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Secretary of State
State of California
DEC 18 2014

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SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION

OF

CRUNCHYROLL, INC.

The undersigned certify that:

A. They are the President and Secretary, respectively, of Crunchyroll, Inc., a California corporation.

B. The Articles of Incorporation of the Corporation are hereby amended and restated to in their entirety as set forth in Exhibit 1 attached hereto and incorporated by reference as if fully set forth herein.

C. The Second Amended and Restated Articles of Incorporation set forth herein have been duly approved by the Board of Directors.

D. The Second Amended and Restated Articles of Incorporation set forth herein have been duly approved by the required vote of shareholders of this corporation in accordance with Sections 902 and 903 of the California Corporations Code. The corporation has two classes of authorized stock, consisting of Common Stock and Preferred Stock, which is designated Series A Preferred Stock and Series A-1 Preferred Stock. 4,336,569 shares of Common Stock, 547,785 shares of Series A Preferred Stock and 14,071,795 shares of Series A-1 Preferred Stock are outstanding. The approval of the holders of a majority of the outstanding shares of Common Stock, voting separately, and the holders of a majority of the outstanding shares of Series A Preferred Stock and Series A-1 Preferred Stock, voting together as a single class, was required to approve this amendment and restatement. The number of shares voting in favor of the amendment and restatement equaled or exceeded the vote required.

Each of the undersigned further declares under penalty of perjury under the laws of the State of California that he has read the foregoing certificate and knows the contents thereof, and that the same is true of his knowledge.

Dated: December 18, 2014.

Kun Gao, President

Keith Abrams, Secretary

EXHIBIT 1
SECOND AMENDED AND RESTATED ARTICLES OF INCORPORATION OF CRUNCHYROLL, INC.

ARTICLE I

The name of the corporation is Crunchyroll, Inc. (the "Company").

ARTICLE II

The purpose of this Company is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California (the "General Corporation Law") other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

ARTICLE III

The Company is authorized to issue two classes of stock to be designated Common Stock and Preferred Stock. The Company shall have authority to issue 45,000,000 shares of Common Stock and 19,259,560 shares of Preferred Stock. 547,785 shares of Preferred Stock shall be designated "Series A Preferred Stock." 15,218,584 shares of Preferred Stock shall be designated "Series A-1 Preferred Stock." 3,493,191 shares of Preferred Stock shall be designated "Series A-2 Preferred Stock." The rights, preferences and privileges of the Preferred Stock and Common Stock are as set forth in Article IV. The Preferred Stock and Common Stock shall have no par value.

ARTICLE IV

The rights, preferences, privileges and restrictions granted to and imposed upon the Preferred Stock and Common Stock are as follows. Unless otherwise indicated, references to "Section" or "subsection" in this Article IV refer to sections and subsections of this Article IV.

1. **Definitions**. For purposes of this Article, the following definitions shall apply:

(a) "Board of Directors" shall mean the Company's Board of Directors.

(b) "Common Stock Dividend" shall mean a stock dividend declared and paid on the Common Stock that is payable in shares of Common Stock and for which an adjustment is made with respect to the Conversion Price of the Preferred Stock (as defined below).

(c) "Convertible Securities" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible or exercisable into, or exchangeable for, Common Stock other than Options.

(d) "Dividend Rate" means $0.1464 per share per year for the Series A Preferred Stock, $0.3488 per share per year for the Series A-1 Preferred Stock, and $0.68 per share per year for the Series A-2 Preferred Stock.

(e) "Options" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(f) "Original Issue Date" shall mean the date on which the first share of Series A-2 Preferred Stock is issued.

(g) "Original Issue Price" means $1.83 per share for the Series A Preferred Stock, $4.36 per share for the Series A-1 Preferred Stock, and $8.50 per share for the Series A-2 Preferred Stock, subject in each case to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization affecting such series of Preferred Stock.

(h) "Permitted Repurchases" shall mean: (i) a repurchase by the Company of shares of stock held by employees, officers, directors, consultants, independent contractors, advisors or other service providers of the Company on a termination of service at original cost (or, if lower, fair market value); or (ii) any repurchase approved by a majority of the Board of Directors.

