

# Delaware

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## *The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED ARE TRUE AND CORRECT COPIES OF ALL DOCUMENTS ON FILE OF "CENTENE CORPORATION" AS RECEIVED AND FILED IN THIS OFFICE.

THE FOLLOWING DOCUMENTS HAVE BEEN CERTIFIED:

CERTIFICATE OF INCORPORATION, FILED THE TWENTY-SIXTH DAY OF SEPTEMBER, A.D. 2001, AT 2:30 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, FILED THE EIGHTH DAY OF NOVEMBER, A.D. 2001, AT 10 O'CLOCK A.M.

CERTIFICATE OF DESIGNATION, FILED THE EIGHTH DAY OF NOVEMBER, A.D. 2001, AT 10:01 O'CLOCK A.M.

CERTIFICATE OF OWNERSHIP, FILED THE THIRTEENTH DAY OF NOVEMBER, A.D. 2001, AT 8:30 O'CLOCK A.M.

CERTIFICATE OF DESIGNATION, FILED THE THIRTIETH DAY OF AUGUST, A.D. 2002, AT 9:30 O'CLOCK A.M.

CERTIFICATE OF AMENDMENT, FILED THE SEVENTEENTH DAY OF MAY, A.D. 2004, AT 12:38 O'CLOCK P.M.

CERTIFICATE OF AMENDMENT, FILED THE FIFTEENTH DAY OF DECEMBER, A.D. 2004, AT 1:20 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE AFORESAID

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You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

A handwritten signature in cursive script that reads "Harriet Smith Windsor".

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6810025

DATE: 08-25-08

# Delaware

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*The First State*

*CERTIFICATES ARE THE ONLY CERTIFICATES ON RECORD OF THE  
AFORESAID CORPORATION, "CENTENE CORPORATION".*



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You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

**AUTHENTICATION: 6810025**

**DATE: 08-25-08**



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**CENTENE CORPORATION  
CERTIFICATE OF INCORPORATION**

The undersigned, being a natural person of the age of twenty-one (21) or more, for the purpose of forming a corporation under the General Corporation Law of the State of Delaware, adopts the following Certificate of Incorporation:

**FIRST:** The name of the Corporation is Centene Corporation (the "Corporation").

**SECOND:** The address of the registered office of the Corporation in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, New Castle County, Delaware 19801. The name of its registered agent at that address is The Corporation Trust Company.

**THIRD:** The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (the "GCL").

**FOURTH:** (a) Authorized Capital Stock. The total number of shares of stock which the Corporation shall have authority to issue is 50,000,000 shares of capital stock, consisting of (i) 40,000,000 shares of common stock, par value of one cent (\$0.01) per share (the "Common Stock") and (ii) 10,000,000 shares of preferred stock, par value of one cent (\$0.01) per share (the "Preferred Stock").

(b) Common Stock. The powers, preferences and rights, and the qualifications, limitations and restrictions, of each class of the Common Stock are as follows:

(1) No Cumulative Voting. The holders of shares of Common Stock shall not have cumulative voting rights.

(2) Dividends; Stock Splits. Subject to the rights of the holders of Preferred Stock, and subject to any other provisions of this Certificate of Incorporation, as it may be amended from time to time, holders of shares of Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation when, as and if declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor.

(3) Liquidation, Dissolution, etc. In the event of any liquidation, dissolution or winding up (either voluntary or involuntary) of the Corporation, the holders of shares of Common Stock shall be entitled to receive the assets and funds of the Corporation available for distribution after payments to creditors and to the holders of any Preferred Stock of the Corporation that may at the time be outstanding, in proportion to the number of shares held by them, respectively.

(4) Merger, etc. In the event of a merger or consolidation of the Corporation with or into another entity (whether or not the Corporation is the surviving entity), the holders of each share of Common Stock shall be entitled to receive the same per share consideration on a per share basis.

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(5) **No Preemptive or Subscription Rights.** No holder of shares of Common Stock shall be entitled to preemptive or subscription rights.

(c) **Preferred Stock.** The Board of Directors is hereby expressly authorized to provide for the issuance of all or any shares of the Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series, including, without limitation, the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, of the Corporation at such price or prices or at such rates of exchange and with such adjustments; all as may be stated in such resolution or resolutions.

(d) **Power to Sell and Purchase Shares.** Subject to the requirements of applicable law, the Corporation shall have the power to issue and sell all or any part of any shares of any class of stock herein or hereafter authorized to such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issue or sale of the same number of shares of another class, and as otherwise permitted by law. Subject to the requirements of applicable law, the Corporation shall have the power to purchase any shares of any class of stock herein or hereafter authorized from such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not less consideration could be paid upon the purchase of the same number of shares of another class, and as otherwise permitted by law.

**FIFTH:** The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(a) The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

(b) The number of directors of the Corporation shall be as from time to time fixed by the Board of Directors, within any limitations as may be fixed by the By-Laws. Election of directors need not be by written ballot unless the By-Laws so provide.

(c) The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The initial division of the Board of Directors into classes shall be made by the decision of the affirmative vote of a majority of the entire Board of Directors. The term of the initial Class I directors shall terminate on the date of the 2002 annual meeting; the term of the initial Class II directors shall terminate on the date of the

2003 annual meeting; and the term of the initial Class III directors shall terminate on the date of the 2004 annual meeting. At each succeeding annual meeting of stockholders beginning in 2002, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director.

(d) A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

(e) Subject to the terms of any one or more classes or series of Preferred Stock, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director. Any director of any class elected to fill a vacancy resulting from an increase in the number of directors of such class shall hold office for a term that shall coincide with the remaining term of that class. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his predecessor. Subject to the rights, if any, of the holders of shares of Preferred Stock then outstanding, any or all of the directors of the Corporation may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the Corporation's then outstanding capital stock entitled to vote generally in the election of directors. Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article FIFTH unless expressly provided by such terms.

(f) In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

SIXTH: No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the GCL as the same exists or may hereafter be amended. If the GCL is amended hereafter to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent authorized by the GCL, as so amended. Any repeal or

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modification of this Article SIXTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

SEVENTH: The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of his or her heirs, executors and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or his or her heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article SEVENTH shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in advance of its final disposition.

The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article SEVENTH to directors and officers of the Corporation.

The rights to indemnification and to the advance of expenses conferred in this Article SEVENTH shall not be exclusive of any other right which any person may have or hereafter acquire under this Certificate of Incorporation, the By-Laws of the Corporation, any statute, agreement, vote of stockholders or disinterested directors or otherwise.

Any repeal or modification of this Article SEVENTH by the stockholders of the Corporation shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

EIGHTH: The name and mailing address of the incorporator is John L. Gillis, Jr., One Metropolitan Square, St. Louis, Missouri 63102-2740.

NINTH: Unless otherwise required by law, special meetings of stockholders, for any purpose or purposes may be called by either (i) the Chairman of the Board of Directors, if there be one, (ii) the Chief Executive Officer, or (iii) the Board of Directors. The ability of the stockholders to call a special meeting is hereby specifically denied.

