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Form PTO-1595
(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2009)

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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Tab settings ⇌ ⇌ ⇌ ▼ ▼

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

4076362 Canada Inc.

2-19-03

2. Name and address of receiving party(ies)

Name: Analog Design Automation Inc.

Internal Address: _____

Street Address: 233 Metcalfe Street

City: Ottawa State: ON Zip: K2P 2C2

Additional name(s) & address(es) attached? ☐ Yes ☒ NoAdditional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐

Assignment

☐

Merger

☐

Security Agreement

☐

Change of Name

☒

Other Certificate of Amalgamation

Execution Date: August 29, 2002

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) 10/227,802

B. Patent No.(s) _____

Additional numbers attached? ☐ Yes ☒ No

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

Name: Borden Ladner Gervais LLP

Internal Address: _____

Street Address: 1100-100 Queen Street

World Exchange Plaza

City: Ottawa State: ON Zip: K1P 1J9

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

☐

Enclosed

☒

Authorized to be charged to deposit account

8. Deposit account number:

501593

DO NOT USE THIS SPACE

9. Signature.

Attorney Docket No. PAT 528-2

02/25/2003 TDAZI 00000018 501593 10227802

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Leslie Anne Kinsman, Reg. No. 45, 291

Name of Person Signing

Signature

February 14, 2003

Date

Total number of pages including cover sheet, attachments, and documents: 16

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231PATENT
REEL: 013775 FRAME: 0581

**Certificate
of Amalgamation****Canada Business
Corporations Act****Certificat
de fusion****Loi canadienne sur
les sociétés par actions**

ANALOG DESIGN AUTOMATION INC.

410481-1

Name of corporation-Dénomination de la société_____
Corporation number-Numéro de la société

I hereby certify that the above-named corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of the corporations set out in the attached articles of amalgamation.

Je certifie que la société susmentionnée est issue d'une fusion, en vertu de l'article 185 de la *Loi canadienne sur les sociétés par actions*, des sociétés dont les dénominations apparaissent dans les statuts de fusion ci-joints.

Director - Directeur

August 29, 2002 / le 29 août 2002

Date of Amalgamation - Date de fusion

Canada



Industry Canada

Industrie Canada

Canada Business
Corporations ActLoi canadienne sur les
sociétés par actionsFORM 9
ARTICLES OF AMALGAMATION
(SECTION 185)FORMULE 9
STATUTS DE FUSION
(ARTICLE 185)

1 - Name of amalgamated corporation
ANALOG DESIGN AUTOMATION INC.

Dénomination de la société issue de la

2 - The place in Canada where the registered office is
to be situated

Lieu au Canada où doit être situé le siège social

ONTARIO

3 - The classes and any maximum number of shares that
the corporation is authorized to issue

Catégories et tout nombre maximal d'actions que la société est
autorisée à émettre

Schedule 1 is attached hereto and incorporated herein.

4 - Restrictions, if any, on share transfers

Restrictions sur le transfert des actions, s'il y a lieu

Subject to the terms of any share issue or transfer restrictions in a unanimous shareholder agreement as defined in the Canada Business Corporations Act, the right to transfer shares in the capital stock of the Corporation is restricted and no shares of the Corporation shall be transferred without the consent of the Board of Directors first being obtained.

5 - Number (or minimum and maximum number) of directors

Nombre (ou nombre minimal et maximal) d'administrateurs

Minimum of One (1); Maximum of Fifteen (15)

6 - Restrictions, if any, on business the corporation may carry on
None.

Limites imposées à l'activité commerciale de la société, s'il y a lieu

7 - Other provisions, if any

Autres dispositions, s'il y a lieu

Schedule 2 is attached hereto and incorporated herein.

8 - The amalgamation has been approved pursuant to that
section or subsection of the Act which is indicated as follows:

8 - La fusion a été approuvée en accord avec l'article ou le
paragraphe de la Loi indiqué ci-après☐ 183☒ 184(1)☐ 184(2)

9 - Name of the amalgamating corporations
Dénomination des sociétés fusionnantes

Corporation No.
N° de la société

Signature

Date

Title
Titre

ANALOG DESIGN AUTOMATION INC.

