

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT2909596

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| SUBMISSION TYPE: | CORRECTIVE ASSIGNMENT | | |
| NATURE OF CONVEYANCE: | Corrective Assignment to correct the RECEIVING PARTY TO ZORAN CORPORATION; CORRECT EXECUTION DATE TO JUNE 28, 2000, previously recorded on Reel 014625 Frame 0846. Assignor(s) hereby confirms the THE MERGER. | | |
| CONVEYING PARTY DATA | | | |
| Name | | Execution Date | |
| PIXELCAM, INC. | | 06/28/2000 | |
| RECEIVING PARTY DATA | | | |
| Name: | ZORAN CORPORATION | | |
| Street Address: | 1390 KIFER ROAD | | |
| City: | SUNNYVALE | | |
| State/Country: | CALIFORNIA | | |
| Postal Code: | 94086 | | |
| PROPERTY NUMBERS Total: 1 | | | |
| Property Type | Number | | |
| Patent Number: | 6465862 | | |
| CORRESPONDENCE DATA | | | |
| Fax Number: | (202)467-8900 | | |
| <i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i> | | | |
| Phone: | 202-467-8800 | | |
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| ATTORNEY DOCKET NUMBER: | Z2002-700519 | | |
| NAME OF SUBMITTER: | VINCENT M. DELUCA | | |
| SIGNATURE: | /Vincent M. DeLuca/ | | |
| DATE SIGNED: | 06/23/2014 | | |
| Total Attachments: 9 | | | |
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In the office of the Secretary of State
of the State of California

JUN 29 2000

AGREEMENT OF MERGER

BILL JONES, Secretary of State

THIS AGREEMENT OF MERGER (the "Merger Agreement") is made and entered into as of June 28, 2000 by and among GRAPE ACQUISITION CORP., a California corporation ("Merger Subsidiary"), PIXELCAM, INC., a California corporation ("PixelCam" or "Surviving Corporation"), and ZORAN CORPORATION, a Delaware corporation ("Zoran"). PixelCam and Merger Subsidiary are collectively referred to as the "Constituent Corporations."

RECITALS

A. Zoran is the beneficial and record owner of all of the outstanding shares of the capital stock of Merger Subsidiary.

B. Zoran, Merger Subsidiary and PixelCam have entered into that certain Agreement and Plan of Reorganization dated as of June 28, 2000 (the "Agreement"), providing for, among other things, the execution and filing of the Merger Agreement and the merger of Merger Subsidiary with and into PixelCam upon the terms set forth in the Agreement and this Merger Agreement (the "Merger").

C. The Boards of Directors of the Constituent Corporations deem it advisable and in the best interests of the Constituent Corporations and in the best interests of the shareholders of the Constituent Corporations that PixelCam be acquired by Zoran through the Merger.

D. The Agreement, this Merger Agreement and the Merger have been approved by the shareholders of PixelCam and the sole stockholder of Merger Subsidiary.

NOW, THEREFORE, the Constituent Corporations hereby agree as follows:

ARTICLE 1

THE CONSTITUENT CORPORATION

Section 1.1 PixelCam.

(a) The authorized capital stock of PixelCam consists of, and immediately prior to the closing of the Merger (the "Closing") will consist of 10,000,000 shares of Common Stock (the "PixelCam Common Stock") and 6,500,000 shares of Preferred Stock (the "PixelCam Preferred Stock").

(b) On the business day immediately preceding the date hereof, 8,451,655 shares of PixelCam Common Stock and no shares of PixelCam Preferred Stock are issued and outstanding.

Section 1.2 Merger Subsidiary.

(a) Merger Subsidiary was incorporated under the laws of the State of California on June 8, 2000.

(b) Merger Subsidiary is authorized to issue an aggregate of 1,000 shares of common stock, par value \$0.001 per share (the "Merger Subsidiary Stock").

