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Secretary of State
Corporation Division
255 Capitol St. NE, Suite 151
Salem, OR 97310-1327
FilingInOregon.com

Restated Articles of Incorporation—Business/Professional/Nonprofit

Check the appropriate box below:

- ☒ BUSINESS/PROFESSIONAL CORPORATION
(Complete only 1, 2, 3, 4, 6, 7)
☐ NONPROFIT CORPORATION
(Complete only 1, 2, 3, 5, 6, 7)

FILED

AUG 05 2004

OREGON
SECRETARY OF STATE

REGISTRY NUMBER: 117990-95

In accordance with Oregon Revised Statute 182.410-182.490, the information on this application is public record.
We must release this information to all parties upon request and it will be posted on our website.

For office use only

Please Type or Print Legibly in Black Ink. Attach Additional Sheet if Necessary.

1) NAME OF CORPORATION PRIOR TO AMENDMENT Ambric Incorporated

2) NEW NAME OF THE CORPORATION (If changed) Ambric, Inc.

3) A COPY OF THE RESTATED ARTICLES MUST BE ATTACHED

BUSINESS/PROFESSIONAL CORPORATION ONLY

4) CHECK THE APPROPRIATE STATEMENT

☐ The restated articles contain amendments which do not require shareholder approval. The date of the adoption of the amendments and restated articles was _____
These amendments were duly adopted by the board of directors.

☒ The restated articles contain amendments which require shareholder approval. The date of the adoption of the amendments and restated articles was 08/05/04
The vote of the shareholders was as follows:

Class or series of shares	Number of shares outstanding	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST
Common	3,739,000	3,739,000	3,739,000	0

☐ The corporation has not issued any shares of stock. Shareholder action was not required to adopt the restated articles. The restated articles were adopted by the incorporators or by the board of directors.

NONPROFIT CORPORATION ONLY

5) CHECK THE APPROPRIATE STATEMENT

☐ The restated articles contain amendments which do not require membership approval. The date of the adoption of the amendments and restated articles was _____ These amendments were duly adopted by the board of directors.

☐ The restated articles contain amendments which require membership approval. The date of the adoption of the amendments and restated articles was _____
The vote of the members was as follows:

Class(es) entitled to vote	Number of members entitled to vote	Number of votes entitled to be cast	Number of votes cast FOR	Number of votes cast AGAINST

6) EXECUTION
Signature

Printed Name

Doug Morris

Title

Secretary

7) CONTACT NAME (To resolve questions with this filing.)

Josaundra A. Smith

DAYTIME PHONE NUMBER (Include area code.)

(503) 226-8447

FEES

Required Processing Fee \$50
Confirmation Copy (Optional) \$5
Processing Fees are nonrefundable.

Please make checks payable to
"Corporation Division."

NOTE:

Fees may be paid with VISA or MasterCard. The card number and expiration date should be submitted on a separate sheet for your protection.

PAID 8/5

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF AMBRIC INCORPORATED**

Pursuant to ORS 60.451, these Amended and Restated Articles of Incorporation supersede the existing Articles of Incorporation of Ambric Incorporated and all amendments thereto.

ARTICLE I

The name of this Corporation is Ambric, Inc. (the "Corporation").

ARTICLE II

The address of the Corporation's registered office in the State of Oregon is c/o AW Services, Inc., 222 SW Columbia Street, Suite 1800, Portland, Oregon 97201.

ARTICLE III

The purpose of this Corporation is to engage in any lawful act or activity for which a corporation may be organized under the Oregon Business Corporation Act.

ARTICLE IV

This Corporation is authorized to issue two classes of shares to be designated, respectively, "Preferred Stock" and "Common Stock." The total number of shares which the Corporation is authorized to issue is thirty four million five hundred thousand (34,500,000) of which twelve million nine hundred thousand (12,900,000) shares shall be Preferred Stock (the "Preferred Stock") with par value \$.0001 per share and twenty one million six hundred thousand (21,600,000) shares shall be Common Stock (the "Common Stock") with par value \$.0001 per share.

ARTICLE V

The rights, preferences, privileges, restrictions and other matters relating to the shares of Preferred Stock are as follows:

A. Designation. Of the Preferred Stock, all twelve million nine hundred thousand (12,900,000) of the shares shall be designated and known as Series A Preferred Stock (the "Series A Preferred Stock" or the "Series A Preferred").