380703-7

Aug. 29/02

Secretary

4076362 CANADA INC.

407636-2

Aug. 29/02

President

FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT
Corporation No. - N° de la société

Filed - Déposée

DSG 06/2001

410481-1

SEP 2 2002

PATENT
REEL: 013775 FRAME: 0583

SCHEDULE "1"

3 - The Corporation is authorized to issue an unlimited number of Common Shares, and an unlimited number of Class A Preferred Shares, issuable in series, of which Series I Class A Preferred Shares have been created, which shall have the following rights, privileges, restrictions and conditions attaching to the each class of shares:

A. CLASS A PREFERRED SHARES

1. Authority to Issue One or More Series

The board of directors of the Corporation may, at any time and from time to time, issue the Class A Preferred Shares in one or more series and amend the rights, privileges, restrictions and conditions attaching to each series. Before the first shares of a particular series are issued, the board of directors of the Corporation shall fix the number of shares in such series and shall determine, subject to the limitations set out in the articles, the designation, rights, privileges, restrictions and conditions to attach to the shares of such series including, without limiting the generality of the foregoing, the rate or rates, amount or method or methods of calculation of preferential dividends, whether cumulative or non-cumulative or partially cumulative, and whether such rate(s), amount or method(s) of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such preferential dividends shall accrue, the redemption price and terms and conditions of redemption (if any), the rights of retraction (if any), and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be vested in such holders in the future, voting rights and conversion or exchange rights (if any) and any sinking fund, purchase fund or other provisions attaching thereto. Before the issue of the first shares of a series, the board of directors of the Corporation shall send to the Director (as defined in the *Canada Business Corporations Act*) articles of amendment in the prescribed form containing a description of such series including the designation, rights, privileges, restrictions and conditions determined by the directors.

2. Rank of Shares

The Class A Preferred Shares of each series shall rank on a parity with the Class A Preferred Shares of every other series with respect to priority in the payment of dividends and the return of capital and the distribution of assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary; or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs.

B. SERIES I CLASS A PREFERRED SHARES

A. Out of the Class A Preferred Shares of the Corporation, issuable in series, 4,718,009 are designated as Series I Class A Preferred Shares ("Series I Class A Preferred Shares")

B Subject to the requirements of the *Canada Business Corporations Act* as now enacted or as the same may from time to time be amended, re-enacted or replaced (the "Act"), the rights, privileges, restrictions and conditions attaching to the Series I Class A Preferred Shares, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Shares as a class, are as follows:

2. Voting

- (a) Subject to the Act, the holders of outstanding Series I Class A Preferred Shares shall be entitled to receive notice of and to attend all meetings of shareholders of the Corporation and shall be entitled to receive all notices of meetings, information circulars and other written information from the Corporation that the holders of Common Shares are entitled to receive pursuant to the provisions of the Act, the Articles or otherwise.
- (b) Except as may be otherwise provided in the Act or the Articles each holder of outstanding Series I Class A Preferred Shares shall be entitled to that number of votes equal to the number of whole Common Shares into which the Series I Class A Preferred Shares held by such holder are then convertible (as adjusted from time to time pursuant to Section 4 herein), at each meeting of shareholders of the Corporation with respect to any and all matters presented to the shareholders of the Corporation for their action or consideration. Except for matters where holders of Series I Class A Preferred Shares are by law or under the provisions hereof required to vote as a series, holders of Series I Class A Preferred Shares shall vote together with the holders of Common Shares as a single class.

3. Dividends

The holders of the Series I Class A Preferred Shares, in priority to the holders of Common Shares and any other class of shares or series of such shares ranking junior to the Series I Class A Preferred Shares, shall be entitled to receive and the Corporation shall pay thereon out of monies of the Corporation properly applicable to the payment of dividends, cumulative cash dividends at the rate of eight percent (8%) of the Original Issuance Price (as defined in Sub-section 3(a)) per share, per annum, payable only upon the liquidation, dissolution or winding-up of the Corporation or, at any time prior to the liquidation, dissolution or winding-up of the Corporation, payable if, as and when declared by the Board of Directors. Cheques of the Corporation payable at par at any branch of the Corporation's bankers in Canada shall be issued in respect of such dividends and payment thereof shall satisfy such dividends, provided that the Corporation may make payment of such amounts in such other manner as may be agreed with the holder which will be the recipient of such payments. Such dividends shall accrue from the date of issue.

4. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales

- (a) In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation for the purpose of winding-up its

affairs, the holders of any unconverted Series I Class A Preferred Shares then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders, before any payment shall be made to the holders of Common Shares or any other class of shares or series of such shares ranking on liquidation junior to the Series I Class A Preferred Shares, by reason of their ownership thereof, an amount per Class A Preferred Share equal to the Original Issuance Price (as defined below), subject to any adjustments as provided for in Section 4 herein, plus any dividends accrued but not paid. "Original Issuance Price" shall mean USD\$1.127 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or similar recapitalization affecting such shares as provided for in Section 4 herein.

- (b) Following the distribution in Section 3(a) to holders of Series I Class A Preferred Shares, holders of Common Shares or any other class of shares or series of such shares ranking on liquidation junior to the Series I Class A Preferred Shares shall be paid an amount equal to the consideration paid by each of them for their shares. Any remaining proceeds shall be divided pro-rata among all of the holders of Common Shares and Series I Class A Preferred Shares with the holdings of the Series I Class A Preferred Shareholders determined on an as-converted basis.
- (c) The consolidation, reorganization, amalgamation, arrangement or merger (or similar transaction or series of transactions) of the Corporation into or with any other entity or entities which results in the exchange of outstanding shares of the Corporation for securities or other consideration issued or paid or caused to be issued or paid by any such entity or affiliate thereof (other than a merger to reincorporate the Corporation in a different jurisdiction) which results in the Corporation's shareholders immediately prior to such transaction holding less than fifty percent (50%) of the voting power of the surviving or continuing entity, or the sale, lease, abandonment, transfer or other disposition by the Corporation of all or substantially all its assets, or any transactions or series of related transactions pursuant to which more than fifty percent (50%) of the Corporation's voting securities are sold or transferred (in each case, a "Capital Event"), shall be deemed to be a liquidation, dissolution or winding-up of the Corporation within the meaning of the provisions of this Section 3.
- (d) All amounts due to holders of Series I Class A Preferred Shares pursuant to this Section 3, shall in all events be paid in the same form of consideration as is payable with respect to the Common Shares. Wherever a distribution provided for in this Section 3 is payable in property other than cash, the value of such distribution shall be the fair market value of such property as determined in good faith by the Board of Directors unless contested by any Holder in which event such fair market value shall be determined as provided in Section 6 hereof; provided that any securities shall be valued as follows:
 - (i) Securities not subject to investment letter or other similar restrictions on free marketability covered by (ii) below:

- A. If traded on a recognized stock exchange or through the Nasdaq National Market, the value shall be deemed to be the average of the closing prices of the securities on such quotation system over the thirty (30) day period ending three (3) days prior to the closing;
 - B. If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the thirty (30) day period ending three (3) days prior to the closing; and
 - C. If there is no active public market, the value shall be the fair market value thereof, as determined by the Board of Directors unless contested by any Holder in which event such fair market value shall be determined as provided in Section 6 hereof.
- (ii) 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 shareholder's status as an affiliate or former affiliate) shall be to make an appropriate discount from the market value determined as above in (i)(A), (B) or (C) to reflect the approximate fair market value thereof, as determined by the Board of Directors unless contested by any Holder in which event such fair market value shall be determined as provided in Section 6 hereof.

5. Optional Conversion.

The holders of the Series I Class A Preferred Shares shall have conversion rights as follows (the "Conversion Rights"):

- (a) Right to Convert. Each Series I Class A Preferred Share shall be convertible, at the option of the holder thereof at any time and without the payment of additional consideration, into such number of fully paid and non-assessable Common Shares, at the option of the holder thereof, as is determined by dividing the Original Issuance Price with respect to such Series I Class A Preferred Share by the Conversion Price (as defined below) with respect to such Series I Class A Preferred Share in effect at the time of conversion. The "Conversion Price" shall initially be USD \$1.127 per share. Such initial Conversion Price, and the rate at which Series I Class A Preferred Shares may be converted into Common Shares, shall be subject to adjustment as provided below. In the event of the liquidation, dissolution or winding-up of the Corporation, the Conversion Rights shall terminate at the close of business on the first full business day preceding the date fixed for the payment of any amounts distributable on liquidation, dissolution or winding-up to the holders of Series I Class A Preferred Shares.
- (b) Fractional Shares. No fractional Common Shares shall be issued upon conversion of the Series I Class A Preferred Shares. In lieu of any fractional shares to which

the holder would otherwise be entitled, the Corporation shall pay to the holder cash for such fractional shares.

(c) Mechanics of Conversion.