TENTH: Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation, and the ability of the stockholders to consent in writing to the taking of any action is hereby specifically denied.

ELEVENTH: Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.



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TWELFTH: In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to adopt, amend, alter or repeal the Corporation's By-Laws. The affirmative vote of at least a majority of the entire Board of Directors shall be required to adopt, amend, alter or repeal the Corporation's By-Laws. The Corporation's By-Laws also may be adopted, amended, altered or repealed by the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the shares entitled to vote at an election of directors.

THIRTEENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed in this Certificate of Incorporation, the Corporation's By-Laws or the GCL, and all rights herein conferred upon stockholders are granted subject to such reservation; provided, however, that, notwithstanding any other provision of this Certificate of Incorporation (and in addition to any other vote that may be required by law), the affirmative vote of the holders of at least seventy-five percent (75%) of the voting power of the shares entitled to vote at an election of directors shall be required to amend, alter, change or repeal, or to adopt any provision as part of this Certificate of Incorporation inconsistent with the purpose and intent of Articles FIFTH and TWELFTH of this Certificate of Incorporation or this Article THIRTEENTH.

THE UNDERSIGNED, being the incorporator hereinbefore named, for the purpose of forming the Corporation pursuant to the General Corporation Law of the State of Delaware, has hereunto set his hand this 26<sup>th</sup> day of September, 2001.

  
John L. Gillis, Jr., Incorporator

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**CENTENE CORPORATION  
 CERTIFICATE OF AMENDMENT  
 OF  
 CERTIFICATE OF INCORPORATION**

Centene Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of said Corporation at a meeting duly called and held on October 22, 2001, adopted the following resolutions to amend the Certificate of Incorporation of said Corporation:

RESOLVED, that the Board of Directors hereby amends the Certificate of Incorporation of the Corporation as follows:

1. Subparagraph (a) of Article FOURTH is hereby amended in its entirety to read as follows:

“(a) Authorized Capital Stock. The total number of shares of capital stock which the Corporation shall have authority to issue is 50,000,000 shares, consisting of (i) 40,000,000 shares of common stock, par value of one-tenth of one cent (\$0.001) per share (the “Common Stock”) and (ii) 10,000,000 shares of preferred stock, par value of one-tenth of one cent (\$0.001) per share (the “Preferred Stock”).”

2. Subparagraph (b) of Article FOURTH is hereby amended in its entirety to read as follows:

“(b)(A) A total of 39,000,000 shares of Common Stock shall be known and designated as Series A Common Stock (“Series A Common Stock”). A total of 1,000,000 shares of Common Stock shall be known and designated as Series B Common Stock (“Series B Common Stock”). The powers, preferences and rights, and the qualifications, limitations and restrictions, of each class of the Common Stock are as follows:

- (1) General. The Series A Common Stock and the Series B Common Stock shall have identical designations, preferences and relative, participating, optional or other special rights except that the holders of Series B Common Stock shall not be entitled to vote (except as otherwise required by law) but shall be entitled to notice of all meetings of shareholders. The holders of Series A Common Stock shall be entitled to one vote for each share of Series A Common Stock held with respect to all matters submitted to vote or written consent of stockholders. The holders of shares of Series A Common Stock shall not have cumulative voting rights.

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- (2) Dividends; Stock Splits. Subject to the rights of the holders of Preferred Stock, and subject to any other provisions of this Certificate of Incorporation, as it may be amended from time to time, holders of shares of Series A Common Stock and Series B Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation when, as and if declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor.
- (3) Liquidation, Dissolution, etc. In the event of any liquidation, dissolution or winding up (either voluntary or involuntary) of the Corporation, the holders of shares of Series A Common Stock and Series B Common Stock shall be entitled to receive the assets and funds of the Corporation available for distribution after payments to creditors and to the holders of any Preferred Stock of the Corporation that may at the time be outstanding, in proportion to the number of shares held by them, respectively.
- (4) Merger, etc. In the event of a merger or consolidation of the Corporation with or into another entity (whether or not the Corporation is the surviving entity), the holders of each share of Series A Common Stock and Series B Common Stock shall be entitled to receive the same per share consideration on a per share basis.
- (5) No Preemptive or Subscription Rights. No holder of shares of Series A Common Stock and Series B Common Stock shall be entitled to preemptive or subscription rights.

(B) The Series A Common Stock and the Series B Common Stock shall automatically be converted into shares of Common Stock immediately upon the closing of a public offering pursuant to an effective Registration Statement under the Securities Act of 1933, as amended, covering the Corporation's Common Stock in a firm-commitment, underwritten public offering by a nationally recognized investment banking firm with aggregate net cash proceeds to the Corporation (after deducting underwriters' discounts and expenses), at the public offering price, of at least \$10 million and an equivalent public offering price per share of Common Stock (as such shares of such stock are presently constituted) of at least \$1.33. Thereafter, the Corporation shall have only one class of Common Stock which shall have the same powers, preferences and rights, and the same qualifications, limitations and restrictions as the Series A Common Stock immediately prior to such conversion."

SECOND: That aforesaid amendments were duly approved by the written consent of the sole shareholder of the Corporation.

THIRD: That the aforesaid amendments were duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

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IN WITNESS WHEREOF, said Centene Corporation has caused this certificate to be signed by Michael F. Neidorff, its President and Chief Executive Officer, this 25<sup>th</sup> day of October, 2001.

By: 

Michael F. Neidorff  
President and Chief Executive Officer

ATTEST: 

Secretary



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**CERTIFICATE OF  
 DESIGNATIONS, PREFERENCES AND RELATIVE,  
 PARTICIPATING, OPTIONAL OR OTHER SPECIAL RIGHTS OF THE  
 SERIES A, SERIES B, SERIES C AND SERIES D  
 PREFERRED STOCK  
 of  
 CENTENE CORPORATION**

Centene Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), acting pursuant to §151(g) of the General Corporation Law of the State of Delaware, does hereby submit the following Certificate of Designations setting forth a copy of resolutions duly adopted by the Board of Directors of the Corporation, which resolutions remain in full force and effect as of the date hereof, to establish, pursuant to authority expressly vested in the Board of Directors by Article Fourth of the Certificate of Incorporation of the Corporation, the voting powers, the designations, preferences and rights of (i) 2,400,000 shares of authorized Preferred Stock of the Corporation to be designated as Series A Preferred Stock, (ii) 1,050,000 shares of authorized Preferred Stock of the Corporation to be designated as Series B Preferred Stock, (iii) 850,000 shares of authorized Preferred Stock of the Corporation to be designated as Series C Preferred Stock, and (iv) 4,000,000 shares of authorized Preferred Stock of the Corporation to be designated as Series D Preferred Stock.

**FIRST:** That the Certificate of Incorporation provides that the total number of shares which the Corporation may issue is as follows:

"The total number of shares of capital stock which the Corporation shall have authority to issue is 50,000,000 shares, consisting of (i) 40,000,000 shares of common stock, par value of one-tenth of one cent (\$0.001) per share (the "Common Stock") and (ii) 10,000,000 shares of preferred stock, par value of one-tenth of one cent (\$0.001) per share (the "Preferred Stock")."