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(c) On the date hereof, an aggregate of 1,000 shares of Merger
Subsidiary Stock were issued and outstanding.

ARTICLE 2

THE MERGER

Section 2.1 The Merger.

(a) The Merger shall become effective on the date ("Effective Time")
that this Merger Agreement and an officers' certificate of each of the Constituent
Corporations are filed with the Secretary of State of California pursuant to Section 1103
of the California General Corporation Law ("GCL").

(b) At the Effective Time, Merger Subsidiary shall be merged with and
into PixelCam and the separate corporate existence of Merger Subsidiary shall thereupon
cease. PixelCam shall be the Surviving Corporation in the Merger and the separate
corporate existence of PixelCam, with all its purposes, objects, rights, privileges, powers,
immunities and franchises, shall continue unaffected and unimpaired by the Merger.

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Section 2.2 Effect of the Merger. The Merger shall have the effects set forth in
this Merger Agreement and in the GCL. Without limiting the generality of the foregoing,
from and after the Effective Time, the Surviving Corporation shall possess all the rights,
privileges, powers and franchises of a public as well as of a private nature, and be subject
to all the restrictions, disabilities and duties of each of the Constituent Corporations; and
all singular rights, privileges, powers and franchises of each of the Constituent
Corporations, and all property, real, personal and mixed, and all debts due to either of the
Constituent Corporations on whatever account, as well as for stock subscriptions and all
other things in action or belonging to each of the Constituent Corporations, shall be
vested in the Surviving Corporation, and all property, rights, privileges, powers and
franchises, and all and every other interest shall be thereafter as effectually the property
of the Surviving Corporation as they were of the Constituent Corporations, and the title to
any real estate vested by deed or otherwise, in either of the Constituent Corporations,
shall not revert or be in any way impaired; but all rights of creditors and all liens upon
any property of either of the Constituent Corporations shall be preserved unimpaired, and
all debts, liabilities and duties of the Constituent Corporations shall thereafter attach to
the Surviving Corporation, and may be enforced against it to the same extent as if such
debts and liabilities had been incurred by it.

ARTICLE 3

ARTICLES OF INCORPORATION AND BYLAWS OF THE SURVIVING CORPORATION

Section 3.1 Articles of Incorporation. The Articles of Incorporation of
PixelCam as the Surviving Corporation shall be amended so that Article V of such
Articles of Incorporation shall read as follows: "The total number of shares of all classes
which this corporation shall have authority to issue shall be 1,000, all of which shall
consist of Common Stock." The Articles of Incorporation of PixelCam as the Surviving
Corporation shall also be amended so that Article VI shall be stricken. The Articles of
Incorporation of PixelCam in effect immediately prior to the Effective Time, as amended
in accordance with this Section 3.1, shall be the Articles of Incorporation of the Surviving

Corporation unless and until amended as provided by law and such Articles of Incorporation.

Section 3.2 Bylaws. The Bylaws of PixelCam in effect immediately prior to the Effective Time shall be the Bylaws of the Surviving Corporation unless and until amended or repealed as provided by law, the Articles of Incorporation of the Surviving Corporation and such Bylaws.

ARTICLE 4

MANNER AND BASIS OF CONVERTING SHARES AND WARRANTS OF THE CONSTITUENT CORPORATIONS

Section 4.1 Definitions. As used herein, the following terms shall have the following definitions:

(a) "2000 Contingency Shares" means a number of shares of Zoran Common Stock equal to \$6,300,000 divided by the Average Closing Price.

(b) "2000 Per-Share Amount" means a number of shares of Zoran Common Stock equal to the 2000 Contingency Shares divided by the Fully-Diluted PixelCam Shares.

(c) "2001 Contingency Amount" means a sum determined in accordance with Section 4.3(b).

(d) "2001 Contingency Shares" means a number of shares of Zoran Common Stock equal to the 2001 Contingency Amount divided by the Average Closing Price.