(i) "Preferred Stock" means the Series A Preferred Stock, the Series A-1 Preferred Stock, and the Series A-2 Preferred Stock.

(j) "Qualified Public Offering" shall mean the sale of shares of Common Stock to the public at a price of at least three times the Series A-1 Preferred Original Issue Price in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act resulting in proceeds to the Company of at least $20,000,000 (net of underwriting discounts and commissions).

(k) "Securities Act" shall mean the Securities Act of 1933, as amended.

2. **Dividends.**

(a) Preferred Stock Dividend Preference. In each calendar year, the holders of the then-outstanding Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors, out of any funds and assets of the Company legally available therefore, noncumulative dividends at the applicable Dividend Rate, prior and in in preference to the payment of any dividend on the Common Stock in such calendar year. No dividends shall be paid with respect to the Common Stock in any calendar year unless dividends in the total amount of the Dividend Rate shall have first been paid or declared and set apart for payment to the holders of the Preferred Stock during that calendar year. Payments of any dividends to the holders of the Preferred Stock shall be paid on a pro rata basis according to the number of outstanding shares of Preferred Stock then held by each holder thereof. Dividends on the Preferred Stock shall not be mandatory or cumulative, and no rights or interest shall accrue to the holders of the Preferred Stock by reason of the fact that the Company shall fail to declare or pay dividends on the Preferred Stock in the amount of the Dividend Rate or in any other amount in any calendar year or any fiscal year of the Company, whether or not the earnings of the Company in any calendar year or any fiscal year of the Company were sufficient to pay such dividends in whole or in part. Notwithstanding anything to the contrary herein, the provisions of this Section 2 shall not apply to any Common Stock Dividend, any Permitted Repurchase or any dividend for which an adjustment is made to the Conversion Price (as defined below) of the Preferred Stock.

(b) Participation Rights. If, after dividends in the full preferential amount specified in Section 2(a) for the Preferred Stock have been paid or declared and set apart in any calendar year of the Company, the Board of Directors shall declare additional dividends out of funds legally available therefore in that calendar year, then such additional dividends shall be declared pro rata on the Common Stock and the Preferred Stock according to the number of shares of Common Stock held by such holders, where each holder of shares of Preferred Stock is to be treated for this purposes as holding the greatest whole number of shares of Common Stock then issuable upon conversion of all shares of Preferred Stock,

at the then-effective conversion rate, held by such holder pursuant to Section 5. Dividends shall not be mandatory and no rights or interest shall accrue to the holders of the Common Stock or Preferred Stock by reason of the fact that the Company shall fail to declare or pay dividends on the Common Stock or Preferred Stock in any calendar year or any fiscal year of the Company, whether or not the earnings of the Company in any calendar year or any fiscal year of the Company were sufficient to pay such dividends in whole or in part.

(c) Non-Cash Dividends. Whenever a dividend provided for in this Section 2 shall be payable in property other than cash, the value of such dividend shall be deemed to be the fair market value of such property as determined in good faith by the Board of Directors.

3. **Liquidation Rights**

(a) Preferential Payments to Holders of Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, including a Liquidation Transaction (as defined below), the holders of Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its shareholders, on a pari passu basis as between the Series A Preferred Stock, Series A-1 Preferred Stock, and Series A-2 Preferred Stock and before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the applicable Original Issue Price plus any declared but unpaid dividends on such Preferred Stock. If, upon any such liquidation, dissolution or winding-up of the Company or Liquidation Transaction, the assets of the Company available for distribution to its shareholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they shall be entitled under this Section 3(a), the holders of shares of Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

(b) Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Company, including a Liquidation Transaction, after payment of all amounts required to be paid to the holders of the Preferred Stock pursuant to Section 3(a) above, the remaining assets available for distribution to the Company's shareholders shall be distributed among the holders of the Common Stock, the Series A-1 Preferred Stock and the Series A-2 Preferred Stock (but not the Series A Preferred Stock), pro rata, on an as-converted to Common Stock basis.

(c) Deemed Liquidation Events.

