

4/6/01

04-23-2001

Attorney Docket No.19701-1, -2, -8, -10, -16

FORM PTO-1594
1-31-92

U.S. DEPARTMENT OF COMMERCE
Patents and Trademark Office



To the Honorable Commissioner of Patents and Trademark

s or copy thereof.

1. Name of conveying party(ies):

101682805

X.COM CORPORATION

Name: PAYPAL, INC.
Internal Address:

- Individual(s) Association
- General Partnership Limited Partnership

Street Address: 1840 Embarcadero Road, East
City: Palo Alto, CA 94303

- Corporation - State Delaware
 - Other
- Additional name(s) of conveying parties attached? Yes No

- Individual(s) citizenship
- Association

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- General Partnership
- Limited Partnership
- Corporation-State: Delaware

Effective Date: February 7, 2001

Other
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No

(Designation must be a separate document from Assignment)

Additional names and addresses attached? Yes No

4. Application Number(s) or Registration Number(s).

A. Trademark Application No(s):
75/878,267 YOU'VE GOT MONEY

B. Trademark Registration No(s):

Additional numbers attached? Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Mark A. Steiner
TOWNSEND AND TOWNSEND AND CREW LLP
Two Embarcadero Center, 8th Floor
San Francisco, California 94111-3834
(415) 576-0200

6. Total number of applications and registrations involved 5

7. Total fee (37 CFR 3.41): \$140.00

Enclosed Charge Fees to Deposit Account

Charge any additional fees associated with this paper or during the pendency of this application, or credit any overpayment, to deposit account.

8. Deposit account number: 20-1430

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing is true and correct, and any attached copy is a true copy of the original document.

Mark A. Steiner
Name of Person Signing

Signature

4-2-01
Date

Total number of pages including cover sheet, attachments and document: 18

10. Change Correspondence Address to that of Part 5? Yes No

OMB No. 0651-0011 (exp. 4/94)

Do not detach this portion

Mail documents to be recorded with required cover to:

Asst. Commissioner for Trademarks
Box: Assignments
Washington, D.C. 20231

(04/19/2001 GTOM11 00000206 201430 75878267)
01 FC:481 40.00 CH
02 FC:482 100.00 CH

1. Additional name(s) of conveying party(ies):
(Continued from Page 1)

2. Additional name(s) and address(es) of receiving party(ies):
(Continued from Page 1)

3. Additional application number(s) or registration number(s):
(Continued from Page 1)

A. Trademark Application No(s).

B. Trademark Registration No(s).

75/878,266 YOU'VE GOT CASH

75/694,096 X.COM

75/754,414 PAYPAL

75/763,723 X and Design

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State of Delaware
Office of the Secretary of State

PAGE 1

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "X.COM CORPORATION", CHANGING ITS NAME FROM "X.COM CORPORATION" TO "PAYPAL, INC.", FILED IN THIS OFFICE ON THE SEVENTH DAY OF FEBRUARY, A.D. 2001, AT 9 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



Harriet Smith Windsor
Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 0960582

DATE: 02-07-01

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TRADEMARK
REEL: 002277 FRAME: 0844

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STATE OF DELAWARE
SECRETARY OF STATE/16
DIVISION OF CORPORATIONS
FILED 09:00 AM 02/07/2001
010062601 - 3014267

**AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION**

OF

X.COM CORPORATION

The undersigned, Peter Thiel and Edmund S. Ruffin, Jr., hereby certify that:

1. They are the duly elected and acting President and Assistant Secretary, respectively, of X.com Corporation, a Delaware corporation.
2. The Certificate of Incorporation of this corporation was originally filed with the Secretary of State of Delaware on March 9, 1999.
3. The Certificate of Incorporation of this corporation shall be amended and restated to read in full as follows:

ARTICLE I

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

ARTICLE II

The address of the Corporation's registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, DE 19808, County of New Castle. The name of its registered agent at such address is Corporation Services Company.

ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

ARTICLE IV

(A) **Classes of Stock.** The Corporation is authorized to issue two classes of stock to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares which the Corporation is authorized to issue is Four Hundred Ninety-Three Million Two Hundred Eighty Four Thousand Four Hundred Twenty (493,284,420) shares, each with a par value of \$0.001 per share. Three Hundred Million (300,000,000) shares shall be Common Stock and One Hundred Ninety-Three Million Two Hundred Eighty-Four Thousand Four Hundred Twenty (193,284,420) shares shall be Preferred Stock.