**SECOND:** That the Certificate of Incorporation provides that the Board of Directors of the Corporation is authorized to provide for the issuance of all or any shares of Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series.

There were no shares of Preferred Stock authorized and issued through the day preceding the date hereof. It is the desire of the Board of Directors, pursuant to its authority as aforesaid, to authorize and fix the terms of four new series of Preferred Stock and the number constituting such series.

**THIRD:** That the Board of Directors of the Corporation has duly adopted the following resolutions:

Certificate of Designations

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 SECRETARY OF STATE  
 DIVISION OF CORPORATIONS  
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"RESOLVED, that the Board of Directors does create, authorize and provide for the issuance of four new series of Preferred Stock designated as Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock that shall have the following voting powers, preferences and relative, optional, participating and other special rights and qualifications, limitations, restrictions and other distinguishing characteristics:

1. Number of Shares. A total of 2,400,000 shares of Preferred Stock shall be known and designated as Series A Preferred Stock ("Series A Preferred Stock"). A total of 1,050,000 shares of Preferred Stock shall be known and designated as Series B Preferred Stock ("Series B Preferred Stock"). A total of 850,000 shares of Preferred Stock shall be known and designated as Series C Preferred Stock ("Series C Preferred Stock"). A total of 4,000,000 shares of Preferred Stock shall be known and designated as Series D Preferred Stock ("Series D Preferred Stock"). The remaining number of authorized shares of Preferred Stock which are not Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, or Series D Preferred Stock shall remain available for future designation and issuance in accordance with the General Corporation Law of Delaware. The Board of Directors from time to time may increase or decrease the number of shares of any series, but not, in the case of a decrease, to a number less than the number of shares of such series then outstanding. The Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock shall have the following relative rights, preferences and limitations, but except as so set forth shall be identical in every respect.

2. Dividends. The holders of Preferred Stock, including the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Series D Preferred Stock, shall be entitled to participate with the holders of Common Stock in any dividends paid or set aside for payment (other than dividends payable solely in shares of Common Stock) so that holders of Preferred Stock shall receive with respect to each share of Preferred Stock an amount equal to (i) the dividend payable with respect to each share of Common Stock multiplied by (ii) the number of shares (and fraction of a share, if any) of Common Stock into which such share of Preferred Stock is convertible as of the record date for such dividend; provided, however, that the holders of the Series D Preferred Stock shall be entitled to receive such dividends in preference to any other class or series of stock.

3. Liquidation Preference. The following provisions shall apply in the event of any liquidation, dissolution or winding up of the Corporation either voluntarily or involuntarily (a "Liquidation Event"). The following events also shall be considered a Liquidation Event: (i) a consolidation or merger of the Corporation with or into another corporation or other entity or person, or any other corporate reorganization (other than a consolidation, merger or reorganization following which the holders of fifty percent (50%) or more of the capital stock of the resulting or surviving entity, determined on a common equivalent basis, are persons or entities who were stockholders of the Corporation or affiliates of stockholders immediately prior to such consolidation, merger or reorganization) or (ii) a sale, lease or other disposition of all or substantially all of the assets of the Corporation (other than to an entity which is at least 50% owned by persons or entities who were stockholders or affiliates of stockholders of the Corporation immediately prior to such sale, lease or other disposition), unless in the case of either subsections (i) or (ii) the holders of more than 50% of the then outstanding shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock

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and any of one or more additional series of the Corporation's Preferred Stock (each such series being referred to herein as an "Additional Series"), acting together, consent in writing, within 20 days of receiving notice from the Corporation of the imminence of such consolidation, merger, or sale, that such consolidation, merger or sale, for purposes of this Section 3, shall not be deemed a Liquidation Event:

(a) Preference Amount. Upon any Liquidation Event, before any distribution or payment shall be made to the holders of Series A Common Stock, Series B Common Stock, Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock and Additional Series, the holders of Series D Preferred Stock shall be entitled to receive prior to and in preference of any distribution of the assets or surplus funds of the Corporation to such holders of Series A Common Stock, Series B Common Stock, Series A Preferred Stock, Series B Preferred Stock, and Series C Preferred Stock, (i) the greater of (x) an amount equal to five dollars (\$5.00) per share (such amount to be adjusted proportionately in the event of any stock splits, stock combinations, stock dividends or recapitalizations) or (y) the amount per share that would be received if the Series D Preferred Stock was converted into Series A Common Stock prior to the Liquidation Event plus (ii) a further amount equal to any dividends declared or accrued but unpaid on such shares (the sum of clauses (i) and (ii), the "Series D Preferred Stock Preference Amount"). After the payment of the Series D Preferred Stock Preference Amount, the holders of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock shall be entitled to receive out of the remaining assets of the Corporation legally available for distribution if any, prior to and in preference of any distribution of the assets or surplus funds of the Corporation to the holders of Series A Common Stock or Series B Common Stock, an amount equal to forty-four and one-third cents (\$0.44333...) per share (such amount to be adjusted proportionately in the event of any stock splits, stock combinations, stock dividends or recapitalizations) plus a further amount equal to any dividends declared or accrued but unpaid on such shares, based upon the relative liquidation preferences of the Series A Preferred Stock, the Series B Preferred Stock and the Series C Preferred Stock (the "Second Preference Amount"). The aggregate sum payable to all holders of Preferred Stock hereunder is herein referred to as the "Preference Amount." If, upon such Liquidation Event, the assets of the Corporation available for distribution to the stockholders of the Corporation are insufficient to pay the entire Second Preference Amount, such assets as are so available shall be distributed on a common equivalent basis among the holders of Series A Preferred Stock, Series B Preferred Stock and the Series C Preferred Stock in relation to their respective liquidation preferences.

(b) Remainder. After the payment or the setting aside for payment of the Preference Amount, the assets of the Corporation remaining available for distribution shall be distributed among all the holders of Series A Common Stock, Series B Common Stock, Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock on a common equivalent basis.

(c) Noncash Distributions Common Equivalency. If any of the assets of the Corporation are to be distributed other than in cash under this Section 3 or for any purpose, then the Board of Directors shall promptly engage independent competent appraisers to determine the value of the assets to be distributed to the stockholders of the Corporation. The Corporation shall, upon receipt of such appraiser's valuation, give prompt written notice of the appraiser's valuation to each stockholder. As used herein, the "common equivalence" of any share of

Preferred Stock is the number of shares of Common Stock into which such share of Preferred Stock is at the time convertible and the phrase "on a common equivalent basis" refers to a calculation done on the basis of common equivalence.