(i) Liquidation Transaction. Each of the following events shall be considered a "Liquidation Transaction" if: (A) the Company shall sell, lease, transfer, convey or otherwise dispose of (including an exclusive license), in any single transaction or series of related transactions, all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (or the sale or disposition, whether by merger or otherwise, of one or more of the Company's subsidiaries if all or substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale or other disposition is to the Company or another of the Company's wholly owned subsidiaries); (B) any transaction or series of related transactions to which the Company is a party in which a majority of the Company's voting power is transferred; (C) a merger or consolidation in which the Company is a constituent party; (D) a merger or consolidation in which a subsidiary of the Company is a constituent party and the Company issues shares of its capital stock pursuant to such merger or consolidation; provided, however, that a merger or consolidation in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted or exchanged for shares of capital stock which represent,

immediately following such merger or consolidation, a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation, shall not constitute a Liquidation Transaction.

(ii) Effecting a Liquidation Transaction. The Company shall not have the power to effect a Liquidation Transaction referred to in Section 3(c)(i)(B), (C) or (D) unless the agreement or plan of purchase, merger or consolidation for such transaction (the "Acquisition Agreement") provides that the consideration payable to the shareholders of the Company shall be allocated among the holders of capital stock of the Company in accordance with Sections 3(a) and (b). In the event of a Liquidation Transaction of the type referred to in Section 3(c)(i)(A), if the Company does not effect a dissolution of the Company under the General Corporation Law within 90 days after such Liquidation Transaction, then (A) the Company shall send a written notice to each holder of Preferred Stock no later than the 90th day after the Liquidation Transaction advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (B) to require the redemption of such shares of Preferred Stock, and (B) if the holders of a majority of the then-outstanding shares of Preferred Stock so request in a written instrument delivered to the Company not later than 120 days after such Liquidation Transaction, the Company shall use the consideration received by the Company for such Liquidation Transaction (net of any retained liabilities associated with the assets sold or technology-licensed, as determined in good faith by the Board of Directors), together with any other assets of the Company available for distribution to its shareholders, all to the extent permitted by California law governing distributions to shareholders (the "Available Proceeds"), on the 150th day after such Liquidation Transaction, to redeem all outstanding shares of Preferred Stock at a price per share equal to the amount payable to the Preferred Stock holders under Sections 3(a) and (b). Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, the Company shall ratably redeem each holder's shares of Preferred Stock to the fullest extent of such Available Proceeds, and shall redeem the remaining shares as soon as it may lawfully do so under applicable law governing distributions to shareholders. Prior to the distribution or redemption provided for herein, the Company shall not expend or dissipate the consideration received for such Liquidation Transaction, except to discharge expenses incurred in connection with such Liquidation Transaction or in the ordinary course of business.

(iii) Redemption Following Asset Sale. In the event of a redemption pursuant to Section 3(c)(ii), the Company shall send written notice of the redemption (the "Redemption Notice") to each holder of record of Preferred Stock not less than 25 days prior to the date of such redemption (the "Redemption Date"). The Redemption Notice shall state: (A) the Redemption Date and the redemption price determined in accordance with Section 3(c)(ii) (the "Redemption Price"); and (B) that the holder is to surrender to the Company, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed. On or before the Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Redemption Date shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate) to the Company, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Preferred Stock shall promptly be issued to such holder. If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an

independent payment agent so as to be available therefor in a timely manner, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefor.

(d) Allocation of Escrow. In the event of a Liquidation Transaction pursuant to Section 3(c)(i)(B) or (C), if any portion of the consideration payable to the stockholders of the Company is placed into escrow and/or is payable to the stockholders of the Company subject to contingencies, the Acquisition Agreement shall provide that (i) the portion of such consideration that is not placed in escrow and not subject to any contingencies (the "Initial Consideration") shall be allocated among the holders of capital stock of the Company in accordance with Sections 3(a) and (b) as if the Initial Consideration were the only consideration payable in connection with such Liquidation Transaction and (ii) any additional consideration which becomes payable to the stockholders of the Company upon release from escrow or satisfaction of contingencies shall be allocated among the holders of capital stock of the Company in accordance with Sections 3(a) and (b) after taking into account the previous payment of the Initial Consideration as part of the same transaction.

(e) Valuation of Consideration. If the amount deemed paid or distributed under this Section 3 is made in property other than in cash, the value of such distribution shall be the fair market value of such property, as determined in good faith by the Board of Directors.

