

2056981 SURV

AGREEMENT OF MERGER
OF
DINOSAUR EGG, INC.
WITH AND INTO
ARCOT SYSTEMS, INC.

FILED *TD*
In the office of the Secretary of State
of the State of California

OCT 04 2010

This Agreement of Merger, dated as of October 4, 2010 (this "Agreement"), is entered into by and among CA, Inc., a Delaware corporation ("Buyer"), Dinosaur Egg, Inc., a California corporation and direct wholly-owned subsidiary of Buyer ("Newco"), and Arcot Systems, Inc., a California corporation (the "Company").

RECITALS:

WHEREAS, the Company was incorporated in the State of California on September 30, 1997 and has outstanding 181,001,425 shares of common stock (the "Company Common Stock");

WHEREAS, Buyer, Newco, the Company and VOF Rep Corporation (as the equityholders' representative) have entered into an Agreement and Plan of Merger dated as of August 28, 2010 (the "Merger Agreement") pursuant to which each such party made certain representations, warranties, covenants and agreements in connection with the transactions contemplated hereby and, this Agreement is entered into pursuant to the Merger Agreement;

WHEREAS, the boards of directors of the Company and Newco deem it advisable and in its best interests and in the best interests of their respective shareholders that the Company be acquired by Buyer through a merger of Newco with and into the Company (the "Merger"); and

WHEREAS, the boards of directors of Buyer, Newco and the Company and the holders of Company Common Stock and Newco common stock have approved the Merger.

NOW, THEREFORE, Buyer, Newco and the Company hereby agree as follows:

AGREEMENT

SECTION 1. Effective Time. The Merger shall become effective at such time (the "Effective Time") as this Agreement and the officers' certificates of the Company, Buyer and Newco are filed with the Secretary of State of the State of California pursuant to Section 1103 of the California Corporations Code ("California Law").

SECTION 2. Surviving Corporation. At the Effective Time, Newco shall be merged with and into the Company and the Company shall survive (the Company so surviving after the Effective Time, the "Surviving Corporation") as a wholly-owned subsidiary of Buyer. At the Effective Time, the separate existence of Newco shall cease.

SECTION 3. Merger Consideration; Effect on Shares. (a) At the Effective Time, each outstanding share of common stock, no par value per share, of Newco shall, by virtue of the Merger and without any action on the part of Buyer, Newco or the Company, be converted into one fully paid and non-assessable share of common stock of the Surviving Corporation.

(b) At the Effective Time, each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Company Common Stock held by the Company, Buyer or Newco or Dissenting Shares (as defined below)) shall be converted into the right to receive an amount in cash (without interest) equal to the \$1.138 per share (the "Per Share Merger Consideration").

(c) At the Effective Time, all shares of Company Common Stock (other than Dissenting Shares) issued and outstanding immediately prior to the Effective Time shall automatically be cancelled and retired and shall cease to exist.

SECTION 4. Dissenting Shares. Any shares of Company Common Stock that are outstanding immediately prior to the Effective Time and which are held by shareholders who have validly demanded payment of the fair value for such shares of Company Common Stock as determined in accordance with Chapter 13 of California Law (collectively, "Dissenting Shares") shall not be converted into the right to receive the Per Share Merger Consideration but shall be converted into the right to receive only such consideration as may be determined to be due with respect to such Dissenting Shares pursuant to the applicable provisions of California Law. If, after the Effective Time, any Dissenting Shares lose their status as Dissenting Shares, then, as of the occurrence of the event which causes such loss of status, such shares shall be converted into the right to receive the Per Share Merger Consideration, without interest.

SECTION 5. Articles of Incorporation. At the Effective Time, the Articles of Incorporation of the Surviving Corporation shall be amended and restated in their entirety to read in the form attached hereto as Exhibit A, and shall be the Articles of Incorporation of the Surviving Corporation.

SECTION 6. Amendment. This Agreement may be amended by the parties hereto at any time. However, if the parties propose to amend this Agreement after it has been approved by the holders of Company Common Stock, the amendment shall not be made if it would require the further approval of the holders of Company Common Stock, unless such approval is first obtained. This Agreement may only be amended by written instrument signed on behalf of each of the parties hereto.

SECTION 7. Miscellaneous. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall be deemed one and the same instruments.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement as of the date first set forth above.

CA, INC.

By: 

Name: Jonathan Kissane
Title: Senior Vice President
Corporate Development

By: _____

Name: James Hodge
Title: Treasurer

DINOSAUR EGG, INC.

By: _____

Name: James Hodge
Title: President & Treasurer

By: _____

Name: Adele C. Freedman
Title: Vice President & Secretary

ARCOT SYSTEMS, INC.

