

FILED EFFECTIVE

FILED AT THE REQUEST OF:  
Ken Holsinger  
Mindshare Networks, Inc.  
237 N 1st Street  
Eagle, Idaho 83616

2014 SEP -3 PM 3:41

SECRETARY OF STATE  
STATE OF IDAHO

FILED BY:  
Melanie Rubocki, Esq.  
Perkins Coie LLP  
1111 W Jefferson Street, Suite 500  
Boise, Idaho 83702-5391

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FIRST AMENDMENT  
TO  
THE ARTICLES OF INCORPORATION  
OF  
MINDSHARE NETWORKS, INC.

The undersigned, Ken Holsinger, hereby certifies that the undersigned is President of Mindshare Networks, Inc., an Idaho corporation (the "*Corporation*"), and further certifies that:

1. The Corporation is authorized to issue (i) 20,000,000 shares of common stock, no par value ("*Common Stock*"); and (ii) 10,000,000 shares of preferred stock, no par value ("*Preferred Stock*") of which 265,958 shares shall hereby be designated as "Series Seed" Preferred Stock. The Certificate of Designations, Rights, and Preferences attached hereto as Exhibit A and designating the Series Seed Preferred Stock is hereby incorporated into and made part of the Articles of Incorporation.

2. By action taken by the Board of Directors of the Corporation (the "*Board*") by unanimous written consent dated as of August 30, 2014, the First Amendment to the Articles of Incorporation set forth below was duly adopted by the Board.

3. The foregoing First Amendment to the Articles of Incorporation does not provide for any exchange, reclassification, or cancellation of issued shares.

IN WITNESS WHEREOF, the undersigned has subscribed this First Amendment to the Articles of Incorporation effective as of September 3, 2014.

  
Ken Holsinger  
Chief Executive Officer

SECRETARY OF STATE  
09/03/2014 05:00

CK:4760 CT:143038 BH:1439866  
10 30.00 = 30.00 AMEND PROF #2  
10 20.00 = 20.00 EXPEDITE C #3

C191915

## EXHIBIT A

### MINDSHARE NETWORKS, INC.

#### SERIES SEED PREFERRED STOCK CERTIFICATE OF DESIGNATIONS, RIGHTS, AND PREFERENCES

As permitted by the Articles of Incorporation of Mindshare Networks, Inc., an Idaho corporation (the "**Corporation**"), as may be amended from time to time (the "**Articles**"), there is hereby designated a series of Preferred Stock to be known as Series Seed Preferred Stock (the "**Series Seed Stock**"), consisting of 265,958 shares, no par value per share, having the following rights, preferences, privileges and limitations:

**1. Dividend Rights.**

The holders of the then outstanding Series Seed Stock shall be entitled to receive, out of any assets of this Corporation legally available therefor, on an as-converted basis, such dividends when, and if declared on shares of the Corporation's common stock (the "**Common Stock**"). The right to such dividends on the Series Seed Stock shall not be cumulative, and no rights shall accrue to the holders of Series Seed Stock by reason of the fact that dividends on such shares are not declared or paid in any prior year.

**2. Liquidation Rights.**

(a) In the event of any liquidation, dissolution, or winding up of this Corporation, whether voluntary or involuntary:

(i) First, the holder of each share of Series Seed Stock then outstanding shall be entitled to receive an amount equal to the greater of:

(x) For each share of Series Seed Stock, the original Series Seed Stock purchase price of \$1.88 (the "**Original Series Seed Issue Price**") (appropriately adjusted for any stock splits, stock dividends, combinations and similar events), plus all declared but unpaid dividends on the Series Seed Stock (the "**Series Seed Liquidation Preference**"); or

(y) For each share of Series Seed Stock, such amount as each holder would receive under Section 2(a)(ii) had such shares of Series Seed Stock been converted into Common Stock at their then effective conversion price immediately prior to the liquidation, dissolution, or winding up of this Corporation.