(f) Waiver. The rights of any series of Preferred Stock under this Section 3 may be waived by the vote or written consent of the holders of a majority of the then outstanding shares of such series (which vote or written consent shall be effected in accordance with the applicable provisions of the California Corporations Code, including without limitation Sections 600 et seq. thereof). The rights of the Preferred Stock as a class under this Section 3 may be waived by the vote or written consent of the holders of a majority of the Preferred Stock, voting together as a single class (which vote or written consent shall be effected in accordance with the applicable provisions of the California Corporations Code, including without limitation Sections 600 et seq. thereof).

4. **Conversion.** The holders of the Preferred Stock shall have conversion rights and obligations as follows (the "Conversion Rights"). Shares of Preferred Stock shall be convertible into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing the applicable Original Issue Price by the applicable Conversion Price in effect at the time of such conversion. The "Conversion Price" for each series of Preferred Stock shall initially be equal to the Original Issue Price for such series of Preferred Stock. The initial Conversion Price, and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment from time to time as provided below:

(a) Optional Conversion. Each share of Preferred Stock shall be convertible into shares of Common Stock at the then effective Conversion Price any time at the option of the holder thereof.

(b) Automatic Conversion. Each share of Preferred Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Price for such share immediately upon the earlier of (i) the closing of a Qualified Public Offering or (ii) the date specified by the vote or written consent of the holders of a majority of the then-outstanding shares of Preferred Stock, voting together as a single class on an as-converted basis (which vote or written consent shall be effected in

accordance with the applicable provisions of the California Corporations Code, including without limitation Sections 600 et seq. thereof).

(c) Mechanics of Conversion. Before any holder of Preferred Stock shall be entitled to convert such Preferred Stock into shares of Common Stock, the holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or of any transfer agent for such series of Preferred Stock, and shall give written notice to the Company at its principal corporate office, of the election to convert the same and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued; *provided, however*, that in the event of an automatic conversion pursuant to Section 4(b), the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent (but the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such automatic conversion unless either the certificates evidencing such shares of Preferred Stock are delivered to the Company or its transfer agent as provided above, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate). The Company shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Stock, or to the nominee or nominees of such holder, a certificate or certificates for the number of shares of Common Stock to which such holder shall be entitled as aforesaid, together with a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock plus any declared and unpaid dividends on the converted Preferred Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the shares of such series of Preferred Stock to be converted, and the person or persons entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of such date. If the conversion is in connection with an underwritten public offering of securities registered pursuant to the Securities Act or any liquidation, dissolution or winding-up of the Company (or deemed occurrence of such event, including without limitation a Liquidation Transaction), the conversion may, at the option of any holder tendering such Preferred Stock for conversion, be conditioned upon the closing of such public offering or liquidation event, in which event any persons entitled to receive Common Stock upon conversion of such Preferred Stock shall not be deemed to have converted such Preferred Stock until immediately prior to the closing of such public offering or liquidation event

(d) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled (based on the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion), the Company shall pay cash equal to such fraction multiplied by the then fair market value of such fractional shares as determined in good faith by the Board of Directors.

(e) Adjustments to Conversion Price. The Conversion Price for each series of Preferred Stock shall be subject to adjustment from time to time as follows:

(i) Additional Shares of Common Stock. As used herein, "Additional Shares of Common Stock" means all shares of Common Stock issued (or, pursuant to Section 4(e)(iii), deemed to be issued) by the Company after the Original Issue Date, other than the following (each of the following, the "Exempted Shares"):

(A) shares issued or deemed issued as a dividend, stock split or other distribution on Common Stock for which adjustment is made pursuant to Section 4(e)(v) or (vi);

(B) shares issued or deemed issued upon conversion of shares of Preferred Stock, or as a dividend or distribution on the Preferred Stock;

(C) shares of Common Stock actually issued upon exercise or conversion of Options or Convertible Securities pursuant to the terms thereof for which an adjustment to the Conversion Price has previously been made pursuant to Section 4(e)(iii);

(D) shares issued or deemed issued to employees, consultants, independent contractors, advisors or directors of the Company pursuant to any plan, agreement or arrangement as approved by the Board of Directors;