(B) **Rights, Preferences and Restrictions of Preferred Stock.** The Preferred Stock authorized by this Amended and Restated Certificate of Incorporation may be issued from time to time in one or more series. The first series of Preferred Stock shall be designated "Series A".

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NO.982 P.3/16

Preferred Stock and shall consist of Thirty-Eight Million Eight Hundred Fifty Thousand (38,850,000) shares. The second series of Preferred Stock shall be designated "Series AA Preferred Stock" and shall consist of Five Million Fifty-One Thousand Six Hundred Twenty-Seven (5,051,627) shares. The third series of Preferred Stock shall be designated "Series B Preferred Stock" and shall consist of Twenty-Seven Million One Hundred Four Thousand Nine Hundred Seventy (27,104,970) shares. The fourth series of Preferred Stock shall be designated "Series BB Preferred Stock" and shall consist of Twenty-Four Million Two Hundred Forty-Seven Thousand Eight Hundred Forty-Four (24,247,844) shares. The fifth series of Preferred Stock shall be designated "Series C Preferred Stock" and shall consist of Thirty-Six Million Three Hundred Sixty-Three Thousand Six Hundred Thirty-Seven (36,363,637) shares. The sixth series of Preferred Stock shall be designated "Series CC Preferred Stock" and shall consist of Twenty-Eight Million Six Hundred Sixty-Six Thousand Three Hundred Forty-Two (28,666,342) shares. The seventh series of Preferred Stock shall be designated "Series D Preferred Stock" and shall consist of Thirty-Three Million (33,000,000) shares. The rights, preferences, privileges, and restrictions granted to and imposed on the Series A, AA, B, BB, C, CC and D Preferred Stock are as set forth below in this Article IV(B).

The Board of Directors is hereby authorized to fix or alter the rights, preferences, privileges and restrictions granted to or imposed upon additional series of Preferred Stock, and the number of shares constituting any such series and the designation thereof, or of any of them. Subject to compliance with applicable protective voting rights which have been or may be granted to the Preferred Stock or series thereof in Certificates of Determination or the Corporation's Certificate of Incorporation ("Protective Provisions"), but notwithstanding any other rights of the Preferred Stock or any series thereof, the rights, privileges, preferences and restrictions of any such additional series may be subordinated to, pari passu with (including, without limitation, inclusion in provisions with respect to liquidation and acquisition preferences, redemption and/or approval of matters by vote or written consent), or senior to any of those of any present or future class or series of Preferred or Common Stock. Subject to compliance with applicable Protective Provisions, the Board of Directors is also authorized to increase or decrease the number of shares of any series (other than the Series A, AA, B, BB, C, CC or D Preferred Stock), prior or subsequent to the issue of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status which they had prior to the adoption of the resolution originally fixing the number of shares of such series.

1. Dividend Provisions. Subject to the rights of series of Preferred Stock which may from time to time come into existence, the holders of shares of Series A, AA, B, BB, C, CC or D Preferred Stock shall be entitled to receive dividends on a pari passu basis, 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 (a) \$0.0167 per share per annum on each outstanding share of Series A Preferred Stock, (b) \$0.0049 per share per annum on each outstanding share of Series AA Preferred Stock, (c) \$0.0238 per share per annum on each outstanding share of Series B Preferred Stock, (d) \$0.0093 per share per annum on each outstanding share of Series BB Preferred Stock, (e) \$0.1375 per share per annum on each

FEB. 7.2001 9:52AM VENTURE LAW GROUP

NO. 982 P.4/16

outstanding share of Series C Preferred Stock, (f) \$0.0297 per share per annum on each outstanding share of Series CC Preferred Stock, and (g) \$0.15 per share per annum on each outstanding share of Series D Preferred Stock (all amounts to be adjusted for stock splits, stock dividends, reclassification and the like). Such dividends shall be payable when, as and if declared by the Board of Directors. Such dividends shall not be cumulative.

