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Office of the Secretary of  
the State of California

JAN 24 2005

*Kevin Shelley*  
KEVIN SHELLEY, Secretary of State

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

In accordance with Sections 902 and 903 of the California Corporations Code, the undersigned, Rammohan Varadarajan and David A. Makarechian, hereby certify that:

1. They are the duly elected and acting President and Secretary, respectively, of Arcot Systems, Inc., a California corporation (the "Corporation").

2. Section C.2(a) of ARTICLE IV of the Amended and Restated Articles of Incorporation is hereby amended and restated in its entirety to read as follows:

"(a). At each election of the Corporation's directors, so long as at such time there remains outstanding an aggregate of twenty-five percent (25%) or more of the Series A' Preferred that was outstanding as of December 8, 2004, the purchase date of the Series A' Preferred (as adjusted for any stock splits, reverse stock splits, stock dividends, recapitalizations or the like), the holders of the Series A' Preferred (voting together as a single class) shall elect five directors and the holders of Common Stock (voting together as a single class) shall elect one director, and the remaining directors shall be elected by all of the holders of Common Stock and Series A' Preferred, voting together as a single class."

3. The foregoing amendment has been duly approved by the Board of Directors of the Corporation.

4. The foregoing amended and restated Articles of Incorporation has been duly approved by the required vote of the shareholders in accordance with Sections 902 and 903 of the California Corporations Code.

5. The total number of outstanding shares entitled to vote with respect to the foregoing amendment and restatement was 60,476,076 shares of Common Stock and 15,112,134 shares of Series A' Preferred Stock. The number of shares voting in favor of the foregoing amendment equaled or exceeded the vote required, such required vote being (i) a majority of the outstanding shares of Common Stock and (ii) a majority exceeding sixty-six and two-thirds percent (66 2/3%) of the outstanding shares of the Series A' Preferred Stock.

The undersigned further declare under penalty of perjury that the matters set forth in this Certificate of Amendment are true and correct of their own knowledge.

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the undersigned have executed this certificate on  
January 24, 2005.



Rammohan Varadarajan  
*President*




David A. Makarechian  
*Secretary*

The undersigned further declare under penalty of perjury under the laws of the State of California that they have read the foregoing Certificate of Amendment of the Amended and Restated Articles of Incorporation and know the contents thereof and that the statements therein are true.

Executed at Menlo Park, California, on January 24, 2005.



Rammohan Varadarajan  
*President*



David A. Makarechian  
*Secretary*