By: _____

Name: Rammohan Varadarajan
Title: Chief Executive Officer

By: _____

Name: Warren T Lazarow
Title: Secretary

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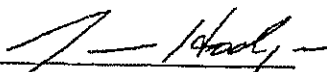
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Title: President & Treasurer

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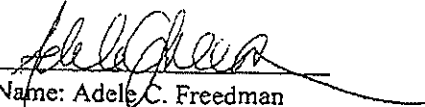
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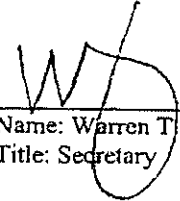
By:  _____
Name: Warren T. Lazarow
Title: Secretary

EXHIBIT A

THE AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
ARCOT SYSTEMS, INC.

AMENDED AND RESTATED
ARTICLES OF INCORPORATION
OF
ARCOT SYSTEMS, INC.

The undersigned incorporator, for the purpose of forming a corporation under the California Corporations Code, hereby certifies:

1. The name of the Corporation is Arcot Systems, Inc. (the "Corporation").
2. The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.
3. The Corporation is authorized to issue one (1) class of stock to be designated "Common Stock". The total number of shares the Corporation is authorized to issue is One Hundred (100) shares, at no par value per share.
4. (a) The liability of the directors of this Corporation for monetary damages shall be eliminated to the fullest extent permitted under California law.

(b) This Corporation is authorized to provide indemnification of agents (as defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with the agents, vote of shareholders or disinterested directors or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to applicable limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the Corporation and its shareholders.

CERTIFICATE OF APPROVAL OF AGREEMENT OF MERGER


Rammohan Varadarajan and Warren T. Lazarow state and certify that:

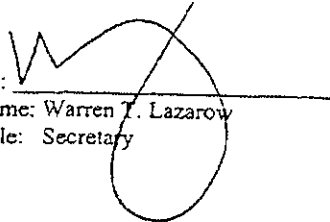
1. They are the Chief Executive Officer and Secretary, respectively, of Arcot Systems, Inc., a California corporation (the "Corporation").
2. The Agreement of Merger (the "Agreement") in the form attached was duly approved by the Board of Directors and shareholders of the Corporation.
3. There are two classes of shares, consisting of "Common Stock" and "Preferred Stock." The total number of outstanding shares of Common Stock is 181,001,425 and there are no outstanding shares of Preferred Stock.
4. The percentage vote required for approval of the outstanding shares (as defined in Section 152 of the California General Corporation Law) was more than (i) a majority of the outstanding shares of Common Stock, voting as a separate class, (ii) the holders of at least seventy percent (70%) of the voting power (provided that for purposes hereof, voting power shall mean that number of shares equal to the then-outstanding shares of Preferred Stock less 2,707,207 shares (as adjusted for any stock dividends, combinations, stock splits, reverse stock splits, recapitalizations and the like)), voting together as a single class on an as-converted to Common Stock basis and (iii) a majority of the outstanding shares of Preferred Stock and Common Stock, voting together as a single class on an as-converted to Common Stock basis.
5. The principal terms of the Agreement in the form attached were approved by the Corporation by a vote of the number of shares of Common Stock which equaled or exceeded the vote required.

[Signature Page Follows]

On the date set forth below, in the City of Sunnyvale in the State of California, each of the undersigned does hereby declare under the penalty of perjury under the laws of the State of California that he signed the foregoing certificate in the official capacity set forth beneath his signature, and that the statements set forth in said certificate are true of his own knowledge.

Signed on: October 4, 2010

By: 
Name: Rammohan Varadarajan
Title: Chief Executive Officer

By: 
Name: Warren T. Lazarow
Title: Secretary

CERTIFICATE OF APPROVAL OF AGREEMENT OF MERGER

James Hodge and Adele C. Freedman state and certify that:

1. They are the President & Treasurer and Vice President & Secretary, respectively, of Dinosaur Egg, Inc., a California corporation (the "Corporation").
2. The Agreement of Merger (the "Agreement") in the form attached was duly approved by the Board of Directors of the Corporation.
3. There is only one class of shares designated as "Common Stock," and the total number of outstanding shares of Common Stock is 100.
4. The percentage vote required for approval of the outstanding shares (as defined in Section 152 of the California General Corporation Law) was a majority of the outstanding shares of Common Stock.
4. The principal terms of the Agreement in the form attached were approved by the Corporation by a vote of the number of shares of Common Stock which equaled or exceeded the vote required.

[Signature Page Follows]

On the date set forth below, in the City of Islandia in the State of New York, each of the undersigned does hereby declare under the penalty of perjury under the laws of the State of California that he signed the foregoing certificate in the official capacity set forth beneath his signature, and that the statements set forth in said certificate are true of his own knowledge.

Signed on: October 4, 2010

By: _____

Name: James Hodge

Title: President & Treasurer

By: _____


Name: Adele C. Freedman

Title: Vice President & Secretary

On the date set forth below, in the City of Islandia in the State of New York, each of the undersigned does hereby declare under the penalty of perjury under the laws of the State of California that he signed the foregoing certificate in the official capacity set forth beneath his signature, and that the statements set forth in said certificate are true of his own knowledge.

Signed on: October 4, 2010

By: _____
Name: James Hodge
Title: President & Treasurer

By:  _____
Name: Adele C. Freedman
Title: Vice President & Secretary