(E) shares of Common Stock issued in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act;

(F) shares issued or deemed issued: (i) in connection with acquisition transactions, to banks, lessors, financial institutions or other lenders in connection with debt financings, commercial credit arrangements, equipment financings real property leasing transactions and the like; (ii) to suppliers or third party service providers in connection with the provision of goods or services; or (iii) in connection with sponsored research, collaboration, technology license or intellectual property acquisition, development, OEM, marketing or other similar arrangements or other strategic or business transactions which issuances, in each of the foregoing cases, are approved by the Board of Directors; and

(G) shares of Common Stock which are deemed, either retroactively or prospectively, not to constitute Additional Shares of Common Stock by vote of the holders of a majority of the Preferred Stock then outstanding, voting together as a single class, with any such vote or written consent being be effected in accordance with the applicable provisions of the California Corporations Code, including without limitation Sections 600 et seq. thereof.

(ii) No Adjustment of Conversion Price for Issuances at or Above Conversion Price. No adjustment in the Conversion Price for any series of Preferred Stock shall be made as a result of the issuance of Additional Shares of Common Stock if the consideration per share for the Additional Shares of Common Stock issued or deemed to be issued by the Company is greater than or equal to the Conversion Price in effect for such series immediately prior to the issuance or deemed issuance of such Additional Shares of Common Stock.

(iii) Deemed Issuances of Additional Shares of Common Stock.

(A) In the event the Company at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities, or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any antidilution or similar provision contained therein for a subsequent adjustment of such number) of Common Stock issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in the case such a record date shall have been fixed, as of the close of business on such record date.

(B) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price for a particular series of Preferred Stock, are revised (either automatically pursuant to the terms thereof or as a result of an amendment thereto) to provide for either (i) an increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of such Option or Convertible Security or (ii) any increase or decrease in the consideration payable to the Company upon such exercise, conversion or exchange then, effective upon such increase or decrease becoming effective, the Conversion Price adjustment computed upon the original issuance of such Option or Convertible Security shall be readjusted to such Conversion Price as would have been obtained had such revised terms been in effect upon the original date or issuance of such Option or Convertible Security. Notwithstanding the foregoing, no adjustment pursuant to this subsection (B) shall have the effect of increasing any Conversion Price to an amount which exceeds the lower of (i) the Conversion Price for such series on the original adjustment date or (ii) the Conversion Price for such series that would have resulted from any issuances of Additional Shares of Common Stock between the original adjustment date and such readjustment date.

(C) Upon the termination or expiration of any unexercised Option or unconverted or unexchanged Convertible Security which resulted in an adjustment to the Conversion Price for a particular series, that Conversion Price shall be readjusted to such Conversion Price as would have been obtained had such Option or Convertible Security never existed.

(iv) Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock.

(A) In the event the Company shall at any time or from time to time after the Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 4(e)(iii)), without consideration or for a consideration per share less than the Conversion Price for a particular series immediately prior to such issue, then the Conversion Price for such series shall be reduced, concurrently with such issue, to a price (calculated to the one-hundredth of a cent) determined in accordance with the following formula:

$$CP2 = CP1 * (A+B) / (A+C)$$

For purposes of the foregoing formula, the following definitions shall apply:

"CP2" is the Conversion Price in effect for such series immediately after such issue of Additional Shares of Common Stock.

"CP1" is the Conversion Price in effect for such series immediately prior to such issue of Additional Shares of Common Stock.

"A" is the number of shares of Common Stock outstanding and deemed outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options or conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding immediately prior to such issue).

"B" is the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Company in respect of such issue by CP1).

"C" is the number of shares of Additional Common Stock issued in such transaction.

(B) Determination of Consideration. For purposes of this Section 4(e), the consideration received by the Company for the issue of any Additional Shares of Common Stock shall be computed as follows:

(1) Cash and Property. Such consideration shall: (a) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company, excluding amounts paid or payable for accrued interest or accrued dividends; (b) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issue, as determined in good faith by the Board of Directors; and (c) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (a) and (b) above, as determined in good faith by the Board of Directors.