(e) "2001 Per Share Amount" means a number of shares of Zoran Common Stock equal to the 2001 Contingency Shares divided the Fully-Diluted PixelCam Shares.

(f) "Average Closing Price" means the average closing sale price of the Zoran Common Stock on the Nasdaq National Market (the "NNM") on the 10 trading days ending on the trading day preceding the date when the Effective Time occurs, *provided* that if such average closing sale price is less than \$49.00, then the Average Closing Price shall be \$49.00, and if such average closing sale price is greater than \$56.00, then the Average Closing Price shall be \$56.00.

(g) "CMOS Sensor Products" means CMOS Sensors or modules consisting of a CMOS Sensor and lens assembly.

(h) "Cost of Goods Sold" means fabrication costs, assembly and test costs, and the cost of materials and overhead from operations allocated to CMOS Sensor Products, determined in accordance with GAAP on a basis that is consistent with the determination of the cost of product sales as reported in Zoran's audited consolidated financial statements.

(i) "Firm Merger Shares" means \$21,000,000, less (i) the aggregate amount of all legal fees paid or owed by PixelCam to Thelen Reid & Priest LLP since January 1, 2000 and any other legal, accounting and financial advisory fees and expenses

and other out-of-pocket expenses incurred by PixelCam relating to the negotiation, preparation and carrying out of the transactions contemplated by the Agreement which exceed \$150,000, divided by (ii) Average Closing Price.

(j) "Fully-Diluted PixelCam Shares" means the aggregate of the number of shares of PixelCam Common Stock (i) outstanding as of the Effective Time, (ii) issuable, directly or indirectly, upon the conversion of convertible debt of equity securities that are outstanding as of the Effective Time or (iii) issuable upon exercise of all options or warrants that are outstanding as of the Effective Time.

(k) "Gross Margin" means Gross Profit as a percentage of Net Selling Price, subject to Section 4.3(c) below.

(l) "Gross Profit" means Net Selling Price less Cost of Goods Sold, determined in accordance with GAAP, subject to Section 4.3(c) below.

(m) "Initial Per-Share Amount" means a number of shares of Zoran Common Stock equal to the Firm Merger Shares divided by the Fully-Diluted PixelCam Shares.

(n) "Net Selling Price" means product sales revenues determined in accordance with GAAP on a basis that is consistent with Zoran's revenue recognition policies as set forth in its audited consolidated financial statements.

(o) "PixelCam Operating Plan" means the operating plan attached as Exhibit A to the Agreement.

(p) "PixelCam Option Plan" means the PixelCam 1998 Equity Incentive Plan.

(q) "PixelCam Options" means at the Effective Time, all then outstanding options to purchase PixelCam Common Stock issued under the PixelCam Option Plan.

(r) "PixelCam Security Holders" means the holders of PixelCam Common Stock and PixelCam Options vested immediately prior to the Merger.

(s) "Principal Shareholders" means Kevin Brehmer, Kim Hailey and Shawn Hailey.

Section 4.2 Conversion. As of the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of capital stock of PixelCam or capital stock of Merger Subsidiary:

(a) Each issued and outstanding share of the capital stock of Merger Subsidiary shall be converted into and become one fully paid and nonassessable share of Common Stock of the Surviving Corporation.

(b) Each share of PixelCam Common Stock outstanding immediately prior to the Effective Time of the Merger that is not a Dissenting Share (as defined below in Section 4.5), shall be converted into the right to receive: (A) the Initial Per-Share Amount, issuable at the Closing or thereafter upon surrender of the certificate representing such share of PixelCam Common Stock, (B) the 2000 Per-Share Amount, issuable on January 31, 2001, if issuable as provided with Section 4.3(a) below, and (C)

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the 2001 Per-Share Amount, if any, determined pursuant to Section 4.3(b) below issuable on January 31, 2002. All such shares of PixelCam Common Stock, when so converted, shall no longer be outstanding and shall automatically be canceled and retired and shall cease to exist, and each holder of a certificate representing any such shares shall cease to have any rights with respect thereto, except the right to receive shares of Zoran Common Stock as set forth in this paragraph above and any cash in lieu of fractional shares of Zoran Common Stock to be issued or paid in consideration therefor, upon the surrender of such certificate in accordance with this Section 4.2.