2. Liquidation.

(a) Preference. In the event of any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, subject to the rights of series of Preferred Stock that may from time to time come into existence, the holders of the Series A, AA, B, BB, C, CC and D Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Corporation to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to (i) \$0.3333 per share for each share of Series A Preferred Stock then held by them, plus declared but unpaid dividends, (ii) \$0.0990 per share for each share of Series AA Preferred Stock then held by them, plus declared but unpaid dividends, (iii) \$0.4763 per share for each share of Series B Preferred Stock then held by them, plus declared but unpaid dividends, (iv) \$0.1856 per share for each share of Series BB Preferred Stock then held by them, plus declared but unpaid dividends, (v) \$2.75 per share for each share of Series C Preferred Stock then held by them, plus declared but unpaid dividends, (vi) \$0.5939 per share for each share of Series CC Preferred Stock then held by them, plus declared but unpaid dividends, and (vii) \$3.00 per share for each of Series D Preferred Stock then held by them, plus declared but unpaid dividends (all amounts to be adjusted for stock splits, stock dividends, reclassification and the like). If, upon the occurrence of such event, the assets and funds thus distributed among the holders of the Series A, AA, B, BB, C, CC and D Preferred Stock shall be insufficient to permit the payment to such holders of the full aforesaid preferential amounts, then, subject to the rights of series of Preferred Stock that may from time to time come into existence, the entire assets and funds of the Corporation legally available for distribution shall be distributed ratably among the holders of the Series A, AA, B, BB, C, CC and D Preferred Stock in proportion to the preferential amount each such holder is otherwise entitled to receive.

(b) Remaining Assets. Upon the completion of the distribution required by Section 2(a) above and any other distribution that may be required with respect to series of Preferred Stock that may from time to time come into existence, if assets remain in the Corporation, the holders of the Common Stock of the Corporation shall receive all of the remaining assets of the Corporation.

(c) Certain Acquisitions.

(i) Deemed Liquidation. For purposes of this Section 2, a liquidation, dissolution or winding up of the Corporation shall be deemed to occur if the Corporation shall sell, convey, or otherwise dispose of all or substantially all of its property or business or merge into or consolidate with any other corporation (other than a wholly-owned subsidiary corporation) or effect any other transaction or series of related transactions in which more than fifty percent (50%) of the voting power of the Corporation is disposed of, provided

FEB. 7. 2001 9:53AM VENTURE LAW GROUP

NO.982 P.5/16

that this Section 2(c)(i) shall not apply to a merger effected exclusively for the purpose of changing the domicile of the Corporation.

(ii) Valuation of Consideration. In the event of a deemed liquidation as described in Section 2(c)(i) above, if the consideration received by the Corporation is other than cash, its value will be deemed its fair market value. Any securities shall be valued as follows:

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

(1) If traded on a securities exchange or The Nasdaq Stock Market, the value shall be deemed to be (i) the average of the closing prices of the securities on such exchange over the thirty-day period ending three (3) days prior to the closing or (ii) as determined by the Corporation's Board of Directors;

(2) If actively traded over-the-counter, the value shall be deemed to be (i) the average of the closing bid or sale prices (whichever is applicable) over the thirty-day period ending three (3) days prior to the closing or (ii) as determined by the Corporation's Board of Directors; and

(3) If there is no active public market, the value shall be the fair market value thereof, as mutually determined by the Corporation and the holders of at least a majority of the voting power of all then outstanding shares of Preferred Stock.

(B) The method of valuation of securities subject to investment letter or other restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in Section 2(c)(ii)(A) to reflect the approximate fair market value thereof, as mutually determined by the Corporation and the holders of at least a majority of the voting power of all then outstanding shares of Preferred Stock.

(iii) Notice of Transaction. The Corporation shall give each holder of record of Series A, AA, B, BB, C, CC or D Preferred Stock written notice of such liquidation, dissolution, winding up or merger deemed as liquidation not later than ten (10) days prior to the stockholders' meeting called to approve such transaction, or ten (10) days prior to the closing of such transaction, whichever is earlier, and shall also notify such holders in writing of the final approval of such transaction. The first of such notices shall describe the material terms and conditions of the liquidation, dissolution, winding up or merger deemed as liquidation and the provisions of this Section 2, and the Corporation shall thereafter give such holders prompt notice of any material changes. The transaction shall in no event take place sooner than ten (10) days after the Corporation has given the first notice provided for herein or sooner than ten (10) days after the Corporation has given notice of any material changes provided for herein; provided, however, that such periods may be shortened upon the written consent of the holders of

FEB. 7.2001 9:53AM VENTURE LAW GROUP

NO. 982 P.6/16

Preferred Stock that represent at least a majority of the voting power of all then outstanding shares of such Preferred Stock that are entitled to such notice rights or similar notice rights.