- (i) The conversion right herein provided for may be exercised by notice in writing given to the Secretary or, if no Secretary any officer, of the Corporation accompanied by the certificate or certificates representing Series I Class A Preferred Shares in respect of which the holder thereof desires to exercise such right of conversion and such notice shall be signed by the person registered on the books of the Corporation as the holder of the Series I Class A Preferred Shares in respect of which such right is being exercised or by his duly authorized attorney and shall specify the number of Series I Class A Preferred Shares which the holder desires to have converted; upon receipt of such notice by the Secretary or other officer, as the case may be, of the Corporation, the Corporation shall issue or cause to be issued certificates representing fully paid and non-assessable Common Shares upon the basis above prescribed and in accordance with the provisions hereof to the registered holder of Series I Class A Preferred Shares represented by the certificate or certificates accompanying such notice. The holder shall pay any governmental or other tax imposed on or in respect of such conversion right. If less than all the Series I Class A Preferred Shares represented by any certificate are to be converted, the holder shall be entitled to receive without the payment of any fee a new certificate for the Series I Class A Preferred Shares representing the shares comprised in the original certificate which are not to be converted.
- (ii) The Corporation shall at all times when the Series I Class A Preferred Shares shall be outstanding, reserve and keep available out of its authorized but unissued share capital, for the purpose of effecting the conversion of the Series I Class A Preferred Shares, such number of its duly authorized Common Shares as shall from time to time be sufficient to effect the conversion of all outstanding Series I Class A Preferred Shares.
- (iii) Upon any such conversion, no adjustment shall be made for any accrued but undeclared dividends on the Series I Class A Preferred Shares surrendered for conversion or on the Common Shares delivered upon conversion.
- (iv) All Series I Class A Preferred Shares which shall have been surrendered for conversion in accordance with the provisions hereof shall, from and after the date of such conversion, no longer be deemed to be outstanding and all rights with respect to such shares, including the rights, if any, to receive notices and to vote, shall immediately cease and terminate on the date of such conversion, except only the right of the holders thereof to receive Common Shares in exchange therefor.

(d) Adjustments to Conversion Price for Diluting Issues.

(i) Special Definitions. For purposes of this Section 4(d), the following definitions shall apply:

A. "Additional Shares" shall mean all Common Shares issued (or, pursuant to Subsection 4(d)(ii) below, deemed to be issued) by the Corporation after the Original Issue Date, other than:

- I. Common Shares issued or issuable upon conversion or exchange of any Convertible Securities and except as provided in Subsection 4(d)(ii) below;
- II. Common Shares issued or issuable as a dividend or distribution on Series I Class A Preferred Shares;
- III. Common Shares issued or issuable by reason of a dividend, stock split, split-up or other distribution on Common Shares that is covered by Subsection 4(e) or 4(f) below;
- IV. Up to 2,400,000 Common Shares (or the grant of Options therefor) issued or issuable to employees or directors of, or consultants to, the Corporation pursuant to a stock option plan or arrangement approved by the Board of Directors of the Corporation;
- V. Any shares issued pursuant to an Employee Share Purchase Plan approved by the Board of Directors; or
- VI. Convertible Securities or Options issued to a bona fide third party lender in conjunction with a debt financing of not less than CDN \$ 500,000.

B. "Convertible Securities" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Shares.

C. "Option" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Shares or Convertible Securities.

D. "Original Issue Date" shall mean the date on which the Series I Class A Preferred Shares were first issued by the Corporation.

(ii) Issue of Securities; Deemed Issue of Additional Shares. If the Corporation at any time or from time to time after the Original Issue Date shall issue any Options (excluding Options to employees, directors, or consultants as described by Section 4(d)(i)(A.)(IV)) or Convertible Securities or shall fix

a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Common Shares (as set forth in the instrument relating thereto without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Shares shall not be deemed to have been issued unless the consideration per share (determined pursuant to Section 4(d)(iv) hereof) of such Additional Shares would be less than the applicable Conversion Price in effect on the date of and immediately prior to such issue, or such record date, as the case may be, and provided further that in any such case in which Additional Shares are deemed to be issued:

