On June 19, 2013, Paladin announced that it has received notice that its NDA to the FDA for Impavido had been accepted for review and had been granted priority review status. If approved, Paladin will be authorized to commercialize Impavido in the U.S. and its subsidiary, Paladin Therapeutics, Inc., a corporation incorporated under the laws of Delaware (**Delco**), may receive a priority review voucher (the **Voucher**) through the FDA s tropical disease priority review voucher program.

On October 18, 2013, the Anti-Infective Drugs Advisory Committee, an advisory panel of the FDA, issued a non-binding recommendation announcing that Impavido was safe and effective for the treatment of leishmaniasis. The advisory panel voted 14 to 2 to approve the drug for cutaneous leishmaniasis and voted 15 to 1 to approve the drug for visceral leishmaniasis, the most severe form of the disease. The advisory panel also voted 13 to 3 to approve the drug for the mucosal version of the disease. If Impavido is approved by the FDA, Delco would receive the Voucher. To the knowledge of Paladin s management, only two priority review vouchers have been granted in the past and neither has been sold or otherwise transferred to a third party. Knight Therapeutics current intention is to sell or otherwise transfer the Voucher to a third party, if and when received by the FDA, for either cash, rights to pharmaceutical products with existing sales or other consideration. As there is no known value for such a voucher, the sale process for such voucher may be lengthy with uncertain results.

On June 19, 2013, the FDA also confirmed that the Prescription Drug User Fee Act (**PDUFA**) action date with respect to Impavido would be December 19, 2013. During the course of further discussions with the FDA, Paladin submitted revisions regarding chemistry, manufacturing and control details, and other aspects related to the proposed label of Impavido. The FDA determined that this submission qualified as a major amendment filed during the final three months of the review and extended the PDUFA action date to March 19, 2014, thereby extending the deadline for the FDA to approve Impavido to such revised PDUFA action date. As of the date of the proxy statement/prospectus, the FDA has not requested any additional clinical studies prior to the revised PDUFA action date.

Business Separation Agreement

Pursuant to the Arrangement Agreement dated November 5, 2013, prior to the effective time of the Arrangement, Paladin and Knight Therapeutics will enter into an agreement (the **Business Separation Agreement**) providing for the transfer of the assets to be owned by, and the liabilities to be assumed by, Knight Therapeutics (or one of its affiliates) from Paladin and Barbco. The assets to be owned by Knight Therapeutics (or one of its affiliates) consist of: (i) all intellectual property rights of Paladin related to Impavido, (ii) the Voucher or, if not yet issued at the time of the

consummation of the transactions contemplated by the Business Separation Agreement, any rights to the Voucher, (iii) the common shares of Delco, (iv) the rights of Barbco as licensor under the license agreement dated January 1, 2012 between Barbco and Delco and pursuant to which Barbco granted a license to Delco to make, market and sell Impavido in the United States and (v) $1,000,000 in cash.

Table of Contents

The Business Separation Agreement will also provide that Knight Therapeutics, or one of its affiliates, as licensor, will enter into a distribution and license agreement with Barbco granting Barbco exclusive commercialization rights for Impavido for the world, other than the United States, for a ten year term. Barbco will become an indirect subsidiary of New Endo as of the effective time of the Arrangement. Under the distribution and license agreement, Barbco shall pay to Knight Therapeutics, or one of its affiliates, as the case may be, a fee of 22.5% of gross sales resulting from the worldwide commercialization of Impavido, other than the United States. In addition, under the distribution and license agreement, Barbco will be responsible for all regulatory services, product manufacturing, quality services, supply chain management and commercialization activities related to Impavido for all markets except the U.S. In addition, Barbco will supply Impavido to Knight Therapeutics, or one of its affiliates, for the U.S. market. For the year ended December 31, 2012 and the nine-month period ended September 30, 2013, 22.5% of gross sales would have been $467,251 and $653,034, respectively. Such amount is expected to decline in the future due to the emergence of generic competition to Impavido.

Knight Therapeutics Strategy

Knight Therapeutics intends to become a specialty pharmaceutical company and believes that this can be accomplished through (i) the acquisition or in-licensing or over-the-counter and prescription pharmaceutical products and targeted promotion of these products and (ii) the acquisition of specialty pharmaceutical businesses in select international markets. Knight Therapeutics also expects to expand its presence in specialty therapeutic fields by developing innovative products that are in late stage development. Knight Therapeutics believes that there are opportunities to obtain sales and marketing rights to products.