(iv) Effect of Noncompliance. In the event the requirements of this Section 2(c) are not complied with, the Corporation shall forthwith either cause the closing of the transaction to be postponed until such requirements have been complied with, or cancel such transaction, in which event the rights, preferences and privileges of the holders of the Series A, AA, B, BB, C, CC and D Preferred Stock shall revert to and be the same as such rights, preferences and privileges existing immediately prior to the date of the first notice referred to in Section 2(c)(iii) hereof.

3. Redemption. The Preferred Stock is not redeemable.

4. Conversion. The holders of the Series A, AA, B, BB, C, CC and D Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(a) Right to Convert.

Subject to Sections 4(c) and 4(d), each share of Series A, AA, B, BB, C, CC and D Preferred Stock shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Corporation or any transfer agent for such stock, into such number of fully paid and nonassessable shares of Common Stock as is determined by dividing (i) \$0.3333 in the case of Series A Preferred Stock, (ii) \$0.0990 in the case of Series AA Preferred Stock, (iii) \$0.4763 in the case of Series B Preferred Stock, (iv) \$0.1856 in the case of Series BB Preferred Stock, (v) \$2.75 in the case of Series C Preferred Stock, (vi) \$0.5939 in the case of Series CC Preferred Stock, and (vii) \$3.00 in the case of Series D Preferred Stock, by the Conversion Price applicable to such share, determined as hereafter provided, in effect on the date the certificate is surrendered for conversion. The initial Conversion Price per share shall be (i) \$0.3333 for shares of Series A Preferred Stock, (ii) \$0.0990 for shares of Series AA Preferred Stock, (iii) \$0.4763 for shares of Series B Preferred Stock, (iv) \$0.1856 for shares of Series BB Preferred Stock, (v) \$2.75 for shares of Series C Preferred Stock, (vi) \$0.5939 for shares of Series CC Preferred Stock, and (vii) \$3.00 for shares of Series D Preferred Stock. Such initial Conversion Price shall be subject to adjustment as set forth in Section 4(d).

(b) Automatic Conversion. Each share of Series A, AA, B, BB, C, CC and D Preferred Stock shall automatically be converted into shares of Common Stock at the Conversion Price at the time in effect for such share immediately upon the earlier of (i) except as provided below in Section 4(c), the Corporation's sale of its Common Stock in a firm commitment underwritten public offering pursuant to a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), which results in aggregate cash proceeds to the Corporation of not less than \$25,000,000 (net of underwriting discounts and commissions) or (ii) the date specified by written consent or agreement of the holders of a majority of the then outstanding shares of Preferred Stock.

FEB. 7.2001 9:54AM VENTURE LAW GROUP

NO.982 P.7/15

(c) **Mechanics of Conversion.** Before any holder of Series A, AA, B, BB, C, CC or D Preferred Stock shall be entitled to convert the same into shares of Common Stock, such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation or of any transfer agent for such series of Preferred Stock, and shall give written notice to the Corporation 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. The Corporation 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. 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 offering of securities registered pursuant to the Securities Act the conversion may, at the option of any holder tendering such Preferred Stock for conversion, be conditioned upon the closing with the underwriters of the sale of securities pursuant to such offering, in which event the person(s) 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 sale of securities.

(d) **Conversion Price Adjustments of Preferred Stock for Certain Dilutive Issuances, Splits and Combinations.** The Conversion Price of the Series A, AA, B, BB, C, CC and/or D Preferred Stock shall be subject to adjustment from time to time as follows:

(i) **Issuance of Additional Stock below Purchase Price.** If the Corporation shall issue, after the date upon which any shares of Series A, AA, B, BB, C, CC or D Preferred Stock were first issued (the "Purchase Date" with respect to such series), any Additional Stock (as defined below) without consideration or for a consideration per share less than the Conversion Price for such series in effect immediately prior to the issuance of such Additional Stock, the Conversion Price for such series in effect immediately prior to each such issuance shall automatically be adjusted as set forth in this Section 4(d)(i), unless otherwise provided in this Section 4(d)(i).