(c) At the Effective Time all PixelCam Options not exercised as of the Effective Time will be assumed by Zoran in accordance with Section 4.4 below.

Section 4.3 Contingent Payments.

(a) 2000 Contingency Shares. The 2000 Contingency Shares shall be issuable subject to the achievement of the following milestones on or prior to December 31, 2000:

(i) the hiring of an additional CMOS sensor expert satisfactory to Zoran;

(ii) the completion of CMOS sensor documentation at a level that will enable a third party to effectively modify PixelCam's CMOS Sensor Products; and

(iii) Zoran's gross profit from the sale of CMOS Sensor Products between the Effective Time and December 31, 2000 ("2000 Gross Profit") of not less than \$1,600,000 at a Gross Margin of not less than 33%, calculated on an aggregate basis.

(b) 2001 Contingency Amount.

(i) Except as provided for in Section 3.5 of the PixelCam Operating Plan, and subject to Section 4.3(b)(ii) below, the 2001 Contingency Amount shall be determined as follows:

(1) If (x) Zoran's gross profit from the sale of CMOS Sensor Products during 2001 ("2001 Gross Profit") is not greater than \$6,750,000 or (y) the gross margin on such sales (the "2001 Gross Margin") is less than 38%, then the 2001 Contingency Amount shall be \$0.

(2) If (x) 2001 Gross Profit is greater than or equal to \$13,500,000 and (y) the 2001 Gross Margin is greater than or equal to 38%, then the 2001 Contingency Amount shall be \$14,700,000.

(3) If (x) 2001 Gross Profit is greater than \$6,750,000 but less than \$13,500,000 and (y) the 2001 Gross Margin is greater than or equal to 38%, then the 2001 Contingency Amount shall be equal to \$14,700,000 multiplied by a fraction, the numerator of which is the amount by which 2001 Gross Profit exceeds \$6,750,000, and the denominator of which is \$6,750,000.

(ii) If the 2000 Contingency Shares do not become issuable but would have been issuable had 2000 Gross Profit equaled or exceeded \$1,600,000, then the difference between \$1,600,000 and 2000 Gross Profit (the "2000 Rollover") shall be

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added to the Gross Profit targets used in calculating the 2001 Contingency Amount, and the 2001 Contingency Amount shall be determined as follows:

(1) If (x) 2001 Gross Profit is not greater than the sum of \$6,750,000 and the 2000 Rollover (the "Adjusted Minimum Performance") or (y) the 2001 Gross Margin is less than 38%, then the 2001 Contingency Amount shall be \$0.

(2) If (x) 2001 Gross Profit is greater than or equal to the sum of \$13,500,000 and the 2000 Rollover (the "Adjusted Maximum Performance") and (y) the 2001 Gross Margin is greater than or equal to 38%, then the 2001 Contingency Amount shall be \$18,900,000.

(3) If (x) 2001 Gross Profit is greater than the Adjusted Minimum Performance but less than the Adjusted Maximum Performance (y) 2001 Gross Margin is greater than or equal to 38%, then the 2001 Contingency Amount shall be equal to \$18,900,000 multiplied by a fraction, the numerator of which is the amount by which 2001 Gross Profit exceeds the Adjusted Minimum Performance, and the denominator of which is \$6,750,000.

(c) Special Provisions Regarding 2000 Contingency Shares and 2001 Contingency Shares.

(i) For purposes of calculating 2001 Gross Profit and 2001 Gross Margin, the Principal Shareholders shall have the right to exclude certain sales from the calculation of 2001 Gross Profit for purposes of achieving a 2001 Gross Margin of 38%.