If the assets and surplus funds available for distribution among the holders of Series Seed Stock are insufficient to pay the holders of Series Seed Stock the full amount to which they are entitled under Section 2(a)(i), then the assets and surplus funds then remaining legally available for distribution shall be distributed ratably among the holders of Series Seed Stock in proportion to the respective amounts that would otherwise be payable to them upon such distribution if all amounts on or with respect to such shares of Series Seed Stock were paid in full.

(ii) Second, after the payment of all preferential amounts required to be paid to the holders of Series Seed Stock pursuant to Section 2(a)(i), the holders of shares of Common Stock shall be entitled to share in all such remaining assets and surplus funds.

(b) The sale of all or substantially all of the assets of this Corporation, or the acquisition of the Corporation by another entity by means of merger, consolidation, share exchange, reorganization, or otherwise pursuant to which shares of capital stock of this Corporation are converted into cash, securities, or other property of the acquiring entity or any of its affiliates (excluding any merger effective exclusively for the purpose of changing the Corporation's domicile), or the acquisition by any "person" or "group" (within the meaning of Section 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended), becoming the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended), directly or indirectly, of more than 50% of the outstanding voting securities of the Corporation is a liquidation within the meaning of this Section (b) (collectively, a "**Deemed Liquidation Event**"). Any Deemed Liquidation Event entitles the holders of Series Seed Stock to elect the conversion benefits provided in Section 4 or other applicable conversion provisions in lieu of receiving payment in a Deemed Liquidation Event. This Section (b) shall not apply if the holders of voting securities of this Corporation immediately prior to such merger, consolidation, share exchange, reorganization or sale of assets beneficially own, directly or indirectly, a majority of the combined voting power of the surviving entity resulting from such merger, consolidation, share exchange, reorganization or sale of assets; provided, however, that shares of the surviving entity held by holders of the capital stock of this Corporation acquired by means other than the exchange or conversion of the capital stock of this Corporation for shares of the surviving entity shall not be used in determining if the shareholders of this Corporation own a majority of the voting power of the surviving entity (or its parent), but shall be used for determining the total outstanding voting power of such entity.

### **3. Voting Rights.**

3.1 General. Each holder of outstanding shares of Series Seed Stock shall be entitled to vote on all matters and shall be entitled to that number of votes equal to the total number of shares of Common Stock into which such holder's shares of Series Seed Stock are convertible, at the record date for the determination of shareholders entitled to vote or consent on such matter, or, if no such record date is established, at the date on which notice of the meeting of shareholders at which the vote is to be taken is mailed, or the date any written consent of shareholders is solicited if the action is to be taken by written consent. Fractional votes will not be permitted, but will be rounded up or down to the nearest whole number with one-half being rounded up based on the aggregate number of shares of Series Seed Stock held. Except as otherwise expressly provided herein or by the Idaho Business Corporation Act, the holders of shares of Series Seed Stock and Common Stock shall vote together as a single class on all matters.

3.2 Election of Directors. The Board shall consist of at least three (3) directors and may consist of up to seven (7) directors (except as such number is changed in accordance with the Corporation's Bylaws and Section 5 hereof). For so long as Shawn Swanby is the holder of record of at least 132,979 shares of Series Seed Stock, the holders of record of the outstanding shares of Series Seed Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (the "**Series Seed Director**"). Any Series Seed Director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of a majority of the outstanding shares entitled to elect such Series Seed Director or directors, given either at a special meeting of such shareholders duly called for that purpose or pursuant to a written consent of such shareholders. If the holders of shares of Series Seed Stock fail to elect a director, pursuant to this Section 3.2, then such directorship shall remain vacant until the holders of the outstanding shares of Series Seed Stock elect a person to fill such directorship by vote or written consent in lieu of a meeting. No such directorship may be filled by shareholders of the Corporation other than by the holders of the Series Seed Stock, voting exclusively and as a separate class. The holders of record of the shares of Common Stock, exclusively and as a separate class (and not including any shares of Common Stock issued or issuable upon conversion of the Series Seed Stock), shall be entitled to elect the balance of the total number of

directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Section 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Section 3.2.