(A) **Adjustment Formulas.** Whenever the Conversion Price of Series A, AA, B, BB, or CC Preferred Stock is adjusted pursuant to this Section 4(d)(i), the new Conversion Price for such series shall be determined by multiplying the Conversion Price then in effect for such series by a fraction, (x) the numerator of which shall be the number of shares of Common Stock outstanding immediately prior to such issuance (the "Outstanding Common") plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price for such series; and (y) the denominator of which shall be the number of shares of Outstanding Common plus the number of shares of such Additional Stock. For purposes of the foregoing calculation, the term "Outstanding Common" shall include shares of Common Stock deemed issued pursuant to Section 4(d)(i)(E) below.

FEB. 7.2001 9:54AM VENTURE LAW GROUP

NO. 962 P.8/15

Whenever the Conversion Price of Series C Preferred Stock is adjusted pursuant to this Section 4(d)(i), the new Conversion Price for such series shall be determined by multiplying the Conversion Price then in effect for such series by a fraction, (x) the numerator of which shall be the number of shares of Series C Preferred Stock outstanding immediately prior to such issuance (the "Outstanding Series C") plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price for such series; and (y) the denominator of which shall be the number of shares of Outstanding Series C plus the number of shares of such Additional Stock.

Whenever the Conversion Price of Series D Preferred Stock is adjusted pursuant to this Section 4(d)(i), the new Conversion Price for such series shall be determined by multiplying the Conversion Price then in effect for such series by a fraction, (x) the numerator of which shall be the number of shares of Series D Preferred Stock outstanding immediately prior to such issuance (the "Outstanding Series D") plus the number of shares of Common Stock that the aggregate consideration received by the Corporation for such issuance would purchase at such Conversion Price for such series; and (y) the denominator of which shall be the number of shares of Outstanding Series D plus the number of shares of such Additional Stock.

(B) Definition of "Additional Stock". For purposes of this Section 4(d)(i), "Additional Stock" shall mean any shares of Common Stock issued (or deemed to have been issued pursuant to Section 4(d)(i)(E)) by the Corporation after the Purchase Date) other than:

(1) Common Stock issued pursuant to a transaction described in Section 4(d)(ii) hereof.

(2) Shares of Common Stock issuable or issued to employees, consultants or directors of the Corporation directly or pursuant to a stock option plan or restricted stock plan approved by the Board of Directors of the Corporation as of March 31, 2000, or pursuant to any such plan that is subsequently approved by holders of a majority of the Corporation's outstanding capital stock (including holders of a majority of the Corporation's outstanding Preferred Stock),

(3) Capital stock, or options or warrants to purchase capital stock, issued to financial institutions or lessors in connection with commercial credit arrangements, equipment financings or similar transactions, provided that, without the unanimous approval of the Board of Directors, such shares do not exceed 1% of the then outstanding capital stock of the Corporation in the aggregate.

(4) Shares of Common Stock or Preferred Stock issuable upon exercise of options, warrants, notes or other rights to acquire securities of the Corporation outstanding as of the date of this Amended and Restated Certificate of Incorporation.

FEB. 7.2001 9:55AM VENTURE LAW GROUP

NO.982 P.9/16

(5) Capital stock or warrants or options to purchase capital stock issued in connection with bona fide acquisitions, mergers or similar transactions, the terms of which are approved by the Board of Directors of the Corporation,

(6) Shares of Common Stock issued or issuable upon conversion of the Series A, AA, B, BB, C, CC or D Preferred Stock,

(7) Shares of Common Stock issued or issuable in a public offering prior to or in connection with which all outstanding shares of Preferred Stock will be converted to Common Stock, and

(8) Capital stock or warrants or options to purchase capital stock issued in connection with real property leases, the terms of which are approved by the Board of Directors of the Corporation, provided that, without the unanimous approval of the Board of Directors, such shares do not in the aggregate exceed 1% of the then outstanding shares of capital stock of the Corporation.

(C) No Fractional Adjustments. No adjustment of a Conversion Price shall be made in an amount less than one cent per share, provided that any adjustments which are not required to be made by reason of this sentence shall be carried forward and shall be either taken into account in any subsequent adjustment made prior to three years from the date of the event giving rise to the adjustment being carried forward, or shall be made at the end of three years from the date of the event giving rise to the adjustment being carried forward.