(ii) The calculation of 2001 Gross Profit and 2001 Gross Margin shall include customer orders whose shipment is scheduled for a date after December 31, 2001, but which are actually shipped on or prior to that date, provided that (i) Zoran receives written approval from the customer for early shipment of such order, and (ii) the aggregate amount of orders that are included pursuant to this Section 4.3(c)(ii) shall not exceed 25% of the revenue from the sale of CMOS Sensor Products for the fourth quarter of 2001 as set forth in Zoran's operating plan.

(iii) The calculation of 2001 Gross Profit and 2001 Gross Margin shall include 50% of the Net Selling Price for orders scheduled for shipment prior to year end but not shipped until after year end due to a failure on the part of a wafer fabrication facility, the color filter application process or package and assembly (each, a "Third Party Provider") to timely deliver wafers for reasons that are the financial responsibility of a Third Party Provider, including yield problems, unexpected delays due to limited capacity, shortages of raw materials, labor strikes, war, acts of God and similar occurrences.

Section 4.4 Assumption of Stock Options.

(a) At the Effective Time, each outstanding PixelCam Option, whether vested or unvested, shall be deemed to constitute an option (an "Assumed Option") to acquire, on the same terms and conditions as were applicable under the PixelCam Option, such number of shares of Zoran Common Stock (not including 2000 Contingency Shares and 2001 Contingency Shares, if issued) as the holder of such PixelCam Option would have been entitled to receive pursuant to the Merger had such holder exercised such option in full (without regard to vesting) immediately prior to the Effective Time (rounded down to the nearest whole share), at a price per share (rounded up to the nearest

whole cent) equal to (i) the aggregate exercise price of PixelCam Common Stock otherwise purchasable pursuant to such PixelCam Option immediately prior to the Effective Time divided by (ii) the number of full shares of Zoran Common Stock deemed purchasable pursuant to such PixelCam Option in accordance with the foregoing.

(b) Each holder of shares of Zoran Common Stock issued upon exercise of an Assumed Option shall have the right to receive additional shares of Zoran Common Stock ("Additional Option Shares") simultaneously with the issuance of the 2000 Contingency Shares or the 2001 Contingency Amount; provided, however, that if any portion of such Assumed Option is not exercised until after the issuance of the 2000 Contingency Shares or the 2001 Contingency Amount, as the case may be, then the Additional Option Shares that would have become issuable at such time in respect of the shares of Zoran Common Stock underlying such unexercised portion will not become issuable until such time as the shares of Zoran Common Stock are acquired pursuant to the Assumed Option (the "Time of Exercise"). The number of Additional Option Shares that shall be issuable simultaneously with the 2000 Contingency Shares (or the Time of Exercise, if later) with respect to any Assumed Option shall be equal to the number of shares of Zoran Common Stock issued or issuable upon exercise of the Assumed Option divided by (x) the Initial Per-Share Amount and multiplied by (y) the 2000 Per-Share Amount. The number of Additional Option Shares that shall be issuable simultaneously with the 2001 Contingency Amount (or the Time of Exercise, if later) shall be equal to (x) the number of shares of Zoran Common Stock issued or issuable upon exercise of the Assumed Option divided by (y) the Initial Per-Share Amount and multiplied by (z) the 2001 Per-Share Amount. Any Additional Option Shares that are issued in respect of unvested shares of Zoran Common Stock that are subject to a right of repurchase upon termination of service ("Restricted Zoran Shares") shall be subject to the same vesting terms as the Restricted Zoran Shares, as if the Additional Option Shares had been issued for a purchase price of \$0.00, and shall at any time be vested in the same ratio as the Restricted Zoran Shares are vested at such time. In the event any Additional Option Shares remain unvested upon the termination of the holder's employment with Zoran, such unvested Additional Option Shares will be cancelled without any payment by Zoran to the holder.