4. Voting Rights.

(a) Series A Preferred Stock and Series D Preferred Stock. The holders of Series A Preferred Stock and Series D Preferred Stock shall be entitled, for each share of Series A Preferred Stock or Series D Preferred Stock, respectively, held to the number of votes equal to the number of shares of Series A Common Stock into which each share of Series A Preferred Stock or Series D Preferred Stock could be converted on the record date, with respect to all matters submitted for a vote or written consent of stockholders and, except as otherwise required by law, shall have voting rights and powers equal to the voting rights and powers of the Series A Common Stock. The holder of each share of Series A Preferred Stock or Series D Preferred Stock shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Corporation and shall vote together as a single voting group with holders of Series A Common Stock upon all other matters submitted for a vote or written consent of stockholders, except those matters required to be submitted to a class or series vote pursuant to Section 7 herein or by law. Fractional votes shall not, however, be permitted and any fractional voting rights resulting from the above formula (after aggregating all shares of Series A Common Stock into which shares of Series A Preferred Stock or Series D Preferred Stock held by each holder could be converted) shall be rounded to the nearest whole number (with one-half rounded upward to one).

(b) Series B Preferred Stock and Series C Preferred Stock. The holders of Series B Preferred Stock and Series C Preferred Stock shall not be entitled to vote (except as otherwise required by law) but shall be entitled to notice of all meetings of stockholders.

(c) Board Seats. So long as at least 930,000 shares of the Series D Preferred Stock issued remains outstanding, the holders of Series D Preferred Stock, voting as a separate class, shall be entitled to designate two (2) persons to the Board of Directors, one of whom shall be Edward Cahill and the second designee shall be an individual who is acceptable to the Corporation's President and Chief Executive Officer. The Series D Directors can only be removed by the holders of a majority of the Series D Preferred Stock.

5. Conversion.

(a) Rights to Convert. Each share of Series A Preferred Stock, Series B Preferred Stock and Series D Preferred Stock shall be convertible at the option of the holder thereof and at any time after the date of issuance of such share, into Series A Common Stock, subject to the conditions set forth below. Each share of Series A Preferred Stock, Series B Preferred Stock or Series D Preferred Stock shall be convertible into the number of shares of Series A Common Stock which results from dividing the "Conversion Price" per share in effect for such class at the time of conversion into the "Conversion Value" per share for such class. The number of shares of Common Stock into which a share of Preferred Stock is convertible is hereinafter referred to as the "Conversion Rate." The Conversion Price per share of Series A Preferred Stock initially in effect shall be forty-four and one-third cents (\$0.44333...); the Conversion Price per share of



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Series B Preferred Stock initially in effect shall be forty-four and one-third cents (\$0.44333...); and the Conversion Price per share of Series D Preferred Stock initially in effect shall be five dollars (\$5.00). The Conversion Value per share of Series A Preferred Stock and Series B Preferred Stock shall be forty-four and one-third cents (\$0.44333...); and the Conversion Value per share of Series D Preferred Stock shall be five dollars (\$5.00). The initial Conversion Price for each such series of Preferred Stock shall be subject to adjustment as hereinafter provided. In addition, each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof and at any time after the date of issuance of such share, into one share of Series A Preferred Stock; provided, that such a conversion into Series A Preferred Stock may not occur to the extent that the holder of Series B Preferred Stock would immediately following such conversion, hold capital stock of the Corporation with voting power in the election of directors equaling or exceeding 50% of the total voting power in such election. Such conversion of shares of stock shall be at the office of the Corporation.

(b) Automatic Conversion.

(i) Each share of Series A Preferred Stock and Series B Preferred Stock shall automatically be converted into shares of Series A Common Stock at its then effective Conversion Rate immediately upon the closing of a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), covering the Corporation's Series A Common Stock in a firm-commitment, underwritten public offering by a nationally recognized investment banking firm with aggregate net cash proceeds to the Corporation (after deducting underwriters' discounts and expenses), at the public offering price, of at least \$10,000,000 and an equivalent public offering price per share of Series A Common Stock (as such shares of stock are presently constituted) of at least \$1.33. Additionally, upon such an event, each share of Series C Preferred Stock shall automatically be converted into shares of Series B Common Stock at its then effective Conversion Rate; the Conversion Price per share of Series C Preferred Stock initially in effect shall be forty-four and one-third cents (\$0.44333...) (subject to adjustment as hereinafter provided) and the Conversion Value per share of Series C Preferred Stock shall be forty-four and one-third cents (\$0.44333...).

(ii) Each share of Series D Preferred Stock shall automatically be converted into shares of Series A Common Stock at the then effective Conversion Rate immediately upon the closing of a public offering pursuant to an effective registration statement under the Securities Act, covering the Corporation's Series A Common Stock in a firm-commitment, underwritten public offering by a nationally recognized investment banking firm with net cash proceeds to the Corporation (after deducting underwriters' discounts, commissions and expenses) of at least \$20 million and an equivalent public offering price per share of Series A Common Stock of at least \$10 (as adjusted for stock splits, dividends and recapitalizations and the like).

(c) Mechanics of Conversion. Before any stockholder shall be entitled to convert shares of stock as provided in Section 5(a) above, he shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Corporation and shall give written notice to the Corporation at such office that he elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder a certificate or certificates for the number and type of shares of stock to which he shall be entitled as aforesaid. Such

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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 stock to be converted, and the person or persons entitled to receive the shares of stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares of stock on such date.

In the event of an automatic conversion pursuant to Section 5(b) above, the outstanding shares of Preferred Stock shall be converted automatically without any further action by the holders of such shares of Preferred Stock and whether or not the certificates representing such shares are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such automatic conversion unless the certificates evidencing such shares of Preferred Stock are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder, a certificate or certificates for the number of shares of Common Stock to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of closing of the offering, and the person and persons entitled to receive the shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such shares on such date.

(d) Fractional Shares. No fractional shares shall be issued upon any conversion described in this Section 5. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Conversion Price.

(e) Adjustment of Conversion Price. The Conversion Price of each class or series of Preferred Stock shall be subject to adjustment from time to time after the date of filing of this Certificate of Designations (the "Filing Date") as follows:

(i) Except for Series D Preferred Stock (which shall be subject to the adjustments set forth in Section 5(e)(iii)), if the Corporation after the Filing Date shall issue (i) any Common Stock or other securities of the Corporation convertible into or exchangeable for Common Stock (other than "Excluded Stock" (as defined below) or stock dividends, subdivisions, split-ups, combinations or dividends, which are events covered by Sections 5(e)(iv), (v) and (vi) herein) for a consideration per share less than the Conversion Price applicable to such class or series of Preferred Stock in effect immediately prior to the issuance of such Common Stock (or other securities convertible into or exchangeable for such Common Stock), then the Conversion Price for such class or series of Preferred Stock shall forthwith be decreased immediately after such issuance to a price equal to the quotient obtained by dividing:

- (1) an amount equal to the sum of

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(x) the total number of shares of Common Stock outstanding (including any shares deemed to have been issued pursuant to subsection (C) of this Section 5(e)(i)) immediately prior to such issuance multiplied by the Conversion Price in effect for such class or series of Preferred Stock immediately prior to such instance, plus

(y) the consideration received by the Corporation upon such issuance, by

(2) the total number of shares of Common Stock outstanding (including any shares deemed to have been issued pursuant to subsection (C) of this Section 5(e)(i)) immediately after such issuance of Common Stock (or other securities convertible into or exchangeable for such Common Stock).