(D) Determination of Consideration. In the case of the issuance of Common Stock for cash, the consideration shall be deemed to be the amount of cash paid therefor before deducting any reasonable discounts, commissions or other expenses allowed, paid or incurred by the Corporation for any underwriting or otherwise in connection with the issuance and sale thereof. In the case of the issuance of the Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Board of Directors irrespective of any accounting treatment.

(E) Deemed Issuances of Common Stock. In the case of the issuance (whether before, on or after the applicable Purchase Date) of options to purchase or rights to subscribe for Common Stock, securities by their terms convertible into or exchangeable for Common Stock or options to purchase or rights to subscribe for such convertible or exchangeable securities, the following provisions shall apply for all purposes of this Section 4(d)(i):

(1) The aggregate maximum number of shares of Common Stock deliverable upon exercise (assuming the satisfaction of any conditions to exercisability, including without limitation, the passage of time, but without taking into account potential antidilution adjustments) of such options to purchase or rights to subscribe for Common Stock shall be deemed to have been issued at the time such options or rights were issued and for

FEB. 7.2001 9:56AM VENTURE LAW GROUP

NO.982 P.10/16

a consideration equal to the consideration (determined in the manner provided in Section 4(d)(i)(D)), if any, received by the Corporation upon the issuance of such options or rights plus the minimum exercise price provided in such options or rights (without taking into account potential antidilution adjustments) for the Common Stock covered thereby.

(2) The aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange (assuming the satisfaction of any conditions to convertibility or exchangeability, including, without limitation, the passage of time, but without taking into account potential antidilution adjustments) for any such convertible or exchangeable securities or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof shall be deemed to have been issued at the time such securities were issued or such options or rights were issued and for a consideration equal to the consideration, if any, received by the Corporation for any such securities and related options or rights (excluding any cash received on account of accrued interest or accrued dividends), plus the minimum additional consideration, if any, to be received by the Corporation (without taking into account potential antidilution adjustments) upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in Section 4(d)(i)(D).

(3) In the event of any change in the number of shares of Common Stock deliverable or in the consideration payable to the Corporation upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities, including, but not limited to, a change resulting from the antidilution provisions thereof, the Conversion Price of a series, to the extent in any way affected by or computed using such options, rights or securities, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Common Stock or any payment of such consideration upon the exercise of any such options or rights or the conversion or exchange of such securities.

(4) Upon the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price of a series, to the extent in any way affected by or computed using such options, rights or securities or options or rights related to such securities, shall be recomputed to reflect the issuance of only the number of shares of Common Stock (and convertible or exchangeable securities which remain in effect) actually issued upon the exercise of such options or rights, upon the conversion or exchange of such securities or upon the exercise of the options or rights related to such securities.

(5) The number of shares of Common Stock deemed issued and the consideration deemed paid therefor pursuant to Sections 4(d)(i)(E)(1) and 4(d)(i)(E)(2) shall be appropriately adjusted to reflect any change, termination or expiration of the type described in either Section 4(d)(i)(E)(3) or 4(d)(i)(E)(4).

(F) No Increased Conversion Price. Notwithstanding any other provisions of this Section 4(d)(i), except to the limited extent provided for in Sections 4(d)(i)(E)(3) and 4(d)(i)(E)(4), no adjustment of the Conversion Price for a series of Preferred

FEB. 7.2001 9:56AM VENTURE LAW GROUP

NO. 982 P.11/16

Stock pursuant to this Section 4(d)(i) shall have the effect of increasing the Conversion Price for such series above the Conversion Price in effect immediately prior to such adjustment.

(ii) **Stock Splits and Dividends.** In the event the Corporation should at any time or from time to time after date on which any shares of Series A, AA, B, BB, C, CC or D Preferred Stock were first issued (the "Purchase Date" with respect to such series), 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 other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional shares of Common Stock (hereinafter referred to as "Common Stock Equivalents") without payment of any consideration by such holder for the additional shares of Common Stock or the Common Stock Equivalents (including the additional shares of Common Stock issuable upon conversion or exercise thereof), 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 of the Series A, AA, B, BB, C, CC and D Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase of the aggregate of shares of Common Stock outstanding and those issuable with respect to such Common Stock Equivalents with the number of shares issuable with respect to Common Stock Equivalents determined from time to time in the manner provided for deemed issuances in Section 4 (d)(i)(B).