(2) Options and Convertible Securities. The consideration per share received by the Company for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4(e)(iii) above, relating to Options and Convertible Securities, shall be determined by dividing: (a) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by; and (b) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(v) Stock Splits and Dividends. In the event the Company should at any time after the Original Issue Date fix a record date for the effectuation of a split or subdivision of the outstanding shares of Common Stock or the determination of holders of Common Stock entitled to receive a dividend or other distribution payable in additional shares of Common Stock without payment of any consideration by such holder for the additional shares of Common Stock, then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Conversion Price for each series of Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of Preferred Stock shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding following such split, subdivision, dividend or other distribution. If such record date shall have been fixed and such dividend or other distribution shall not have been paid on the date fixed therefor, the adjustment previously made in the Conversion Price which became effective on such record date shall be canceled as of the close of business on such record date, and thereafter the Conversion Price shall be adjusted pursuant to this subsection (v) as of the time of actual payment of such dividend.

(vi) Reverse Stock Splits. If the number of shares of Common Stock outstanding at any time after the Original Issue Date is decreased by a combination or reverse split of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for each series of Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in outstanding shares.

(vii) Adjustments for Other Distributions. In the event the Company at any time or from time to time makes, or fixes a record date for the determination of holders of Common Stock entitled to receive any distribution payable in securities of the Company other than shares of Common Stock and other than as otherwise adjusted in this Section 4(e), then and in each such case, provision shall be made so that the holders of Preferred Stock shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable thereupon, the amount of securities of the Company which they would have received had their Preferred Stock been converted into Common Stock on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities receivable by them as aforesaid during such period, subject to all other adjustments called for during such period under this Section 4(e) with respect to the rights of the holders of the Preferred Stock; *provided, however*, that no such adjustment shall be made if the holders of the Preferred Stock concurrently receive (i) the number of shares of Common Stock they would have received if the Preferred Stock had been converted into Common Stock immediately prior to such distribution or (ii) a number of shares of Preferred Stock convertible into the number of shares of Common Stock they would have received if the Preferred Stock had been converted into Common Stock.

(viii) Adjustment for Merger or Reorganization, etc. Subject to Section 3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Company in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction otherwise covered in this Section 4(e)) then, following such event, each share of Preferred Stock shall thereafter be convertible into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock issuable upon conversion of one share of Preferred Stock immediately prior to such event would have been entitled to receive. In each such case, appropriate adjustment shall be made (as determined in good faith by the Board of Directors in the application of the provisions of this Section 4 with respect to the rights of the holders of the Preferred Stock, to the end that the provisions of this Section 4 (including adjustment of the applicable Conversion Price) shall thereafter be applicable and be as nearly equivalent as practicable.

(f) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 4, the Company at its expense shall promptly and in any event not later than 10 days thereafter compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Stock a certificate setting forth such adjustment (including the kind and amount of securities, cash or other property into which the Preferred Stock is convertible) or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Stock, and in any event not later than 10 days thereafter, furnish or cause to be furnished to such holder a like certificate setting forth: (i) the Conversion Price then in effect; (ii) any adjustments and readjustments thereto; and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of Preferred Stock.

(g) Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of the shares of the Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose, including without limitation using its best efforts to obtain the requisite shareholder approval for any necessary amendment to this certificate.

5. ***Voting.***

(a) Voting Generally. Each holder of Preferred Stock shall be entitled to the number of votes equal to the number of whole shares of Common Stock into which such shares of Preferred Stock could be converted at the record date for the determination of the shareholders entitled to vote on such matters or, if no such record date is established, the date such vote is taken or any written consent of the shareholders is solicited. Except as provided by law or as otherwise set forth herein, each holder of Preferred Stock shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled to notice of any shareholders' meeting in accordance with the bylaws of the Company and applicable law, and shall be entitled to vote, together with the holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote, except as may be otherwise provided herein or by applicable law. Except as otherwise expressly provided herein or as required by law, the holders of Preferred Stock and the holders of Common Stock shall vote together and not as separate classes at any annual or special meeting of the shareholders, and the holders of the Preferred Stock may act by written consent in the same manner as the holders of Common Stock.

(b) Election of Directors. All directors shall be elected by the holders of the Common Stock and the Preferred Stock, voting together as a single class.

(c) Protective Provisions.