(ii) "Excluded Stock" shall mean:

(1) shares of Common Stock issued or issuable on or after the Filing Date upon exercise of options or other purchase rights granted to employees, officers, directors or consultants of the Corporation and approved by the Board of Directors of the Corporation (and any reissuance of such shares after repurchase thereof); and

(2) all shares of Common Stock or other securities issued or to be issued to employees, officers, directors or consultants of the Corporation after receipt of written consent to such issuance from the holders of 50% of the then outstanding shares of Preferred Stock and approval of such issuance by the Board of Directors of the Corporation; and

(3) all shares of Common Stock or other securities issued to an investment firm or similar person as a fee in connection with capital finance activities of the Corporation.

Shares of Excluded Stock shall not be deemed to be outstanding for purposes of the computations of Section 5(e)(i) above prior to their actual issuance.

(iii) Adjustment of Series D Preferred Stock Conversion Price. If the Corporation shall issue, after the Filing Date, (i) any Common Stock, warrants, rights, options or other securities of the Corporation convertible into or exchangeable for Common Stock (excluding shares of Common Stock issued or issuable to employees, officers, directors or consultants pursuant to the Corporation's now or hereafter existing benefit plans as approved by the Board of Directors; or warrants, options or stock not to exceed a value of \$50,000 per employee issued in connection with employment agreements with new members of executive management, or shares of Common Stock or securities issued to an investment banking firm or similar person as a fee in connection with capital finance activities of the Corporation) that have

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an exercise or conversion price at issuance lower than the Conversion Price of the Series D Preferred Stock in effect immediately prior to such issuance (the "Trigger Stock") or (ii) stock dividends, subdivisions, split-ups, combinations or dividends, which are events covered by Sections 5(e)(iv), (v) and (vi) herein, then the Conversion Price for the Series D Preferred Stock shall forthwith be adjusted to a price equal to the lowest consideration received per share for any share of such Trigger Stock.

(iv) For purposes of making any such calculation pursuant to Sections 5(e)(i) and (iii) herein, the shares of Common Stock issuable upon conversion of the outstanding shares of Preferred Stock, together with any other shares of the same class of capital stock deemed issued and outstanding pursuant to subsection (C) of this Section 5(e)(iv), shall be deemed issued and outstanding at all times. For purposes of any adjustment of the Conversion Price pursuant to this subsection (i) and (iii) of this Section 5(e), the following provisions shall be applicable:

(1) In the case of the issuance of Common Stock for cash, the consideration received therefor shall be deemed to be the amount of cash paid therefor without deducting any discounts or commissions paid or incurred by the Corporation in connection with the issuance and sale thereof.

(2) In the case of the issuance of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined in good faith by the Board of Directors of the Corporation, in accordance with generally accepted accounting treatment.

(3) In the case of the issuance of (i) options to purchase or rights to subscribe for Common Stock (other than Excluded Stock), (ii) securities by their terms convertible or exchangeable for such Common Stock (other than Excluded Stock), or (iii) options to purchase or rights to subscribe for such convertible or exchangeable securities:

(A) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options to purchase or rights to subscribe for Common Stock shall be deemed to be issuable for a consideration equal to the consideration (determined in the manner provided in subsections (1) and (2) above), if any, received by the Corporation upon the issuance of such options or rights plus the minimum purchase price provided in such options or rights for the Common Stock covered thereby;

(B) the aggregate maximum number of shares of Common Stock deliverable upon conversion of or in exchange for any such convertible or exchangeable securities, or upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to be issuable for a consideration equal to the consideration received by the Corporation for any such



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securities and related options or rights (including any cash received on account of accrued interest or accrued dividends), plus the additional consideration, if any, to be received by the Corporation upon the conversion or exchange of such securities or the exercise of any related options or rights (the consideration in each case to be determined in the manner provided in subsections (1) and (2) above);

(C) the aggregate maximum number of shares of Common Stock deliverable upon exercise of such options or rights or upon conversion of or in exchange for such convertible or exchangeable securities upon the exercise of options to purchase or rights to subscribe for such convertible or exchangeable securities and subsequent conversion or exchange thereof, shall be deemed to have been issued at the time such options or rights or securities were issued, provided that the consideration for which such Common Stock is deemed to be issuable does not exceed the issuance price of securities issued in the latest bona fide round of financing by the Corporation;

(D) on any change in the number of shares of Common Stock deliverable upon exercise of any such options or rights or conversion of or exchange for such convertible or exchangeable securities, or on any change in the minimum purchase price of such options, rights or securities, other than a change resulting from the antidilution provisions of such options, rights or securities, the Conversion Price shall forthwith be readjusted to such Conversion Price as would have obtained had the adjustment (and any subsequent adjustments) made upon (x) the basis of the issuance of such options, rights or securities not exercised, converted or exchanged prior to such change, as the case may be, been made upon the basis of such change, or (y) the basis of the issuance of the options or rights related to such securities not converted or exchanged prior to such change, as the case may be, been made upon the basis of such change; and

(E) on the expiration of any such options or rights, the termination of any such rights to convert or exchange or the expiration of any options or rights related to such convertible or exchangeable securities, the Conversion Price shall forthwith be readjusted to such Conversion Price as would have obtained had the adjustment (and any subsequent adjustments) made upon the basis of the issuance of such options, rights, convertible or exchangeable securities or options or rights related to such convertible or exchangeable securities, as the case may be, been made upon the issuance of only the number of shares of Common Stock actually issued upon the exercise of such options or rights, upon the conversion or exchange of such convertible or exchangeable securities or upon the exercise of the options or rights related to such convertible or exchangeable securities, as the case may be.

(v) If the number of shares of Common Stock outstanding at any time after the date hereof is increased by a stock dividend payable in shares of such Common Stock or by a subdivision or split-up of shares of such Common Stock, then, on the date such payment is made or such change is effective, the Conversion Price for each class or series of Preferred Stock shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of such class or series of Preferred Stock shall be increased in proportion to such increase of outstanding shares.

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(vi) If the number of shares of Common Stock outstanding at any time after the date hereof is decreased by a combination of the outstanding shares of such Common Stock, then, on the effective date of such combination, the Conversion Price for each class or series of Preferred Stock shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of such class or series of Preferred Stock shall be decreased in proportion to such decrease in outstanding shares.

(vii) If the Corporation shall declare a cash dividend upon Common Stock payable otherwise than out of retained earnings or shall distribute to holders of such Common Stock shares of another class or series of capital stock, stock or other securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash dividends) or options or rights (excluding options to purchase and rights to subscribe for such Common Stock or other securities of the Corporation convertible into or exchangeable for such Common Stock), then, in such case, the holders of shares of Preferred Stock shall, concurrent with the distribution to holders of such Common Stock, receive a like distribution based upon the number of shares of such Common Stock into which the shares of Preferred Stock are then convertible.