B. Liquidation Rights.

(1) In the event of any "Liquidation Event" (as defined below), whether voluntary or not, the holders of Series A Preferred Stock shall be entitled to receive, before any amount shall be paid to holders of Common Stock, an amount per share equal to \$0.8083, as adjusted for share splits, reclassifications, recombinations and the like ("Original Issue Price")

plus an amount equal to all declared and unpaid dividends (collectively, the "Preference Amount"). If, upon the occurrence of such Liquidation Event, the assets and surplus funds distributed among the holders of Series A Preferred Stock shall be insufficient to permit the payment to such holders of Series A Preferred Stock of the full Preference Amount, then the entire assets and surplus funds of the Corporation legally available for distribution shall be distributed pro rata among the holders of Series A Preferred Stock.

(2) Upon completion of the distribution required by subsection (1) of this Section B., all of the remaining assets or surplus funds available for distribution to shareholders shall be distributed among the holders of Common Stock and Series A Preferred Stock (on an as converted to Common Stock basis) pro rata based on the number of shares of Common Stock held (or deemed held on account of the Series A Preferred Stock) by each, provided that, once the holders of Series A Preferred Stock shall have received an amount per share of five times (5X) the Preference Amount (including all amounts distributed under clause B. (1) immediately above), then (i) the holders of Series A Preferred Stock shall receive no further assets or surplus funds and (ii) all of the remaining assets or surplus funds available for distribution to shareholders shall be distributed among the holders of Common Stock pro rata based on the number of shares of Common Stock held by each.

(3) For purposes of this Section B., a Liquidation Event shall be (a) the closing of the Corporation's sale, transfer or other disposition of all or substantially all of its assets, (b) the consummation of the acquisition of the Corporation by merger or reorganization or other form of business combination of this Corporation into or with another entity in which as a result of their ownership of securities of this Corporation before such event, the shareholders of the Corporation do not own a majority of the outstanding shares of the subsequent surviving, purchasing, or newly resulting corporation or entity, whether by means of merger or consolidation, reorganization, or business combination resulting in the exchange of the outstanding shares of this Corporation for securities or consideration issued, or caused to be issued, by the acquiring corporation, entity, or its subsidiary, (c) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons (other than an underwriter of the Corporation's securities), of the Corporation's securities, if, after such closing, such person or group of affiliated persons would hold 50% or more of the outstanding voting shares of the Corporation or (d) a liquidation, dissolution or winding up of the Corporation; provided, however, that a transaction shall not constitute a Liquidation Event if its sole purpose is to change the state of the Corporation's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Corporation's securities immediately prior to such transaction. No later than twenty (20) days before any such event, the Corporation shall deliver a notice to each holder of Series A Preferred Stock setting forth the principal terms of such merger, reorganization or sale of the Corporation. Such notice shall be deemed delivered upon personal delivery, five (5) days after deposit in the United States mail, by first class, registered or certified mail (in each case, prepaid), addressed to a party at its address as shown on the shareholder records of the Corporation or when sent by confirmed electronic mail or facsimile. Such notice shall include a description of the amounts that would be paid to holders of Series A Preferred Stock under this Section B. and of the consideration that such holders would receive if they were to exercise their rights to have shares of Series A Preferred Stock treated as if they had been converted into Common Stock.

(4) In the event of a Liquidation Event which will involve the distribution of assets other than cash, the value of the assets to be distributed to the holders of shares of the Series A Preferred Stock shall be determined in good faith by the consent or vote of the Board of Directors, and such determination shall be binding upon the holders of the Series A Preferred Stock and Common Stock, except that any securities distributed shall be valued as follows:

(a) Securities not subject to investment letter or other similar restrictions on free marketability:

(i) if traded on a securities exchange or over the counter, the value shall be deemed to be the average of the security's closing prices on such exchange (closing bid prices for NASDAQ securities) as prescribed in the transaction documents implementing such Liquidation Event between the Corporation and the other party(ies) to the transaction being treated as such hereunder; or

(ii) if not set forth in the transaction documents implementing the sale, merger or reorganization transaction and there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the consent or vote of the Board of Directors and such determination shall be binding upon the holders of the Series A Preferred Stock and Common Stock.

(b) The method of valuation of securities subject to investment letter or other restrictions on free marketability shall be to make an appropriate discount from the market value determined as above in subsection B.(4)(a)(i) or (ii) to reflect the approximate fair market value thereof, as determined in good faith by the consent or vote of the Board of Directors, and such determination shall be binding upon the holders of the Series A Preferred Stock and the Common Stock.

(5) The treatment of any particular transaction or series of related transactions as a Liquidation Event may be waived by the vote or written consent of the holders of a majority of the outstanding Preferred Stock (voting together as a single class and not as separate series, and on an as-converted basis).