- A. No further adjustment in the Conversion Price shall be made upon the subsequent issue of Convertible Securities or Common Shares upon the exercise of such Options or conversion or exchange of such Convertible Securities;
- B. If such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Corporation, upon the exercise, conversion or exchange thereof, the Conversion Price computed upon the original issue thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective, be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;
- C. Upon the expiration or termination of any such unexercised Option, the Conversion Price shall be readjusted, and the Additional Shares deemed issued as the result of the original issue of such Option shall not be deemed issued for the purposes of any subsequent adjustment of the Conversion Price;
- D. In the event of any change in the number of Common Shares issuable upon the exercise, conversion or exchange of any such Option or Convertible Security, including, but not limited to, a change resulting from the anti-dilution provisions thereof, the Conversion Price then in effect shall forthwith be readjusted to such Conversion Price as would have obtained had the adjustment which was made upon the issuance of such Option or Convertible Security not exercised or converted prior to such change been made upon the basis of such change; and

- E. No readjustment pursuant to clause (B) or (D) above shall have the effect of increasing the Conversion Price to an amount which exceeds the lower of (i) the Conversion Price on the original adjustment date, or (ii) the Conversion Price that would have resulted from any issuances of Additional Shares between the original adjustment date and such readjustment date.

In the event the Corporation, after the Original Issue Date, amends the terms of any such Options or Convertible Securities (whether such Options or Convertible Securities were outstanding on the Original Issue Date or were issued after the Original Issue Date), then such Options or Convertible Securities, as so amended, shall be deemed to have been issued after the Original Issue Date and the provisions of this Section 4(d)(ii) shall apply.

- (iii) Adjustment of Conversion Price Upon Issuance of Additional Shares. In the event the Corporation shall at any time after the Original Issue Date issue Additional Shares (including Additional Shares deemed to be issued pursuant to Section 4(d)(ii), but excluding shares issued as a stock split or combination as provided in Section 4(e) or upon a dividend or distribution as provided in Section 4(f)), without consideration or for a consideration per share less than the Conversion Price in effect immediately prior to such issue, then and in such event, such Conversion Price shall be reduced, concurrently with such issue, to the price equal to the consideration per share received by the Corporation upon such issuance of Additional Shares.
- (iv) Determination of Consideration. For purposes of this Section 4(d), the consideration received by the Corporation for the issue of any Additional Shares shall be computed as follows:

A. Cash and Property: Such consideration shall:

- I. insofar as it consists of cash, be computed at the aggregate of cash received by the Corporation, excluding amounts paid or payable for accrued interest;
- II. insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors, unless contested by any Holder in which event such fair market value shall be determined as provided in Section 6 hereof; and
- III. in the event Additional Shares are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of

such consideration so received, computed as provided in clauses (I) and (II) above, as determined in good faith by the Board of Directors, unless contested by any Holder in which event such fair market value shall be determined as provided in Section 6 hereof.

- B. Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares deemed to have been issued pursuant to Section 4(d)(ii), relating to Options and Convertible Securities, shall be determined by dividing:
- I. the total amount, if any, received or receivable by the Corporation expressed in Canadian dollars as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by
 - II. the maximum number of Common Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.
- (e) Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Original Issue Date effect a subdivision of the outstanding Common Shares, the Conversion Price then in effect immediately before that subdivision shall be proportionately decreased. If the Corporation shall at any time or from time to time after the Original Issue Date combine the outstanding Common Shares, the Conversion Price then in effect immediately before the combination shall be proportionately increased. Any adjustment under this paragraph shall become effective at the close of business on the date the subdivision or combination becomes effective.
- (f) Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time, or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Shares entitled to receive, a dividend or other distribution payable in additional Common Shares, then and in each such event the Conversion Price then in effect immediately before such event shall be decreased as of the time of such issuance or, in the

event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price then in effect by a fraction:

- (i) the numerator of which shall be the total number of Common Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and
- (ii) the denominator of which shall be the total number of Common Shares issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of Common Shares issuable in payment of such dividend or distribution;

provided, however, if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price shall be adjusted pursuant to this paragraph as of the time of actual payment of such dividends or distributions; and provided further, however, that no such adjustment shall be made if the holders of Series I Class A Preferred Shares simultaneously receive (i) a dividend or other distribution of Common Shares in a number equal to the number of Common Shares as they would have received if all outstanding Series I Class A Preferred Shares had been converted into Common Shares on the date of such event or (ii) a dividend or other distribution of Series I Class A Preferred Shares which are convertible, as of the date of such event, into such number of Common Shares as is equal to the number of additional Common Shares being issued with respect to each Common Share in such dividend or distribution, as applicable.