(iii) **Reverse Stock Splits.** If the number of shares of Common Stock outstanding at any time after the Purchase Date is decreased by a combination of the outstanding shares of Common Stock, then, following the record date of such combination, the Conversion Price for the Series A, AA, B, BB, C, CC and D 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.

(e) **Other Distributions.** In the event the Corporation shall declare a distribution payable in securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights not referred to in Section 4(d)(ii), then, in each such case for the purpose of this Section 4(e), the holders of Series A, AA, B, BB, C, CC and/or D Preferred Stock shall be entitled to 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 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, combination or merger or sale of assets transaction provided for elsewhere in this Section 4 or Section 2) provision shall be made so that the holders of the Series A, AA, B, BB, C, CC and/or D Preferred Stock shall thereafter be entitled to receive upon conversion of such Preferred Stock the number of shares of stock or other securities or property of the Corporation or otherwise, to which a holder of Common Stock deliverable upon conversion would have been entitled on such recapitalization.

FEB. 7.2001 9:57AM VENTURE LAW GROUP

NO. 982 P.12/16

In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 4 with respect to the rights of the holders of such Preferred Stock after the recapitalization to the end that the provisions of this Section 4 (including adjustment of the Conversion Price then in effect and the number of shares purchasable upon conversion of such Preferred Stock) shall be applicable after that event and be as nearly equivalent as practicable.

(g) **No Impairment.** The Corporation will not, by amendment of its Certificate 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 4 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 Preferred Stock against impairment.

(h) **No Fractional Shares and Certificate as to Adjustments.**

(i) No fractional shares shall be issued upon the conversion of any share or shares of the Series A, AA, B, BB, C, CC or D Preferred Stock, and the number of shares of Common Stock to be issued shall be rounded to the nearest whole share. The number of shares issuable upon such conversion shall be determined on the basis of the total number of shares of Series A, AA, B, BB, C, CC and D Preferred Stock the holder is at the time converting into Common Stock and the number of shares of Common Stock issuable upon such aggregate conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of Series A, AA, B, BB, C, CC or D Preferred Stock pursuant to this Section 4, the Corporation, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of such 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, AA, B, BB, C, CC or D Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Price for the Series A, AA, B, BB, C, CC or D Preferred Stock at the time in effect, 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 the Series A, AA, B, BB, C, CC or D Preferred Stock.

(i) **Notices of Record Date.** In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, the Corporation shall mail to each holder of Series A, AA, B, BB, C, CC or D Preferred Stock, at least ten (10) days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for

FEB. 7.2001 9:57AM VENTURE LAW GROUP

NO.982 P.13/16

the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(j) Reservation of Stock Issuable Upon Conversion. The Corporation 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 Series A, AA, B, BB, C, CC and D Preferred Stock, such number of its shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of such series of Preferred Stock; and 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 such series of Preferred Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, the Corporation 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 purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to this Certificate of Incorporation.

(k) Notices. Any notice required by the provisions of this Section 4 to be given to the holders of shares of Series A, AA, B, BB, C, CC or D Preferred Stock shall be deemed given if delivered personally or by overnight courier or sent by telegram or facsimile (with confirmation of successful transmission), or forty-eight (48) hours after being deposited in the United States mail, postage prepaid, and addressed to each holder of record at his address appearing on the books of the Corporation.

5. Voting Rights. The holder of each share of Series A, AA, B, BB, C, CC and D Preferred Stock shall have the right to one vote for each share of Common Stock into which such Preferred Stock could then be converted, and with respect to such vote, such holder shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled, notwithstanding any provision hereof, to notice of any stockholders' meeting in accordance with the bylaws of the Corporation, and shall be entitled to vote, together with holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote. Fractional votes shall not, however, be permitted and any fractional voting rights available on an as-converted basis (after aggregating all shares into which shares of Series A, AA, B, BB, C, CC or D Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half being rounded upward).