C. Dividends.

(1) Preferred Stock. The holders of the Series A Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, prior and in preference to any declaration or payment of any dividend (payable other than in Common Stock or other securities and rights convertible into or entitling the holder thereof to receive, directly or indirectly, additional shares of Common Stock of the Corporation) on the Common Stock of the Corporation, at the rate of \$0.064664 per share (as adjusted for share splits, share dividends, reclassifications or the like) per annum on each outstanding share of Series A Preferred Stock, payable annually when, as and if declared by the Board of Directors. Such dividends shall not be cumulative. No distribution(s) shall be declared or paid on shares of Common Stock unless declared in identical amounts on the Series A Preferred Stock at the same time. Distributions, to the extent declared, shall be at the identical rate on the Series A Preferred Stock and the Common Stock and payable as the Board of Directors may from time to time determine.

Dividends, if paid, or if declared and set apart for payment, must be paid on, or declared and set apart on, all outstanding shares of the respective shares on which they are paid (either Series A Preferred Stock or Common Stock) contemporaneously.

(2) Distributions Defined. For purposes of this Section C., unless the context requires otherwise, "distribution" shall mean the transfer of cash or property without consideration, whether by way of dividend or otherwise, payable other than in Common Stock or other securities of the Corporation, or the purchase or redemption of shares of the Corporation (other than repurchases of Common Stock held by employees of, or consultants to, the Corporation upon termination of their employment or services pursuant to agreements providing for such repurchase or pursuant to Bylaws provisions allowing repurchase upon exercise of rights of first refusal) for cash or property, including any such transfer, purchase, or redemption by a subsidiary of the Corporation. The holders of Series A Preferred Stock hereby consent to such repurchases as described in the immediately preceding sentence.

D. Conversion to Common Stock

The Series A Preferred Stock shall be convertible into Common Stock of the Corporation as follows:

(1) Definitions. For purposes of this Section D., the following definitions shall apply:

(a) "Issue Date" shall mean the date the first share of this Corporation's Series A Preferred Stock is issued.

(b) "Conversion Price" or "Series A Conversion Price" shall mean the price, determined pursuant to this Section D., at which shares of Common Stock shall be deliverable upon conversion of Series A Preferred Stock.

(c) "Series A Current Conversion Price" shall mean the Series A Conversion Price immediately before the occurrence of any event, which, pursuant to this Section D., causes an adjustment to the Series A Conversion Price.

(d) "Convertible Securities" shall mean any indebtedness, shares, or other securities convertible into or exchangeable for Common Stock, including Series A Preferred Stock.

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

(f) "Common Stock Outstanding" shall mean the aggregate of all Common Stock outstanding and all Common Stock issuable upon exercise of all outstanding Options and conversion of all outstanding Convertible Securities.

(g) "Common Stock Equivalents" shall mean Convertible Securities and rights entitling the holder thereof to receive, directly or indirectly, additional shares of

Common Stock without the payment of any consideration by such holder for such additional shares of Common Stock or Common Stock Equivalents.

(2) Right to Convert; Initial Conversion Price.

(a) Each holder of Series A Preferred Stock may, at any time, convert any or all of such Series A Preferred Stock into fully-paid and nonassessable shares of Common Stock at the Series A Current Conversion Price. Each share of Series A Preferred Stock shall be convertible into the number of shares of Common Stock that results from dividing \$0.8083 by the Series A Conversion Price in effect at the time of conversion for Series A Preferred Stock. The Series A Conversion Price shall be subject to adjustment from time to time in certain instances as hereinafter provided. The initial Series A Conversion Price shall be \$0.8083. No adjustments with respect to conversion shall be made on account of any dividends that may be declared but unpaid on the Series A Preferred surrendered for conversion, but no dividends shall thereafter be paid on the Common Stock unless such unpaid dividends have first been paid to the holders of Series A Preferred Stock entitled to payment at the time of conversion of the Series A Preferred Stock.

(b) Before any holder of Series A Preferred Stock shall be entitled to convert the same into Common Stock, he shall surrender the certificate or certificates therefor, duly endorsed, to the office of the Corporation or any transfer agent for such Series A Preferred Stock and shall give written notice to the Corporation at such office that he elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock, or to his nominee or nominees, certificates for the number of full shares of Common Stock to which he shall be entitled, together with cash in lieu of any fraction of a share as hereinafter provided, and, if less than all of the shares of Series A Preferred Stock represented by such certificate are converted, a certificate representing the shares of Series A Preferred Stock not converted. Such conversion shall be deemed to have been made as of the date of such surrender of the certificate for the Series A Preferred Stock to be converted, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock on such date. If the conversion is in connection with an offer of securities registered pursuant to the Securities Act of 1933, as amended, the conversion may, at the option of any holder tendering Series A Preferred Stock for conversion, be conditioned upon the closing of the sale of securities pursuant to such offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Series A Preferred Stock shall not be deemed to have converted such Series A Preferred Stock until immediately prior to the closing of such sale of securities. If the conversion is in connection with Automatic Conversion provisions of subsection D.(4) below, such conversion shall be deemed to have been made on the conversion date described in the shareholder consent approving such conversion, and the persons entitled to receive shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holders of such shares of Common Stock as of such date.