- (g) Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Shares entitled to receive, a dividend or other distribution payable in securities of the Corporation other than Common Shares, then and in each such event provision shall be made so that the holders of the Series I Class A Preferred Shares shall receive upon conversion thereof in addition to the number of Common Shares receivable thereupon, the amount of securities of the Corporation that they would have received had the Series I Class A Preferred Shares been converted into Common Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the conversion date, retained such securities receivable by them as aforesaid during such period, giving application to all adjustments called for during such period under this paragraph with respect to the rights of the holders of the Series I Class A Preferred Shares; and provided further, however, that no such adjustment shall be made if the holders of Series I Class A Preferred Shares simultaneously receive a dividend or other distribution of such securities in an amount equal to the amount of such securities as they would have received if all outstanding Series I Class A Preferred Shares had been converted into Common Shares on the date of such event.

- (h) Adjustment for Reclassification, Exchange, or Substitution. If the Common Shares issuable upon the conversion of the Series I Class A Preferred Shares shall be changed into the same or a different number of shares of any class or classes of shares, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares or stock dividend provided for above, or a reorganization, merger, amalgamation, arrangement, consolidation or sale of assets provided for below), then and in each such event the holder of each such Class A Preferred Share shall have the right thereafter to convert such share into the kind and amount of shares and other securities and property receivable, upon such reorganization, reclassification, or other change, by holders of the number of Common Shares into which such Series I Class A Preferred Shares might have been converted immediately prior to such reorganization, reclassification, or change, all subject to further adjustment as provided herein.
- (i) Adjustment for Merger or Reorganization, etc. In case of any consolidation, amalgamation, arrangement, or merger of the Corporation with or into another corporation or the sale of all or substantially all of the assets of the Corporation to another corporation (other than a Capital Event which is covered by Subsection 3(c)), each Class A Preferred Share shall thereafter be convertible (or shall be converted into a security which shall be convertible) into the kind and amount of shares or other securities or property to which a holder of the number of Common Shares of the Corporation deliverable upon conversion of such Series I Class A Preferred Shares would have been entitled upon such consolidation, amalgamation, arrangement, merger or sale; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of the provisions in this Section 4 set forth with respect to the rights and interest thereafter of the holders of the Series I Class A Preferred Shares, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any shares or other property thereafter deliverable upon the conversion of the Series I Class A Preferred Shares.
- (j) No Impairment. The Corporation will not, by amendment of the Articles or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, intentionally 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 the Series I Class A Preferred Shares against impairment.
- (k) Certificate as to Adjustments. Adjustments made under this Section 4 shall be successive and each resulting in a new Conversion Price which shall continue in effect until the next adjustment (if any) is made thereunder. Upon the occurrence of each adjustment or readjustment of the Conversion Price pursuant to this Section 4, the Corporation at its expense shall promptly compute such adjustment or

readjustment in accordance with the terms hereof and furnish to each holder of Series I Class A Preferred Shares 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 I Class A Preferred Shares, furnish or cause to be furnished to such holder a similar certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price then in effect, and (iii) the number of Common Shares and the amount, if any, of other property which then would be received upon the conversion of Series I Class A Preferred Shares.

(l) Notice of Record Date. In the event:

- (i) that the Corporation declares a dividend (or any other distribution) on its Common Shares payable in Common Shares, or other securities of the Corporation;
- (ii) that the Corporation subdivides or combines its outstanding Common Shares;
- (iii) of any reclassification of the Common Shares of the Corporation (other than a subdivision or combination of its outstanding Common Shares or a stock dividend or stock distribution thereon), or of any consolidation or merger of the Corporation into or with another corporation, or of the sale of all or substantially all of the assets of the Corporation; or
- (iv) of the involuntary or voluntary dissolution, liquidation or winding-up of the Corporation;

then the Corporation shall cause to be filed at its principal office or at the office of the transfer agent of the Series I Class A Preferred Shares, if any, and shall cause to be mailed to the holders of the Series I Class A Preferred Shares at their last addresses as shown on the records of the Corporation or such transfer agent, at least ten days prior to the date specified in (A.) below or twenty-one days before the date specified in (B.) below, a notice stating

- A. the record date of such dividend, distribution, subdivision or combination, or, if a record is not to be taken, the date as of which the holders of Common Shares of record to be entitled to such dividend, distribution, subdivision or combination are to be determined, or
- B. the date on which such reclassification, consolidation, merger, sale, dissolution, liquidation or winding up is expected to become effective, and the date as of which it is expected that holders of Common Shares of record shall be entitled to exchange their shares of Common Shares for securities or other property deliverable upon such reclassification, consolidation, merger, sale, dissolution or winding up.