(viii) In the event, at any time after the date hereof, of (i) a capital reorganization or any reclassification of the stock of the Corporation (other than a change in par value or as a result of a stock dividend or subdivision, split-up or combination of shares) or (ii) the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in Common Stock), or (iii) the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the shares of Preferred Stock shall, if such event is not deemed a Liquidation Event (as defined in Section 3), after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares of stock or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger or to which such properties and assets shall have been sold or otherwise disposed to which such holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his shares of Preferred Stock into such Common Stock. The provisions of this subsection (viii) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(ix) All calculations under this Section 5 shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(f) Minimal Adjustments. No adjustment in a Conversion Price need be made if such adjustment would result in a change in a Conversion Price of less than \$0.01. Any adjustment of less than \$0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of \$0.01 or more in a Conversion Price.

(g) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of a Conversion Price pursuant to this Section 5, the Corporation at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and

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prepare and furnish to each stockholder a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation upon written request at any time by any stockholder, shall furnish or cause to be furnished to such stockholder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Conversion Price and Conversion Rate at the time in effect, and (iii) the number of shares and the amount, if any, of other property which at the time would be received upon the conversion.

(h) Notices of Record Date. In the event of any taking by the Corporation of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive a dividend (other than a cash dividend) or other distribution, the Corporation shall mail to each stockholder at least twenty (20) days prior to the date specified herein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend or distribution.

(i) Reservation of Common Stock Issuable Upon Conversion. The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of shares of Preferred Stock such number of its shares as shall from time to time be sufficient to effect the conversion of all outstanding shares of Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of Preferred Stock, the Corporation will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

(j) Notices. Any notice required by the provisions of this Section 5 to be given to a stockholder shall be deemed given if deposited in the United States mail, postage prepaid, and addressed to each holder of record at his latest address appearing on the books of the Corporation.

#### 6. Redemption.

(a) Optional Redemption. At the individual option of each holder of shares of Series D Preferred Stock, the Corporation shall redeem for cash up to fifty percent (50%) of that holder's Series D Preferred Stock outstanding on each of September 1, 2003 and September 1, 2004 (each, a "Redemption Date") at a price equal to the sum of (i) 110% of five dollars (\$5.00) per share (such amount to be adjusted proportionately in the event of any stock splits, stock combinations, stock dividends or recapitalizations) plus (ii) a further amount equal to any dividends declared or accrued but unpaid in such shares (the "Redemption Amount"). The number of shares of Series D Preferred Stock to be redeemed from each holder on a Redemption Date shall be equal to fifty percent (50%) of the total number of shares initially held by such holder less the number of shares of Series D Preferred Stock for which the holder has exercised its conversion right under Section 5.

(b) Mandatory Redemption. Notwithstanding any provision to the contrary, in the event of a Change of Control (as defined below) and upon the request of a holder of Series D Preferred Stock, the Corporation shall be obligated to repurchase the Series D Preferred Stock

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held by such holder for an amount equal to the Redemption Amount. For purposes of this Section 6(b), "Change of Control" shall mean any event or series of events by which (i) any person or group, who are not stockholders or affiliates of stockholders of the Corporation immediately prior to such event, obtains a majority of the securities of the Corporation ordinarily having the right to vote in the election of directors; (ii) 50% or less of the Common Stock equivalents are held after a merger, consolidation, reorganization, recapitalization, dissolution or liquidation of the Corporation by persons who immediately prior to such event were stockholders or affiliates of stockholders of the Corporation; (iii) any sale, lease, exchange, or other transfer of all, or substantially all of the assets of the Corporation; or (iv) the adoption of a plan leading to the liquidation, dissolution or winding up of the Corporation.

7. Protective Provisions. So long as any of the Series A Preferred Stock, Series D Preferred Stock or any Additional Series is outstanding, the Corporation shall not without obtaining the approval (by vote or written consent as provided by law) of the holders of at least a majority of the outstanding shares of Series A Preferred Stock, Series D Preferred Stock and such Additional Series, acting as a single class:

(a) Change of Rights. Materially and adversely alter or change the rights, preferences or privileges of any series of Preferred Stock.

(b) Create a New Class. Create any new class or series of shares having a preference over or being on a parity with any outstanding shares of Preferred Stock as to dividends or assets, or authorize or issue shares of stock of any class or series or any bonds, debentures, notes or other obligations convertible into or exchangeable for, or having options or rights to purchase, any shares of stock of this Corporation having any preference over or being on a parity with any outstanding shares of Preferred Stock as to dividends or assets.

(c) Reclassification. Reclassify any class or series of Common Stock into shares having any preference as to dividends or assets superior to or on a parity with any outstanding shares of Preferred Stock.

FURTHER RESOLVED, that the statements contained in the foregoing resolution creating and designating the Series A, the Series B, the Series C and the Series D Preferred Stock and fixing the numbers, powers, preferences and relative, optional, participating and other special rights and qualifications, limitations, restrictions and other distinguishing characteristics thereof shall be deemed to be included in and a part of the Certificate of Incorporation pursuant to the provisions of Sections 104 and 151 of the General Corporation Law of the State of Delaware."

FOURTH: That the said resolutions of the Board of Directors, and the creation and authorization of issuance thereby of the Series A, the Series B, the Series C and the Series D Preferred Stock, and the determination thereby of the provisions applicable to such series as described in the resolution contained in the THIRD article hereof, were duly adopted by the Board of Directors in accordance with Section 151 of the General Corporation Law of the State of Delaware.

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IN WITNESS WHEREOF, said Centene Corporation has caused this Certificate to be signed by Michael F. Neidorff, its President and Chief Executive Officer, as of this 25<sup>th</sup> day of OCTOBER, 2001.

By: 

Michael F. Neidorff

President and Chief Executive Officer

ATTEST: 

Secretary



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**CERTIFICATE OF OWNERSHIP AND MERGER**  
**MERGING**  
**CENTENE CORPORATION, a Wisconsin corporation**  
**INTO**  
**CENTENE CORPORATION, a Delaware corporation**

Centene Corporation, a corporation organized and existing under the laws of Wisconsin ("Centene-Wisconsin"),

**DOES HEREBY CERTIFY:**

**FIRST:** That Centene-Wisconsin was incorporated in 1993, pursuant to the Business Corporation Law of the State of Wisconsin, the provisions of which permit the merger of a corporation organized and existing under the laws of another state and a corporation organized and existing under the laws of Wisconsin.

**SECOND:** That Centene-Wisconsin owns one hundred percent (100%) of the outstanding shares of each class of the stock of Centene Corporation, a corporation incorporated on the 26<sup>th</sup> day of September, 2001, pursuant to the General Corporation Law of the State of Delaware ("Centene-Delaware").

**THIRD:** That Centene-Wisconsin, by the following resolutions of its Board of Directors, duly adopted on October 22, 2001, determined to merge itself into said Centene-Delaware on the conditions set forth in such resolutions:

**RESOLVED**, that Centene Corporation, a Wisconsin corporation ("Centene-Wisconsin"), merge itself into Centene Corporation, a Delaware corporation ("Centene-Delaware"), and that the merger shall have all of the effects provided for in Section 259 of the General Corporation Law of the State of Delaware.

**FURTHER RESOLVED**, that the merger shall be effective upon filing of this Certificate of Ownership and Merger with the Secretary of State of Delaware.