Knight Therapeutics also intends to strategically invest in certain early and late stage pharmaceutical and drug development companies and, where possible, to partner its investment in these organizations with a license or other right to such organizations valuable intellectual property. The form of Knight Therapeutics investment may include secured and unsecured loans, convertible debentures, collaborative arrangements and joint ventures, among others. Since Knight Therapeutics does not currently intend to engage in any proprietary research activity with respect to product development, it will, as part of this strategy and others, rely heavily on purchasing or licensing product lines from other companies.

MATERIAL CONTRACTS

The only material contracts, which Knight Therapeutics or its subsidiaries have entered into since their incorporation, or will enter into prior to the effective time of the Arrangement, other than in the ordinary course of business, are as follows: (i) the Business Separation Agreement, (ii) the license agreement dated January 1, 2012 between Barbco and Delco and pursuant to which Barbco granted to Delco a license to make, market and sell Impavido in the United States, which will be transferred to Knight Therapeutics as part of the Knight Therapeutics business separation and (iii) a distribution and license agreement to be entered into with Barbco.

A copy of the Arrangement Agreement, which includes the current term sheet in respect of the Business Separation Agreement, has been filed on EDGAR under Endo s company profile and a copy is attached to the proxy statement/prospectus as *Annex A*.

Table of Contents

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described below and other than the interests of certain directors or executive officers of Knight Therapeutics or Principal Knight Shareholders (as defined below), none of the directors or executive officers of Knight Therapeutics or Principal Knight Shareholders, nor any associate or affiliate of any of them, has or had a direct or indirect material interest in any transaction within the three years prior to the date of the proxy statement/prospectus or proposed transaction which has materially affected or will materially affect Knight Therapeutics.

As of the date of this proxy statement/prospectus, Jonathan Ross Goodman, Joddes Limited, 3487938 Canada Inc., 3260217 Nova Scotia Company, 3487911 Canada Inc., The Goodman Davis (2008) Family Trust and Deborah Goodman Davis (collectively, the **Principal Paladin Shareholders**) own in aggregate approximately 34% of the Paladin Common Shares. The Principal Paladin Shareholders are either members of, or are owned and controlled by members of, the Goodman family.

It is expected that, immediately following the closing of the Arrangement, all of the Principal Paladin Shareholders (or their affiliates), other than Jonathan Ross Goodman and 3487911 Canada Inc. (a company controlled by Jonathan Ross Goodman and, together with Jonathan Ross Goodman, the **Principal Knight Shareholders**), will sell and transfer the Knight Common Shares they receive as of the effective time of the Arrangement to the Principal Knight Shareholders (or any of their affiliates) for a per share amount based on the Knight Therapeutics valuation report that will be available to shareholders of Paladin on SEDAR at www.sedar.com. As such, the Principal Knight Shareholders (and/or their affiliates) are currently expected to own directly or indirectly in aggregate approximately 34% of the Knight Common Shares after giving effect to the Arrangement and the completion of the sale and transfer of Knight Common Shares to the Principal Knight Shareholders (or any of their affiliates).

On January 21, 2014, Knight Therapeutics and 3487911 Canada Inc. (a company controlled by Jonathan Ross Goodman) entered into a commitment letter whereby 3487911 Canada Inc., as lender, agreed to grant a revolving credit facility loan in the maximum amount of $5 million and at a rate per annum equal to prime plus four percent (4%) to Knight Therapeutics.

Table of Contents

Annex I

List of Relevant Territories for DWT Purposes

1. Albania
2. Armenia
3. Australia
4. Austria
5. Bahrain
6. Belarus
7. Belgium
8. Bosnia & Herzegovina
9. Bulgaria
10. Canada
11. Chile
12. China
13. Croatia
14. Cyprus
15. Czech Republic
16. Denmark
17. Egypt
18. Estonia
19. Finland
20. France
21. Georgia
22. Germany
23. Greece
24. Hong Kong
25. Hungary
26. Iceland
27. India
28. Israel
29. Italy
30. Japan
31. Korea
32. Kuwait
33. Latvia
34. Lithuania
35. Luxembourg
36. Macedonia
37. Malaysia
38. Malta
39. Mexico
40. Moldova
41. Montenegro
42. Morocco
43. Netherlands
44. New Zealand
45. Norway
46. Pakistan
47. Panama
48. Poland
49. Portugal
50. Qatar
51. Romania
52. Russia
53. Saudi Arabia
54. Serbia
55. Singapore
56. Slovak Republic
57. Slovenia
58. South Africa
59. Spain
60. Sweden
61. Switzerland
62. Thailand
63. Turkey
64. Ukraine
65. United Arab Emirates
66. United Kingdom
67. USA
68. Uzbekistan
69. Vietnam
70. Zambia