5. Automatic Conversion.

- (a) Upon the closing of an offering pursuant to a receipted prospectus under the *Securities Act* (Ontario), as amended, or similar document filed under other applicable securities laws in Canada or the United States, covering the offer and sale of Common Shares for the account of the Corporation to the public in which:
- (i) the Common Shares are listed on a recognized senior North American stock exchange such as the NASDAQ or the TSE;
 - (ii) the net proceeds to the Corporation from such offering or offerings aggregate not less than \$25,000,000 USD; and
 - (iii) the public offering price of which is not less than \$10.00 USD per share,

all outstanding Series I Class A Preferred Shares shall automatically be converted into fully paid and non-assessable Common Shares, based upon the then effective Conversion Price (the "Automatic Conversion"), the number of Series I Class A Preferred Shares shall be automatically reduced to zero and, upon conversion of all Series I Class A Preferred Shares all references in the Articles to Series I Class A Preferred Shares shall be deleted and shall be of no further force and effect.

- (b) All holders of record of Series I Class A Preferred Shares shall be given written notice of the Automatic Conversion described in Section 5(a), which notice shall specify the date and the place at which Automatic Conversion will occur. Such notice need not be given in advance of the occurrence of the date of the Automatic Conversion. Such notice shall be sent by first class or registered mail, postage prepaid, to each record holder of Series I Class A Preferred Shares at such holder's address last shown on the records of the Corporation. Upon receipt of such notice, each holder of Series I Class A Preferred Shares shall surrender his or its certificate or certificates for all Series I Class A Preferred Shares to be converted to the Corporation at the place designated in such notice, and shall thereafter receive certificates for the number of Common Shares to which each such holder is entitled. On the date of the Automatic Conversion, all rights with respect to the Series I Class A Preferred Shares so converted, including the rights, if any, to receive notices and vote (other than as a holder of Common Shares) will terminate, except only the rights of the holders thereof, upon surrender of their certificate or certificates therefor, to receive certificates for the number of Common Shares into which such Series I Class A Preferred Shares have been converted. If so required by the Corporation, certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his or its attorney duly authorized in writing. Within 5 business days after the date of the Automatic Conversion and the surrender of the certificate or certificates for Series I Class A Preferred Shares, the Corporation shall cause to be issued and delivered to such holder at the Corporation's expense, or on his or its written order, a certificate or certificates for the number of full

Common Shares issuable on such conversion in accordance with the provisions hereof and cash as provided in Section 4(b) in respect of any fraction of a Common Share otherwise issuable on such conversion.

- (c) All certificates evidencing Series I Class A Preferred Shares which are required to be surrendered for conversion in accordance with the provisions hereof shall, from and after the date of the Automatic Conversion, be deemed to have been retired and cancelled and the Series I Class A Preferred Shares represented thereby converted into Common Shares for all purposes, notwithstanding the failure of the holder or holders thereof to surrender such certificates on or prior to such date.

7. Resolutions of Disputes

If at any time a question arises with respect to calculations made or valuations determined under these rights, privileges, restrictions and conditions of Series I Class A Preferred Shares by the Board of Directors of the Corporation, such questions shall be determined by the accountants or the auditors of the Corporation, or, if requested in writing by holders of at least 66 2/3% of the outstanding Series I Class A Preferred Shares, by a single arbitrator pursuant to the *Arbitrations Act* (Ontario), and the determination of such accountant, auditor or arbitrator, as the case may be, shall be binding upon the Company and all holders of Series I Class A Preferred Shares. Costs of any such determination shall be borne by the Corporation.

8. Restrictive Covenants

After the effective date of these rights, privileges, restrictions and conditions of Series I Class A Preferred Shares, the Corporation shall not, unless authorised by a resolution in writing signed by all of the holders of Series I Class A Preferred Shares or by a separate resolution passed by an affirmative vote of at least 66 2/3% of the votes cast thereon at a meeting of the holders of the Series I Class A Preferred Shares duly called for that purpose and held upon 21 days' notice at which the holders of at least 66 2/3% of the outstanding Series I Class A Preferred Shares are present or represented by proxy:

- (a) amend or vary the rights, privileges, restrictions and conditions attached to the Series I Class A Preferred Shares or otherwise amend or vary the Articles of the Corporation in a manner which would have an adverse effect on the rights, privileges, restrictions and conditions attached to the Series I Class A Preferred Shares;
- (b) create or issue any class or series of shares, or any exchangeable or convertible securities which are exchangeable or convertible into any class or series of shares, ranking in any way senior to or *pari passu* with the Series I Class A Preferred Shares (including, without limitation, rights extended with respect to voting, dividends or liquidation);
- (c) increase the authorized number of the Series I Class A Preferred Shares;

- (d) undertake any consolidation, reorganization, amalgamation, arrangement or merger of the Corporation or otherwise initiate the liquidation, dissolution or winding up of the Corporation; or
- (e) pay any dividends on the common Shares of the Corporation.