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Section 4.5 Appraisal Rights. Any shares of PixelCam Common Stock held by shareholders of PixelCam who properly exercise and perfect the dissenters' appraisal rights set forth in Chapter 13 of the GCL ("Dissenting Shares") shall not be converted into the right to receive Zoran Common Stock pursuant to Section 4.2 above, but shall instead be converted into the right to receive such consideration as may be determined to be due with respect to such Dissenting Shares pursuant to the provisions of the GCL. PixelCam shall give Zoran prompt notice of any demand received by PixelCam for appraisal of PixelCam Common Stock, and Zoran shall have the right to control all negotiations and proceedings with respect to such demand. PixelCam agrees that, except with the prior written consent of Zoran or as required under the GCL, it will not voluntarily make any payment with respect to, or settle or offer to settle, any such demand for appraisal. Each holder of Dissenting Shares (a "Dissenting Shareholder") who, pursuant to the provisions of the GCL, becomes entitled to payment of the value of shares of PixelCam Common Stock shall receive payment therefor (but only after the value therefor shall have been agreed upon or finally determined pursuant to the provisions of the GCL). In the event that any holder of shares of PixelCam Common Stock fails to make an effective demand for payment or otherwise loses his or her status as a Dissenting Shareholder, Zoran shall, as of the later of the Effective Time or the occurrence of such event, issue and deliver, upon surrender by such Dissenting Shareholder of its Certificate or Certificates, the shares of Zoran Common Stock and any cash payment in lieu of fractional shares, in each case without interest thereon, to which

such Dissenting Shareholder would have been entitled under Section 4.2 above (less such Dissenting Shareholder's pro rata portion of the Escrow Shares (as defined in Section 2.9 of the Agreement)).

ARTICLE 5

TERMINATION AND AMENDMENT

Section 5.1 Termination.

(a) Notwithstanding the approval of this Merger Agreement by the shareholders of PixelCam and Merger Subsidiary, this Merger Agreement may be terminated at any time prior to the Effective Time by mutual agreement of the Board of Directors of PixelCam, the Board of Directors of Merger Subsidiary and the Board of Directors of Zoran.

(b) Notwithstanding the approval of this Merger Agreement by the shareholders of PixelCam and Merger Subsidiary, this Merger Agreement shall terminate forthwith in the event that the Agreement shall be terminated as therein provided at any time prior to the Effective Time.

(c) In the event of the termination of this Merger Agreement as provided above, this Merger Agreement shall forthwith become void and there shall be no liability on the part of PixelCam or Merger Subsidiary or their respective officers or directors, except as otherwise provided in the Agreement.

Section 5.2 Amendment. This Merger Agreement may be amended by the parties hereto at any time before or after approval hereof by the shareholders of either PixelCam or Merger Subsidiary but, after any such approval, no amendment shall be made which by law requires the further approval of the shareholders of either PixelCam or Merger Subsidiary without obtaining such further approval. This Merger Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

This Merger Agreement may be executed in counterparts, each of which will be deemed as an original, but all of which together will constitute one and the same instrument.

(SIGNATURES SET FORTH ON NEXT PAGE)


IN WITNESS WHEREOF, the parties have duly executed this Merger Agreement as of the date first written above.

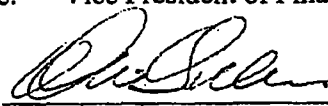
GRAPE ACQUISITION CORPORATION
(a California corporation)

By: 
Name: Karl Schneider
Title: President

By: 
Name: Karl Schneider
Title: Secretary


ZORAN CORPORATION
(a Delaware corporation)

By: 
Name: Karl Schneider
Title: Vice President of Finance

By: 
Name: Dennis Sullivan
Title: Secretary

PIXELCAM, INC.
(a California corporation)

By: 
Name: Kevin Brehmer
Title: President

By: 
Name: Kim Hailey
Title: Secretary

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