#### 4. Conversion.

##### 4.1 Right to Convert.

(a) Subject to Section 2(a)(ii) and Section 4.3, each share of Series Seed Stock is convertible, at the option of the holder, at any time after the date of issuance of such share and prior to the close of business on any redemption date, at the office of this Corporation or any transfer agent for the Series Seed Stock, into fully paid and nonassessable shares of Common Stock. The number of such shares of Common Stock is determined by dividing the Original Series Seed Issue Price by the Series Seed Conversion Price at the time in effect for such share. The "*Series Seed Conversion Price*" is the price at which shares of Common Stock shall be deliverable upon conversion, and is initially set at \$1.88; provided, however, that the Series Seed Conversion Price shall be subject to adjustment as provided below.

(b) Each share of Series Seed Stock shall automatically be converted into shares of Common Stock at the then effective Series Seed Conversion Price immediately upon the consummation of this Corporation's sale of its Common Stock in a bona fide, firm commitment underwriting pursuant to a registration statement on Form S-1 under the Securities Act of 1933, as amended, resulting in gross proceeds to the Corporation (before underwriting commissions and discounts) of at least \$25,000,000 ("*Qualified Public Offering*"). In addition, each share of Series Seed Stock shall automatically be converted into shares of Common Stock at the then effective Series Seed Conversion Price immediately upon the cumulative conversion of, or vote to convert by the holders (voting as a class), of two-thirds of the then outstanding Series Seed Stock. Any conversion pursuant to this Section (b) shall be effected without any action by the holder of such Series Seed Stock and whether or not certificates representing such shares are surrendered to this Corporation or any transfer agent for the Series Seed Stock.

##### 4.2 Mechanics of Conversion

Before any holder of Series Seed Stock shall be entitled to convert the same into shares of Common Stock under Section 4.1(a), such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office of this Corporation or of any transfer agent for the Series Seed Stock, and shall give written notice by mail, postage prepaid, to this Corporation at its principal corporate office, of the election to convert the same and shall state 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, issue and deliver at such office to such holder of Series Seed 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. 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 Series Seed 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 offer of securities registered pursuant to the Securities Act of 1933, as amended, the conversion may, at the option of any holder tendering Series Seed Stock for conversion, be conditioned upon the closing with the underwriter of the sale of securities pursuant to such

offering, in which event the person(s) entitled to receive the Common Stock issuable upon such conversion of the Series Seed Stock shall not be deemed to have converted such stock until immediately prior to the closing of such sale of securities.

In the event some but not all of the shares of Series Seed Stock represented by a certificate or certificates surrendered by a holder are converted, this Corporation shall execute and deliver to or on the order of the holder, at the expense of this Corporation, a new certificate representing the shares of Series Seed Stock that were not converted.

#### 4.3 Conversion Price Adjustments of Preferred Stock

(a) In the event the Corporation shall at any time after the date on which the first share of Series Seed Stock was issued ("***Series Seed Original Issue Date***") issue Additional Shares of Common Stock, without consideration or for a consideration per share less than the Series Seed Conversion Price in effect immediately prior to such issue, than the Series Seed Conversion price shall be adjusted in accordance with the following formula:

$$CP2 = CP1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(i) "***CP2***" shall mean the Series Seed Conversion Price in effect immediately after such issue of Additional Shares of Common Stock;

(ii) "***CP1***" shall mean the Series Seed Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(iii) "***A***" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Series Seed Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(iv) "***B***" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP1); and

(v) "***C***" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

(b) The Series Seed Conversion Price, as so adjusted, shall be readjusted in the same manner upon the happening of any successive issuance of Additional Common Stock.