Further to this Section 7, unless the Corporation receives the prior written consent from holders of a majority of the issued and outstanding Series I Class A Preferred Shares and such a majority includes Intel Corporation or Royal Bank Ventures Inc., the Corporation may not undertake any merger, or complete any sale of all or substantially all of the Corporation's assets, or any liquidation, winding-up or dissolution.

C. COMMON SHARES

1. Payment of Dividends

The holders of the Common Shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. However, all dividends which the board of directors may determine to declare and pay in any financial year of the Corporation shall be declared and paid on all of the Preferred Shares and Common Shares at the time outstanding on the basis that each such Preferred Share shall be entitled to receive the dividends which would be received by the holder thereof as if such shares had been converted into Common Shares immediately prior to the declaration and payment of such dividends to the holders of the Common Shares.

2. Participation upon Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares shall, subject to the rights of the holders of the Preferred Shares and any other class of shares of the Corporation entitled to receive the assets of the Corporation upon such a distribution in priority to or rateably with the holders of the Common Shares, be entitled to participate rateably in any such distribution of the assets of the Corporation. For the purpose of the foregoing, the Corporation shall be required to distribute its remaining assets among its shareholders in the event of the sale, lease or exchange of all or substantially all the property of the Corporation (other than in the ordinary course of business).

3. Voting Rights

The holders of the Common Shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one (1) vote in respect of each Common Share held at all such meetings.

SCHEDULE "2"

7 - Other provisions

- (a) The number of shareholders of the Corporation, exclusive of persons who are in its employment and exclusive of persons who, having been formerly in the employment of the Corporation were, while in that employment, and have continued after termination of that employment to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered owners of one or more shares being counted as one shareholder.
- (b) Any invitation to the public to subscribe for securities of the Corporation is prohibited.
- (c) Subject to the terms of any borrowing power restrictions in a unanimous shareholder agreement, as defined in the *Canada Business Corporations Act*, the Board of Directors may from time to time, in such amounts and on such terms as it deems expedient:
 - (i) borrow money on the credit of the Corporation;
 - (ii) issue, reissue, sell, pledge or hypothecate debt obligations (secured or unsecured) of the Corporation;
 - (iii) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person or body corporate; and
 - (iv) charge, mortgage, hypothecate, pledge or cede and transfer or otherwise create a security interest in all or any of the currently owned or subsequently acquired real or personal, movable or immovable, property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any debt obligations or any money borrowed, or other debt or liability of the Corporation.
- (d) The Board of Directors may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the board all or any of the powers conferred on the board pursuant to the preceding paragraph to such extent and in such manner as the Board of Directors shall determine at the time of each such delegation.

LG-OTT-1 /181668

) IN THE MATTER OF THE
) CANADA BUSINESS CORPORATIONS ACT,
) AND IN THE MATTER OF THE
) AMALGAMATION OF 4076362 CANADA INC.
) AND ANALOG DESIGN AUTOMATION INC.

I, Donald Evers, of the City of Ottawa, Province of Ontario, DO SOLEMNLY DECLARE,
that:

1. I am a director or officer of Analog Design Automation Inc., one of the amalgamating corporation and I have personal knowledge of the matters herein deposed to.
2. I am satisfied that there are reasonable grounds for believing that:
 - (a) each amalgamating corporation can and the amalgamated Corporation will be able to pay its liabilities as they become due; and
 - (b) the realizable value of the amalgamated corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes; and
 - (c) there are reasonable grounds for believing that no creditor will be prejudiced by the amalgamation.

AND I make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

DECLARED BEFORE ME at the
City of Ottawa, in the
Province of Ontario, this 27th
day of August, 2002.

A Commissioner, etc.


Donald Evers
Chief Financial Officer and Secretary

#181686