(3) Adjustments to Conversion Price. Subject to subsection D.(3)(j) below, the Series A Conversion Price in effect from time to time shall be subject to adjustment in certain cases as follows:

(a) Issuance of Additional Shares of Common Stock. In case the Corporation shall at any time after the Issue Date issue or sell any Common Stock, Options, Convertible Securities, or Common Stock Equivalents without consideration or for a consideration per share less than the Series A Current Conversion Price (hereinafter the "Additional Shares of Common Stock"); then such Series A Current Conversion Price shall simultaneously with such issuance or sale be adjusted to a Series A Conversion Price (calculated to the nearest cent with .5 and more being rounded up and less than .5 being rounded down), determined by multiplying such Series A Conversion Price by a fraction,

- o the numerator of which shall be (x) the number of shares of Common Stock Outstanding at the close of business on the day immediately preceding the date of such issuance or sale, plus (y) the number of shares of Common Stock which the aggregate consideration received (or by the express provisions hereof deemed to have been received) by the Corporation for the total number of Additional Shares of Common Stock so issued or sold would purchase at the then existing Series A Current Conversion Price, and
- o the denominator of which shall be the number of shares of Common Stock Outstanding at the close of business on the date of such issuance or sale plus the number of shares of Additional Shares of Common Stock.

For the purpose of the calculation described immediately above in this subsection D.(3)(a), the number of shares of Common Stock Outstanding shall include the following: (A) Common Stock actually outstanding, (B) the number of shares of Common Stock into which the Series A Preferred Stock could be converted if fully converted on the day immediately preceding the issuance or sale or deemed issuance or sale of Additional Shares of Common Stock, and (C) the number of shares of Common Stock which would be obtained through the exercise or conversion of all rights, Options and Convertible Securities (but excluding the shares of Common Stock represented by conversion of the Series A Preferred Stock) outstanding on the day immediately preceding the issuance or sale or deemed issuance or sale of Additional Shares of Common Stock. Shares described in (A) through (C) in the immediately preceding sentence shall be included whether vested or unvested, whether contingent or non-contingent and whether exercisable or not yet exercisable.

For purposes of this subsection D.(3)(a), the following provisions shall also apply:

(i) Cash Consideration. In case of the issuance or sale of Additional Shares of Common Stock for cash, the consideration received by the Corporation therefor shall be deemed to be the amount of cash received by the Corporation for such shares (or, if such shares are offered by the Corporation for subscription, the subscription price, or, if such shares are sold to underwriters or dealers for public offering without a subscription offering, the initial public offering price), without deducting therefrom any compensation or discount paid or allowed to underwriters or dealers or others performing similar services or for any expenses incurred in connection therewith.

(ii) Non-Cash Consideration. In case of the issuance (otherwise than upon conversion or exchange of Convertible Securities) or sale of Additional Shares of

Common Stock for consideration other than cash or for consideration a part of which shall be other than cash, the fair value of such consideration as determined by the Board of Directors in the good faith exercise of its business judgment, irrespective of the accounting treatment thereof, shall be deemed to be the value, for purposes of this Section D., of the consideration other than cash received by the Corporation for such securities.

(iii) Options and Convertible Securities. In case the Corporation shall in any manner issue or grant any Options or any Convertible Securities, the total maximum number of shares of Common Stock issuable upon the exercise of such Options or upon conversion or exchange of the total maximum amount of such Convertible Securities at the time such Convertible Securities first become convertible or exchangeable shall (as of the date of issue or grant of such Options or, in the case of the issue or sale of Convertible Securities other than where the same are issuable upon the exercise of Options, as of the date of such issue or sale) be deemed to be issued and to be outstanding for the purpose of this subsection D.(3)(a)(iii) and to have been issued for the sum of the amount (if any) paid for such Options or Convertible Securities (excluding any cash received by the Corporation on account of accrued interest or accrued dividends) and the amount (if any) payable upon the exercise of such Options or upon conversion or exchange of such Convertible Securities at the time such Convertible Securities first become convertible or exchangeable; provided, however, that, subject to the provisions of subsection D.(3)(b), no further adjustment of the Series A Current Conversion Price shall be made upon the actual issuance of any such Common Stock or Convertible Securities or upon the conversion or exchange of any such Convertible Securities.