**FURTHER RESOLVED**, that the plan of merger is as follows:

1. Conversion of Centene-Wisconsin Shares. Each issued and outstanding share of capital stock of Centene-Wisconsin will, upon consummation of the merger, be converted into the right to receive shares of capital stock of Centene-Delaware as follows:

a) Each share of issued and outstanding Series A Common Stock of Centene-Wisconsin will, without further act of the holder thereof, be converted into the right to receive one share of Series A Common Stock of Centene-Delaware.

STATE OF DELAWARE  
SECRETARY OF STATE  
DIVISION OF CORPORATIONS  
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b) Each share of issued and outstanding Series B Common Stock of Centene-Wisconsin will, without further act of the holder thereof, be converted into the right to receive one share of Series B Common Stock of Centene-Delaware.

c) Each share of issued and outstanding Series A Preferred Stock of Centene-Wisconsin will, without further act of the holder thereof, be converted into the right to receive one share of Series A Preferred Stock of Centene-Delaware.

d) Each share of issued and outstanding Series B Preferred Stock of Centene-Wisconsin will, without further act of the holder thereof, be converted into the right to receive one share of Series B Preferred Stock of Centene-Delaware.

e) Each share of issued and outstanding Series C Preferred Stock of Centene-Wisconsin will, without further act of the holder thereof, be converted into the right to receive one share of Series C Preferred Stock of Centene-Delaware.

f) Each share of issued and outstanding Series D Preferred Stock of Centene-Wisconsin will, without further act of the holder thereof, be converted into the right to receive one share of Series D Preferred Stock of Centene-Delaware.

g) Each outstanding option or warrant to purchase shares of any class of capital stock of Centene-Wisconsin will, without further act of the holder thereof, be converted into an option or warrant to purchase the same number of shares of the same class of capital stock of Centene-Delaware. Each such option or warrant will contain the same terms and conditions and the same aggregate and per share exercise price as such option or warrant had prior to consummation of the merger.

h) Notwithstanding the foregoing, any stockholder of Centene-Wisconsin who does not vote in favor of the plan of merger and who complies fully with the requirements of Sections 1301 to 1331 of the Business Corporation Law of the State of Wisconsin (the "Dissenter Provisions") will be entitled, in lieu of the shares of capital stock of Centene-Delaware such holder would otherwise be entitled to receive as a result of the merger, to receive the consideration to which such holder is entitled pursuant to the Dissenter Provisions.

2. Cancellation of Centene-Delaware Shares. Each share of Series A Common Stock of Centene-Delaware outstanding immediately prior to the merger will be cancelled as a result of the merger.

3. Officers and Directors. The Officers of Centene-Wisconsin immediately prior to consummation of the merger will, as a result of the merger, become the officers of Centene-Delaware, holding the same offices with Centene-Delaware that they held with Centene-Wisconsin prior to the merger. The members of the Board of Directors of Centene-Delaware prior to the merger will remain the directors of Centene-Delaware following consummation of the merger and such directors will continue to serve in their current classes.

4. Certificate of Incorporation and By-Laws. The Certificate of Incorporation, as amended, and the By-Laws of Centene-Delaware will remain the Certificate of Incorporation and By-Laws of Centene-Delaware following consummation of the merger.

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FURTHER RESOLVED, that the proposed merger shall be submitted to the stockholders of each class of capital stock of Centene-Wisconsin entitled to vote thereon at a meeting of such stockholders duly called and held on a date and at a place selected by the President of Centene-Wisconsin after twenty days' notice of the meeting and the purpose thereof mailed to the address of each such stockholder as it appears in the records of Centene-Wisconsin; and upon receiving the affirmative vote of the holders of at least a majority of the outstanding stock of Centene-Wisconsin entitled to vote thereon, voting together as a single class, the merger shall be approved.

FURTHER RESOLVED, that the proper officers of Centene-Delaware be and they hereby are directed to notify each stockholder of record of Centene-Wisconsin entitled to notice as soon as practicable, but not more than 10 days after the effective date of filing of the Certificate of Ownership and Merger with the Secretary of State of the State of Delaware that the merger has been consummated; and

FURTHER RESOLVED, that the President and each Senior Vice President of Centene-Wisconsin, or any of them, be and hereby are directed to make and execute a Certificate of Ownership and Merger setting forth a copy of the resolutions to merge Centene-Wisconsin into Centene-Delaware, and the date of adoption thereof, and to cause the same to be filed with the Secretary of State of the State of Delaware and to do all acts and things whatsoever, whether within or without the State of Delaware, which may be in any way necessary or proper to effect said merger, including the preparation, execution and receipt for filing with the Wisconsin Department of Financial Institutions of Articles of Merger and other documents necessary to cause the merger to be effective in Wisconsin.

FOURTH: That Centene-Delaware shall survive the merger and may be served with process in the State of Wisconsin in any proceeding for enforcement of any obligation of Centene-Wisconsin as well as for enforcement of any obligation of the surviving corporation arising from the merger, including any suit or proceeding to enforce the right of any stockholder as determined in appraisal proceedings pursuant to the provisions of the Sections 1301 through 1331 of the Business Corporation Law of the State of Wisconsin and it does hereby irrevocably appoint the Secretary of State of Wisconsin as its agent to accept service of process in any suit or other proceeding. Service of such process may be made by personally delivering to and leaving with the Secretary of State of Wisconsin duplicate copies of such process, one of which copies the Secretary of State of Wisconsin shall forthwith send by registered mail to Centene Corporation, 7711 Carondelet Ave., St. Louis, Missouri 63105.

FIFTH: That the plan of merger has been duly adopted and approved in accordance with Section 253 of the General Corporation Law of the State of Delaware and has been duly adopted and approved by Centene-Wisconsin and its stockholders in accordance with Sections 1101, 1103 and 1107 of the Business Corporation Law of the State of Wisconsin.

SIXTH: Anything herein or elsewhere to the contrary notwithstanding, this merger may be amended or terminated and abandoned by the Board of Directors of Centene-Wisconsin at any time prior to the time that this Certificate of Ownership and Merger is filed with the Secretary of State of the State of Delaware.



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IN WITNESS WHEREOF, said Centene Corporation has caused this Certificate to be signed by Michael F. Neidorff, its President, this 12<sup>th</sup> day of November, 2001.