(i) Approval by Class. In addition to any other vote required by law or these Articles of Incorporation, the Company shall not take any of the following actions, either directly or by amendment, merger, consolidation or otherwise, without the written consent or affirmative vote of the holders of a majority of the then-outstanding shares of Preferred Stock, voting together as a single class:

(A) Amend, alter or repeal any provision of, or add any provision to, the Company's Bylaws or Articles of Incorporation;

(B) Create, authorize or issue (or create or authorize any obligation to create, authorize or issue), including by reclassification, any equity securities ranking senior to or on parity with the Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding-up of the Company, the payment of dividends or redemption rights or otherwise;

(C) Increase the authorized shares of Preferred Stock or any series thereof;

(D) Pay dividends or make any other distribution on any class of the Company's equity securities other than the Preferred Stock, or repurchase or redeem shares of the Company, except for Permitted Repurchases;

(E) Change the size of the Board of Directors;

(F) Effect, or enter into any agreement to effect, any Liquidation Transaction or any voluntary liquidation, dissolution or winding-up of the Company;

(G) Authorize or consummate any public offering of the Company's securities other than a Qualified Public Offering; and

(H) Create, or hold capital stock in, any subsidiary that is not wholly owned (either directly or through one or more other subsidiaries) by the Company, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Company, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary.

6. Status of Converted Stock. In case any shares of Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and may not be reissued.

7. Section 500. Permitted Repurchases may be made without regard to the "preferential dividends arrears amount" or any "preferential rights amount," as such terms are defined in Section 500(b) of the California Corporations Code.

8. Waivers. Any of the rights, powers, preferences of the holders the Preferred Stock, and any notice provisions applicable to the holders of a series of the Preferred Stock, may be waived or defeased, either prospectively or retroactively, by the affirmative consent or vote of the holders of a majority of the Preferred Stock then outstanding, voting together as a single class with any such vote or written consent being be effected in accordance with the applicable provisions of the California Corporations Code, including without limitation Sections 600 et seq. thereof, and any such waiver shall bind all holders (or future holders) of the Preferred Stock.

ARTICLE V

1. Limitation of Directors' and Officers' Liability. To the fullest extent permitted by applicable law as the same exists or may hereafter be amended, a director of the Company shall not be personally liable to the Company or its shareholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exception from liability or limitation thereof is not permitted under applicable law as the same exists or may hereafter be amended. To the fullest extent permitted by applicable law, this Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers, employees and other agents of this Company (and any other persons to which applicable law permits this Company to provide indemnification), through bylaw provisions, agreements with any such director, officer, employee or other agent or other person, vote of shareholders or disinterested directors, or otherwise, in excess of the indemnification and advancement otherwise permitted by applicable law, and to purchase and maintain at the Company's expense insurance to indemnify or insure directors, officers and employees against liability, subject only to limits created by applicable law (statutory or nonstatutory), with respect to actions for breach of duty to a corporation, its shareholders and others. Neither any amendment nor repeal of this provision, nor the adoption of any provisions of these Articles of Incorporation inconsistent with this provision, shall eliminate or reduce the effect of this provision in respect of any matter occurring, or any cause of action, suit or claim that, but for this provision, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

2. Excluded Opportunities. The Company renounces any interest or expectancy of the Company in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "Excluded Opportunity" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of any nonemployee director or any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder (collectively, "Covered Persons"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person solely in such Covered Person's capacity as a director, stockholder or affiliate of the Company. No amendment to or repeal hereof or adoption or any provision inconsistent herewith shall apply to or have any effect on the

liability or alleged liability of any Covered Person for or with respect to any Excluded Opportunity of which such Covered Person becomes aware prior to such amendment or repeal.

3. Amendment of Articles. Subject to any additional vote required under Article IV: (i) the Company reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation, in the manner now or hereafter prescribed by statute; and (ii) the Board of Directors shall have the power to adopt, amend or repeal bylaws of the Company except as provided in Section 212 of the California Corporations Code, and all rights conferred upon shareholders herein are granted subject to these reservations. Notwithstanding the foregoing, Section 5(c)(ii) of Article IV shall not be amended, altered or waived without the prior written consent of a majority of the then-outstanding Common Stock.