(b) Change in Option Price or Conversion Rate. If the purchase price provided for in any Option referred to in subsection D.(3)(a)(iii), or the rate at which any Convertible Securities referred to in subsection D.(3)(a)(iii) are convertible into or exchangeable for shares of Common Stock shall change at any time (other than under or by reason of provisions designed to protect against dilution), the Series A Current Conversion Price in effect at the time of such event shall forthwith be readjusted to the Series A Conversion Price that would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed purchase price, additional consideration or conversion rate, as the case may be, at the time same were initially granted, issued or sold. If the purchase price provided for in any such Option referred to in subsection D.(3)(a)(iii), or the additional consideration (if any) payable upon the conversion or exchange of any Convertible Securities referred to in subsection D.(3)(a)(iii), or the rate at which any Convertible Securities referred to in subsection D.(3)(a)(iii) are convertible into or exchangeable for shares of Common Stock, shall be reduced at any time under or by reason of provisions with respect thereto designed to protect against dilution, then in case of the delivery of shares of Common Stock upon the exercise of any such Option or upon conversion or exchange of any such Convertible Securities, the Series A Conversion Price then in effect hereunder shall, upon issuance of such shares of Common Stock, be adjusted to such amount as would have been obtained had such Option or Convertible Securities never been issued and had adjustments been made only upon the issuance of the shares of Common Stock delivered as aforesaid and for the consideration actually received for such Option or Convertible Securities and the Common Stock.

(c) Termination of Option or Conversion Rights. Upon the termination or expiration of any right to purchase Common Stock under any Option or of any right to convert

or exchange Convertible Securities, the Series A Current Conversion Price shall, upon such termination, be changed to the Series A Conversion Price that would have been in effect at the time of such expiration or termination had such Option or Convertible Securities, never been issued, and the shares of Common Stock issuable thereunder shall no longer be deemed to be Common Stock Outstanding. The number of shares of Additional Shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to subsection D.(3)(a)(iii) shall be appropriately adjusted to reflect any changes, termination or expiration of the type described in subsections D.(3)(b) or D.(3)(c).

(d) Stock Splits; Dividends; Distributions and Combinations. If the Corporation shall at any time or from time to time after the 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 or Common Stock Equivalents, then, following such record date (or the date of such dividend, distribution, split or subdivision if no record date is fixed), the Series A Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of Series A Preferred shall be increased in proportion to such increase in the number of outstanding shares of Common Stock (including for this purpose, Common Stock Equivalents). If the number of shares of outstanding Common Stock at any time after the Issue Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Series A Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of each share of Series A Preferred shall be decreased in proportion to such decrease in the number of outstanding shares of Common Stock.

(e) Other Dividends. If this Corporation shall declare a distribution payable in securities of other persons, evidence of indebtedness issued by this Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in subsection D.(3)(a)(iii), then, in each such case for the purpose of this subsection D.(3)(e), the holders of Series A Preferred Stock shall be entitled to, if they have not already received in such fiscal year, a dividend equal in value to the amounts set forth in subsection C.(1) above and thereafter a proportionate share of any such distribution as though they were the holders of the number of shares of Common Stock of the Corporation into which their shares of Series A Preferred Stock are convertible as of the record date fixed for the determination of the holders of Common Stock of the Corporation entitled to receive such distribution.

(f) Recapitalizations. If at any time or from time to time there shall be a recapitalization of the Common Stock (other than a subdivision, reorganization, combination or merger or a sale of assets transaction provided for elsewhere in this Section D.), provision shall be made so that the holders of Series A Preferred Stock shall thereafter be entitled to receive upon conversion of shares of Series A Preferred Stock the number of shares or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon such conversion would have been entitled on such recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section D. with respect to the rights of the holders of Series A Preferred Stock after the recapitalization to the end that the provisions of this Section D. (including adjustment of the Series A Conversion Price then in

effect and the number of shares purchasable upon conversion of shares of Series A Preferred Stock) shall be applicable after that event as nearly equivalent as may be practicable.

(g) Successive Changes. The above provisions of this Section D. shall similarly apply to successive issuances, sales, dividends or other distributions, subdivisions and combinations on or of the Common Stock after the Issue Date.

(h) [Intentionally Omitted.]

(i) No Impairment. This Corporation will not, without the appropriate vote of the Shareholders under the Oregon Business Corporation Act or Section F. of this Article V, by amendment of these Amended and Restated Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but will at all times in good faith assist in the carrying out of all the provisions of this Section D. and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the holders of Series A Preferred Stock against impairment.