6. Protective Provisions.

(a) Subject to the rights of series of Preferred Stock which may from time to time come into existence, so long as at least 3,000,000 shares of Preferred Stock are outstanding (as adjusted for stock splits, stock dividends or recapitalizations), the Corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the then outstanding shares of Preferred Stock, voting together as a class:

FEB. 7.2001 9:58AM VENTURE LAW GROUP

NO.982 P.14/16

(i) effect a liquidation, dissolution or winding up of the Corporation or other transaction described in Section 2(c)(i) above;

(ii) alter or change the rights, preferences or privileges of the shares of Series A, AA, B, BB, C, CC or D Preferred Stock (including any alteration or change effected pursuant to a merger) so as to affect adversely the shares of such series;

(iii) increase or decrease (other than by redemption or conversion) the total number of authorized shares of Preferred Stock or Series A, AA, B, BB, C, CC or D Preferred Stock; or

(iv) authorize or issue, or obligate itself to issue, any other equity security, including any other security convertible into or exercisable for any equity security, having a preference over, or being on a parity with, the Series A, AA, B, BB, C, CC or D Preferred Stock (including additional shares of Series A, AA, B, BB, C, CC or D) with respect to voting, dividends, conversion or upon liquidation.

(b) So long as shares of Series C Preferred Stock are outstanding (as adjusted for stock splits, stock dividends or recapitalizations), the Corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority of the then outstanding shares of Series C Preferred Stock, voting together as a series alter or change the rights, preferences or privileges of the shares of Series C Preferred Stock so as to affect adversely the shares of such series.

(c) So long as shares of Series D Preferred Stock are outstanding (as adjusted for stock splits, stock dividends or recapitalizations), the Corporation shall not without first obtaining the approval (by vote or written consent, as provided by law) of the holders of a majority of the then outstanding shares of Series D Preferred Stock, voting together as a series alter or change the rights, preferences or privileges of the shares of Series D Preferred Stock so as to affect adversely the shares of such series

7. Status of Converted Stock. In the event any shares of Preferred Stock shall be converted pursuant to Section 4 hereof, the shares so converted shall be cancelled and shall not be issuable by the Corporation. The Certificate of Incorporation of the Corporation shall be appropriately amended to effect the corresponding reduction in the Corporation's authorized capital stock.

(C) Common Stock.

1. Dividend Rights. Subject to the prior rights of holders of all classes of stock at the time outstanding having prior rights as to dividends, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of any assets of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

FEB. 7, 2001 9:59AM VENTURE LAW GROUP

NO. 982 P. 15/16

2. **Liquidation Rights.** Upon the liquidation, dissolution or winding up of the Corporation, the assets of the Corporation shall be distributed as provided in Section 2 of Article IV(B).

3. **Redemption.** The Common Stock is not redeemable.

4. **Voting Rights.** The holder of each share of Common Stock shall have the right to one vote, and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Corporation, and shall be entitled to vote upon such matters and in such manner as may be provided by law.

5. **Protective Provision.** The Corporation shall not, without first obtaining the approval (by vote or written consent, as provided by law) of the holders of at least a majority of the outstanding shares of Common Stock, voting as a separate class, effect a transaction described in Section 2(c)(i) of Article IV(B).

ARTICLE V

The Board of Directors of the Corporation is expressly authorized to make, alter or repeal Bylaws of the Corporation.

ARTICLE VI

Elections of directors need not be by written ballot unless otherwise provided in the Bylaws of the Corporation.

ARTICLE VII

(A) To the fullest extent permitted by the Delaware General Corporation Law, as the same exists or as may hereafter be amended, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

(B) The Corporation shall indemnify to the fullest extent permitted by law any person made or threatened to be made a party to an action or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that he, his testator or intestate is or was a director or officer of the Corporation or any predecessor of the Corporation, or serves or served at any other enterprise as a director or officer at the request of the Corporation or any predecessor to the Corporation.

(C) Neither any amendment nor repeal of this Article VII, nor the adoption of any provision of the Corporation's Certificate of Incorporation inconsistent with this Article VII, shall eliminate or reduce the effect of this Article VII in respect of any matter occurring, or any action or proceeding accruing or arising or that, but for this Article VII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision."

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FEB. 7.2001 9:59AM VENTURE LAW GROUP

NO. 982 P.16/16

The foregoing Amended and Restated Certificate of Incorporation has been duly adopted by this corporation's Board of Directors and stockholders in accordance with the applicable provisions of Sections 228, 242 and 245 of the General Corporation Law of the State of Delaware.

Executed at Palo Alto, California, on February 6, 2001.



Peter Thiel, President



John D. Muller, Secretary