

1360324

21.4

DATED 27 JUNE 1997

*Certified to be a
true copy of the
original
Baker & McKenzie
July 24, 1997*

TENCOR INSTRUMENTS

and

PASSED FOR FILING

KLA-TENCOR LIMITED
(formerly known as KLA INSTRUMENTS LIMITED)

SHARE EXCHANGE AGREEMENT

Baker & McKenzie
660 Hansen Way
Palo Alto, California 94304
Tel. No: (415) 856-2400
Fax No: (415) 856-9299
Ref: GDS/SCH/KHW



DATE: 27 JUNE 1997

PARTIES:

- (1) **TENCOR INSTRUMENTS**, a California corporation with its principal place of business at One Technology Drive, Milpitas, California 95035 (the "Transferor").
- (2) **KLA-TENCOR LIMITED (formerly known as KLA Instruments Limited)**, a company incorporated in England and Wales with registered number 1560324 whose registered office is at 35 St. Thomas Street, London, SE1 9SN (the "Transferee").

RECITALS:

- (A) The Transferor is the registered holder and beneficial owner of 186,400 ordinary shares of £1 each in the capital of Tencor Instruments Limited.
- (B) The Transferor has agreed to transfer the 186,400 shares in Tencor Instruments Limited to the Transferee in exchange for 186,400 ordinary shares of £1 each in the capital of the Transferee.

NOW IT IS HEREBY AGREED as follows:

1. Interpretation

In this Agreement where the context so admits the following words and expressions shall have the following meanings:

"Company"	Tencor Instruments Limited, a company incorporated in England and Wales with registered number 2011015 whose registered office is at 190 Strand, London, WC2R 1DT, particulars of which are set out in Schedule 1;
"Completion"	completion of the exchange of shares contemplated by this Agreement as specified in Clause 3;
"Completion Date"	the date hereof;

“Consideration Shares”	one hundred and eighty six thousand and four hundred ordinary shares of £1 each in the capital of the Transferee;
“Transferred Shares”	186,400 ordinary shares of £1 each in the capital of the Company.

2. Exchange of Shares

- 2.1 Subject to the terms of this Agreement and with effect from the Completion Date the Transferor shall transfer the Transferred Shares to the Transferee with full title guarantee, and the Transferee shall accept the same, free from all liens, charges and encumbrances and together with all rights now or hereafter attaching thereto, and in exchange therefor the Transferee shall allot and issue to the Transferor the Consideration Shares credited as fully paid.
- 2.2 The Transferor hereby waives such pre-emption and other rights as it may have in respect of the Transferred Shares.

3. Completion

Completion shall take place on the Completion Date whereupon:

- 3.1 The Transferor shall deliver to the Transferee all share certificates evidencing the Transferred Shares duly endorsed to the Transferee; and
- 3.2 The Transferee shall:
 - 3.2.1 Allot to the Transferor or its nominees the Consideration Shares credited as fully paid; and
 - 3.2.2 Enter the name of the Transferor or its nominees in its register of members as holders of the Consideration Shares and deliver share certificates in respect thereof to the Transferor.

4. General

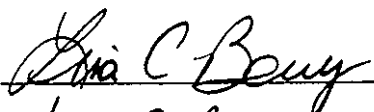
- 4.1 This Agreement shall be binding upon and inure for the benefit of the respective successors of the parties.
- 4.2 The provisions of this Agreement, insofar as the same shall not have been fully performed at Completion, shall remain in full force and effect notwithstanding Completion.
- 4.3 The Transferor and the Transferee shall do and execute or procure to be done and executed all such further acts, deeds, things and documents as may be necessary to give effect to the terms of this Agreement.

5. Governing Law

This Agreement shall be governed by and construed in accordance with English law and the parties hereto submit to the non-exclusive jurisdiction of the English courts for the purpose of enforcing any claim arising hereunder.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date appearing at the head hereof.

EXECUTED BY:

SIGNATURE: 

Name (Print): Lisa C. Berry

On Behalf of: **TENCOR INSTRUMENTS**

EXECUTED BY:

SIGNATURE: 

Name (Print): Kenneth Levy

On Behalf of: **KLA-TENCOR LIMITED**

SCHEDULE 1

Details of the Company

1. Registered Office: 190 Strand, London WC2R 1DT
2. Registered Number: 2011015
3. Date and Place of Incorporation: 16 April 1986 in England and Wales
4. Authorized Share Capital: 200,000 ordinary shares of £1 each
5. Issued Share Capital: 186,400 ordinary shares of £1 each
6. Directors:

 Andrew Broughton

 Jon Tompkins

 Elwood Spedden, Jr.,
7. Secretary: Lawgram Secretaries Limited
8. Accounting Reference Date: 31 December
9. Auditors: Price Waterhouse