(j) Excluded Events. Notwithstanding any other provision in this Section D. which is inconsistent with or contrary to the terms of this subsection (j), the Series A Conversion Price shall not be adjusted by virtue of: (a) the conversion of shares of Preferred Stock into shares of Common Stock; (b) the repurchase of Common Stock shares from the Corporation's employees, consultants, officers or Directors at such person's cost and any subsequent reissuance of such shares, provided that a majority of the Board of Directors votes to approve such (including the votes of at least two Directors who are elected solely by the holders of the Series A Preferred Stock); (c) the issuance and sale of, or the grant of options or warrants to purchase, shares of Common Stock, to employees, advisors, Directors, officers or consultants of the Corporation pursuant to any share option plan or share purchase plan or agreement as may be approved by the Board of Directors; (d) securities issued pursuant to equipment financing, debt financing, or leasing arrangements, or in connection with strategic partnering transactions approved by the Board of Directors; (e) securities issued in connection with a Qualified Offering (as defined below); or (f) securities issued pursuant to a bona fide merger, share purchase, asset purchase, or other reorganization in which the Corporation is the surviving entity, provided such transaction is approved by the Board of Directors.

(k) No Fractional Shares. No fractional shares shall be issued upon conversion of shares of Series A Preferred Stock. The Corporation shall deliver cash to any holder of Series A Preferred Stock in lieu of any fraction of a share.

(l) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Series A Conversion Price pursuant to this Section D., the Corporation, at its expense and upon request by any holder of Series A Preferred Stock, shall compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Series A Preferred Stock a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, upon the written request at any time of any holder of Series A

Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (a) such adjustment and readjustment, (b) the Series A Current Conversion Price, and (c) 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 a share of Series A Preferred Stock.

(m) Waiver of Adjustment to Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Series A Conversion Price may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of two-thirds ($2/3^{\text{rd}}$) or more of the outstanding shares of Series A Preferred Stock. Any such waiver shall bind all future holders of shares of Series A Preferred Stock.

(4) Automatic Conversion. Immediately upon:

- (i) the closing of the Corporation's registration statement on a Form S-1 (or any other form equivalent thereto) pursuant to which Common Stock is sold to the public by the Corporation (or selling shareholders, if any) in a public offering registered under the Securities Act of 1933, as amended, at (a) a per share public offering price of at least \$4.04 (four dollars and four cents) (adjusted to reflect subsequent share dividends, share splits, recapitalizations, recombinations or the like), and (b) an aggregate public offering price not less than Twenty Million Dollars (\$20,000,000), prior to underwriting commissions and expenses (a "Qualified Offering"), or
- (ii) the election of holders of at least two-thirds ($2/3^{\text{rd}}$) of the then outstanding Series A Preferred Stock, voting together as a single class, or
- (iii) a Liquidation Event in which the holders of Series A Preferred Stock shall receive an amount per share of five times (5X) the Preference Amount,

then each share of Series A Preferred Stock shall automatically be converted into Common Stock at the Series A Current Conversion Price. On and after said conversion date, notwithstanding that any certificates for the shares of Series A Preferred Stock shall not have been surrendered for conversion, the shares of Series A Preferred Stock evidenced thereby shall be deemed to be no longer outstanding, and all rights with respect thereto shall forthwith cease and terminate, except only the rights of the holder (a) to receive the shares of Common Stock to which he shall be entitled upon conversion thereof, (b) to receive the amount of cash payable in respect of any fractional share of Common Stock to which he shall be entitled, and (c) with respect to dividends declared but unpaid on Series A Preferred Stock prior to such conversion date. In the event that any holder of Series A Preferred Stock presents such holder's certificate therefor for surrender to the Corporation or its transfer agent upon such conversion, a certificate for the number of shares of Common Stock into which the shares of Series A Preferred Stock surrendered were convertible on such conversion date will be promptly issued and delivered to such holder.

(5) Business Combination, Reorganization, Merger, Sale of Corporation. After the Issue Date, in the event of any proposed business combination, reorganization, consolidation or merger of the Corporation with or into another corporation (other than a

business combination, consolidation or merger in which the Corporation is the continuing corporation and which does not result in any reclassification of, or change in, the outstanding shares of Common Stock), or in the event of any proposed sale or transfer to another corporation of all or substantially all of the assets of the Corporation, any holder of Series A Preferred Stock may, upon delivery of such shares and election pursuant to Section B. above, have each share of Series A Preferred Stock held by such holder treated for all purposes as if it had been converted into Common Stock on the earlier of (a) the record date, if any, for voting by holders of Common Stock on such event, and (b) the date of such event.