(c) For purposes of this Section 4.3, the following definitions shall apply:

(i) "***Options***" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(ii) “*Convertible Securities*” shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(iii) “*Additional Shares of Common Stock*” shall mean all shares of Common Stock issued by the Corporation after the Series Seed Original Issue Date, other than (1) the following shares of Common Stock, and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (defined below) (clauses (1) and (2), collectively, “*Exempted Securities*”):

(A) shares of Common Stock issued by reason of the conversion of Series Seed Stock; or

(B) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board; or

(C) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of an Option or Convertible Security in existence on the Series Seed Original Issue Date; or

(D) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Series Seed Stock; or

(E) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by the Articles; or

(F) shares of Common Stock issued in connection with a Qualified Public Offering; or

(G) shares of Common Stock, Options or Convertible Securities issued pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided, that such issuances are approved by the Board; or

(H) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, pursuant to a debt financing or equipment leasing transaction approved by the Board; or

(I) shares of Common Stock, Options or Convertible Securities that are deemed Exempted Securities by consent of at least two-thirds of the holders of Series Seed Stock.

4.4 Recapitalizations. If the Common Stock issuable upon the conversion of Series Seed Stock shall be changed into the same or a different number of shares of any class or classes of stock of this Corporation, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 4 or a merger, consolidation, share exchange or reorganization provided for in Section 2(b)), then and in each such event each share of Series Seed Stock shall be convertible into the kind and amount of shares of stock and other

securities and property receivable upon such reorganization, reclassification or other change by the number of shares of Common Stock into which such share of Series Seed Stock might have been converted immediately prior to such reorganization, reclassification or change, all subject to further adjustment as provided herein.

4.5 No Fractional Shares; Certificates as to Adjustment

(a) No fractional shares of Common Stock or scrip representing fractional shares shall be issued upon the conversion of shares of Series Seed Stock, but this Corporation shall pay to the holder of such shares a cash adjustment in respect of such fractional shares in an amount equal to the same fraction of the market price per share of the Common Stock (as determined in a reasonable manner prescribed by this Corporation's Board of Directors) at the close of business on the applicable conversion date. The determination as to whether or not any fractional shares are issuable shall be based upon the total number of shares of Series Seed Stock being converted at any one time by any holder, not upon each share of Series Seed Stock being converted.

(b) In each case of an adjustment or readjustment of the Series Seed Conversion Price, this Corporation at its expense will furnish each holder of Series Seed Stock with a certificate, signed by this Corporation's Chief Financial Officer or Treasurer, showing such adjustment or readjustment and stating in detail the facts upon which such adjustment or readjustment is based.

4.6 Reservation of Stock Issuable Upon Conversion. This Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock such number of its shares of Common Stock as shall be sufficient to effect the conversion of all outstanding shares of the Series Seed 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 the Series Seed Stock, in addition to such other remedies as shall be available to the holder of such Preferred Stock, this 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.

4.7 Notices. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Series Seed Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Series Seed Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Series Seed Stock) shall be entitled to exchange their shares of Common Stock (or such

other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Series Seed Stock and the Common Stock. Such notice shall be sent out prior to the record date and at least ten (10) days prior to the effective date for the event specified in such notice.

Any notice required by the provisions of this Section 4.7 to be given to the holders of shares of Series Seed Stock shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at such holder's address appearing on the books of this Corporation.

4.8 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Series Seed Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Series Seed Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

## **5. Protective Provisions.**

In addition to any other rights provided by law, for so long as any shares of Series Seed Preferred Stock remain outstanding, in addition to any other vote or approval required by the Corporation's Articles or the Bylaws, the consent of the holders of at least a majority of the Series Seed Stock will be required for any action that (i) alters any provision of the Articles or the Bylaws (including pursuant to a merger) if it would materially and adversely alter the rights, preferences, privileges or powers of or restrictions on the Series Seed Stock; (ii) increases or decreases the authorized number of shares of Common Stock or Preferred Stock; (iii) authorizes or creates (by reclassification, merger or otherwise) any new class or series of Preferred Stock having rights, preferences or privileges with respect to dividends or liquidation senior to or in parity with the Series Seed Stock or having voting rights other than those granted to the Series Seed Preferred Stock generally; (iv) approves the purchase, redemption or other acquisition of any shares of the Corporation (other than upon termination of a consultant, director, or employee of the Corporation); (v) increases or decreases the size of the Board; (vi) effects a Deemed Liquidation Event; or (vii) authorizes or approves the declaration or payment of any dividend.