E. Voting Rights.

(1) General Voting Rights. The holders of Series A Preferred Stock and the holders of Common Stock shall be entitled to notice of any shareholders' meeting and, except as otherwise required by law or as set forth herein, to vote upon any matter submitted to the shareholders for a vote as follows: (a) the holders of Series A Preferred Stock shall have one (1) vote for each share of Common Stock into which their shares of Series A Preferred Stock are convertible on the record date for the vote, and (b) the holders of Common Stock shall have one (1) vote per share of Common Stock.

(2) Voting Rights for the Election of Directors. The number of Directors on the Board of Directors shall be five (5), or such greater number as may be determined by the unanimous consent of the Board of Directors. Each time the shareholders of the Corporation meet, or act by written consent in lieu of a meeting, for the purpose of electing member(s) of the Board of Directors, (i) the holders of Common Stock, voting separately as a class, shall elect two (2) members of the Board of Directors and (ii) the holders of the holders of Series A Preferred Stock, voting separately as a class, shall elect three (3) members of the Board of Directors. Any vacancy, including vacancies created by removal or resignation of a Director may be filled by a majority of the Directors then in office, though less than a quorum, or by a sole remaining Director and the Directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the Directors elected by the holders of a class or series of shares, the holders of shares of such class or series may override the Board's action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of such shareholders or (ii) written consent, if the consenting shareholders hold a sufficient number of shares to elect their designee at a meeting of the shareholders. Any Director elected as provided above may be removed during the aforesaid term of office, either with or without cause, by, and only by, the affirmative vote of the holders of the class or series of shares entitled to elect such Director or Directors, given either at a special meeting of such shareholders duly called for that purpose or pursuant to a written consent of shareholders, and any vacancy thereby created may be filled by the holders of that class or series of shares represented at the meeting or pursuant to written consent.

F. Protective Provisions.

After the Issue Date, so long as at least Two Million Five Hundred Thousand (2,500,000) shares of Series A Preferred Stock (such number of shares being subject to proportional adjustments to reflect combinations or subdivisions of such Series A Preferred

Stock or dividends declared in shares of such Series A Preferred Stock) remain outstanding, the Corporation shall not:

(1) Without the approval, by vote or written consent, of the holders of at least a two-thirds (2/3rd) majority of the Series A Preferred Stock then outstanding, voting as a single class on an as-converted to Common Stock basis:

(i) amend or repeal any provision of (a) these Amended and Restated Articles of Incorporation or (b) the Corporation's Bylaws;

(ii) amend the preferences, rights, or privileges of the Series A Preferred Stock or increase or decrease (other than by conversion) the total number of authorized shares of Series A Preferred Stock;

(iii) authorize or issue any capital securities or issue any bonds, notes, indebtedness, obligations or other securities convertible into, exchangeable for, or having rights to purchase shares having rights, restrictions or preferences senior to or being on a parity with the Series A Preferred Stock;

(iv) consummate a Liquidation Event;

(v) create any new plan or arrangement for the grant of any share options or restricted shares or share equivalents or increase the number of shares under any such plan or arrangement other than one(s) approved by the Board of Directors; or

(vi) agree or commit to take any of the foregoing actions.

(2) Without the prior approval of the Board of Directors, including the votes of at least two of the three Directors elected solely by the Series A Preferred Stock, the Corporation shall not:

(i) declare or pay any dividends or make any other distribution (other than dividends payable solely in shares of its own Common Stock or other distributions explicitly set forth in these Amended and Restated Articles of Incorporation) on any securities junior to the Series A Preferred Stock;

(ii) repurchase or redeem any securities of the Corporation except repurchases of Common Stock held by employees of, or consultants to, the Corporation upon termination of their employment or services pursuant to agreements providing for such repurchase or pursuant to Bylaws provisions allowing repurchase upon exercise of rights of first refusal or as otherwise expressly authorized herein;

(iii) authorize, borrow or enter into any obligation for any form of indebtedness or payment of more than one million dollars (\$1,000,000) in cash or securities of the Corporation;

(iv) establish any joint venture or equivalent business combination or arrangement, including, without limitation, a partnership with any subsidiaries or affiliates not wholly owned by this Corporation;

(v) enter into any transaction with any shareholder, officer or Director of the Corporation or any affiliate of such person(s) except for (a) employment matters in the ordinary course, (b) arms' length or other sales of securities at fair market value (which shall include the issuance of Series A Preferred Stock), or (c) other transactions which in case of this clause (c) are approved by a disinterested majority of the Board of Directors or a special committee composed of one or more such persons and on terms which are fair to the Corporation; or

(vi) agree or commit to take any of the foregoing actions.

G. Miscellaneous.

(1) No Reissuance of Preferred Stock. No share or shares of Series A Preferred Stock acquired by the Corporation by reason of redemption, purchase, conversion or otherwise shall be reissued, and all such shares shall be cancelled, retired and eliminated from the shares which the Corporation shall be authorized to issue.

(2) Preemptive Rights. No shareholder of the Corporation shall have a right to purchase the Corporation's capital shares sold or issued by the Corporation except to the extent that such a right may from time to time be set forth in a written agreement between the Corporation and a shareholder.

(3) Residual Rights. All rights accruing to the outstanding shares of the Corporation not otherwise expressly provided for in these Amended and Restated Articles of Incorporation shall be vested in the Common Stock.

ARTICLE VI

Election of Directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

ARTICLE VII

Meetings of shareholders may be held within or without the State of Oregon, as the Bylaws of this Corporation may provide. The books of this Corporation may be kept (subject to any provision contained in the statutes) outside the State of Oregon at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of this Corporation.

ARTICLE VIII

This Corporation reserves the right to amend, alter, change or repeal any provision contained in these Amended and Restated Articles of Incorporation, in the manner now or

hereafter prescribed by statute, and all rights conferred upon shareholders herein are granted subject to this reservation.

ARTICLE IX

The Corporation is authorized to purchase shares of Common Stock from present and former employees, consultants and Directors pursuant to the arrangements approved by the Board of Directors and to redeem shares of Preferred Stock pursuant to Article V hereof without taking into account the preferential liquidation rights of holders of Preferred Stock set forth in Article V when applying the provisions of the Oregon Business Corporation Act to determine the lawfulness of any such purchase or redemption.

ARTICLE X

No Director of the Corporation shall be personally liable to the Corporation or its shareholders for monetary damages for conduct as a Director; provided that this Article X shall not eliminate the liability of a Director for any act or omission for which such elimination of liability is not permitted under the Oregon Business Corporation Act. No amendment to the Oregon Business Corporation Act that further limits the acts or omissions for which elimination of liability is permitted shall affect the liability of a Director for any act or omission that occurs prior to the effective date of such amendment.

ARTICLE XI

Action required or permitted by the Oregon Business Corporation Act to be taken at a shareholders' meeting may be taken without a meeting if the action is taken pursuant to written consent by shareholders having not less than the minimum number of votes that would be necessary to take such action at a meeting at which all shareholders entitled to vote on the action were present and voted.

ARTICLE XII

A. Indemnification. The Corporation shall indemnify to the fullest extent not prohibited by law any Person who was or is a party or is threatened to be made a party to any Proceeding against all expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by the Person in connection with such Proceeding. Notwithstanding the foregoing, the Corporation shall not indemnify any Person from or on account of acts or omissions of such Person of a type for which liability could not be eliminated for a Director under ORS 60.047(2)(d).

B. Advancement of Expenses. Expenses incurred by a Person in defending a Proceeding shall in all cases be paid by the Corporation in advance of the final disposition of such Proceeding at the written request of such Person, if the Person:

(1) furnishes the Corporation a written affirmation of the Person's good faith belief that such Person has met the standard of conduct described in the Oregon Business Corporation Act or is entitled to be indemnified by the Corporation under any other indemnification rights granted by the Corporation to such Person; and

(2) furnishes the Corporation a written undertaking to repay such advance to the extent it is ultimately determined by a court that such Person is not entitled to be indemnified by the Corporation under this Article XII or under any other indemnification rights granted by the Corporation to such Person.

Such advances shall be made without regard to the Person's ability to repay such advances and without regard to the Person's ultimate entitlement to indemnification under this Article XII or otherwise.

C. Definition of "Proceeding" and "Person". The term "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether brought in the right of the Corporation or otherwise and whether of a civil, criminal, administrative, or investigative nature, in which an individual may be or may have been involved as a party or otherwise by reason of the fact that the individual is or was a Director or officer of the Corporation or a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974 with respect to any employee benefit plan of the Corporation, or is or was serving at the request of the Corporation as a Director, officer, or fiduciary of an employee benefit plan of another Corporation, partnership, joint venture, trust, or other enterprise, whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification or advancement of expenses can be provided under this Article XII. The term "Person" means any individual serving in a capacity described in this Paragraph.

D. Non-Exclusivity and Continuity of Rights. This Article XII: (i) shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any statute, agreement, general or specific action of the Board of Directors, vote of shareholders or otherwise, both as to action in the official capacity of the Person indemnified and as to action in another capacity while holding office, (ii) shall continue as to a Person who has ceased to be a Director or officer, (iii) shall inure to the benefit of the heirs, executors, and administrators of such Person, and (iv) shall extend to all claims for indemnification or advancement of expenses made after the adoption of this Article XII.

E. Amendments. Any repeal of this Article XII shall only be prospective and no repeal or modification hereof shall adversely affect the rights under this Article XII in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Proceeding.