CENTENE CORPORATION, a Wisconsin corporation

By   
Michael F. Neidorff  
President

08/30/2002 09:27 FAX

STATE OF DELAWARE  
SECRETARY OF STATE 002  
DIVISION OF CORPORATIONS  
FILED 09:30 AM 08/30/2002  
020547389 - 3439838

**CERTIFICATE OF DESIGNATIONS  
OF  
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK  
OF  
CENTENE CORPORATION**

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CENTENE CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation at a meeting duly called and held on August 26, 2002:

RESOLVED: That pursuant to the authority granted to and vested in the Board of Directors of the Corporation (hereinafter called the "Board") in accordance with the provisions of the Certificate of Incorporation, as amended, the Board hereby creates a series of Preferred Stock, \$0.001 par value per share (the "Preferred Stock"), of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences and limitations thereof as follows:

**Series A Junior Participating Preferred Stock:**

1. Designation and Amount. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" (the "Series A Preferred Stock") and the number of shares constituting the Series A Preferred Stock shall be 40,000. Such number of shares may be increased or decreased by resolution of the Board prior to issuance; provided, that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

2. Dividends and Distributions.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, \$0.001 par value per share (the "Common Stock"), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board out of funds of the Corporation legally available for the payment of dividends, quarterly dividends payable in cash on the last day of each fiscal quarter of the Corporation in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$10 or (b) subject to the provision for adjustment hereinafter set forth, 1000 times the aggregate per share amount of all cash dividends, and 1000 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of

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Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. In the event the Corporation shall at any time declare or pay any dividend on the Series A Preferred Stock payable in shares of Series A Preferred Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Series A Preferred Stock (by reclassification or otherwise than by payment of a dividend in shares of Series A Preferred Stock) into a greater or lesser number of shares of Series A Preferred Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the first sentence of this Section 2(A) shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Series A Preferred Stock that were outstanding immediately prior to such event and the denominator of which is the number of shares of Series A Preferred Stock outstanding immediately after such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock) and the Corporation shall pay such dividend or distribution on the Series A Preferred Stock before the dividend or distribution declared on the Common Stock is paid or set apart; provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$10 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total

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amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

3. Voting Rights. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 1000 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. In the event the Corporation shall at any time declare or pay any dividend on the Series A Preferred Stock payable in shares of Series A Preferred Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Series A Preferred Stock (by reclassification or otherwise than by payment of a dividend in shares of Series A Preferred Stock) into a greater or lesser number of shares of Series A Preferred Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Series A Preferred Stock that were outstanding immediately prior to such event and the denominator of which is the number of shares of Series A Preferred Stock outstanding immediately after such event.

(B) Except as otherwise provided herein, in the Certificate of Incorporation or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) In addition:

(i) If at any time dividends on any Series A Preferred Stock shall be in arrears in an amount equal to six quarterly dividends thereon, the holders of the Series A Preferred Stock, voting as a separate series from all other series of Preferred Stock and classes of capital stock, shall be entitled to elect two members of the Board in addition to any Directors elected by any other series, class or

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classes of securities and the authorized number of Directors will automatically be increased by two. Promptly thereafter, the Board shall, as soon as may be practicable, call a special meeting of holders of Series A Preferred Stock for the purpose of electing such members of the Board. Such special meeting shall in any event be held within 45 days of the occurrence of such arrearage.

(ii) During any period when the holders of Series A Preferred Stock, voting as a separate series, shall be entitled and shall have exercised their right to elect two Directors, then, and during such time as such right continues, (a) the then authorized number of Directors shall be increased by two, and the holders of Series A Preferred Stock, voting as a separate series, shall be entitled to elect the additional Directors so provided for, and (b) each such additional Director shall not be a member of any existing class of the Board, but shall serve until the next annual meeting of stockholders for the election of Directors, or until his successor shall be elected and shall qualify, or until his right to hold such office terminates pursuant to the provisions of this Section 3(C).

(iii) A Director elected pursuant to the terms hereof may be removed with or without cause by the holders of Series A Preferred Stock entitled to vote in an election of such Director.

(iv) If, during any interval between annual meetings of stockholders for the election of Directors and while the holders of Series A Preferred Stock shall be entitled to elect two Directors, there is no such Director in office by reason of resignation, death or removal, then, promptly thereafter, the Board shall call a special meeting of the holders of Series A Preferred Stock for the purpose of filling such vacancy and such vacancy shall be filled at such special meeting. Such special meeting shall in any event be held within 45 days of the occurrence of such vacancy.

(v) At such time as the arrearage is fully cured, and all dividends accumulated and unpaid on any shares of Series A Preferred Stock outstanding are paid, and, in addition thereto, at least one regular dividend has been paid subsequent to curing such arrearage, the term of office of any Director elected pursuant to this Section 3(C), or his successor, shall automatically terminate, and the authorized number of Directors shall automatically decrease by two, the rights of the holders of the shares of the Series A Preferred Stock to vote as provided in this Section 3(C) shall cease, subject to renewal from time to time upon the same terms and conditions, and the holders of shares of the Series A Preferred Stock shall have only the limited voting rights elsewhere herein set forth.

(D) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

4. Certain Restrictions.



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(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board) to all holders of such shares upon such terms as the Board, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

5. Reacquired Shares. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Certificate of Incorporation, or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

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6. Liquidation, Dissolution or Winding Up.

(A) Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received \$1000 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up.

(B) Neither the consolidation, merger or other business combination of the Corporation with or into any other corporation nor the sale, lease, exchange or conveyance of all or any part of the property, assets or business of the Corporation shall be deemed to be a liquidation, dissolution or winding up of the Corporation for purposes of this Section 6.

(C) In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of paragraph (A) of this Section 6 shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. In the event the Corporation shall at any time declare or pay any dividend on the Series A Preferred Stock payable in shares of Series A Preferred Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Series A Preferred Stock (by reclassification or otherwise than by payment of a dividend in shares of Series A Preferred Stock) into a greater or lesser number of shares of Series A Preferred Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of paragraph (A) of this Section 6 shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Series A Preferred Stock that were outstanding immediately prior to such event and the denominator of which is the number of shares of Series A Preferred Stock outstanding immediately after such event.

7. Consolidation, Merger, etc. Notwithstanding anything to the contrary contained

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herein, in case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1,000 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event. In the event the Corporation shall at any time declare or pay any dividend on the Series A Preferred Stock payable in shares of Series A Preferred Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Series A Preferred Stock (by reclassification or otherwise than by payment of a dividend in shares of Series A Preferred Stock) into a greater or lesser number of shares of Series A Preferred Stock, then in each such case the amount set forth in the first sentence of this Section 7 with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Series A Preferred Stock that were outstanding immediately prior to such event and the denominator of which is the number of shares of Series A Preferred Stock outstanding immediately after such event.

8. No Redemption. The shares of Series A Preferred Stock shall not be redeemable.
9. Rank. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Preferred Stock issued either before or after the issuance of the Series A Preferred Stock, unless the terms of any such series shall provide otherwise.
10. Amendment. At such time as any shares of Series A Preferred Stock are outstanding, the Certificate of Incorporation, as amended, of the Corporation shall not be amended in any manner that would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.
11. Fractional Shares. Series A Preferred Stock may be issued in fractions of a share that shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and have the benefit of all other rights of holders of Series A Preferred Stock.



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IN WITNESS WHEREOF, this Certificate of Designations is executed on behalf of the Corporation by its Chief Executive Officer this 30 day of August, 2002.

CENTENE CORPORATION

By:   
Michael F. Neidorff  
President and Chief Executive Officer

State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 12:46 PM 05/17/2004  
FILED 12:38 PM 05/17/2004  
SRV 040359222 - 3439838 FILE

**CENTENE CORPORATION  
CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF INCORPORATION**

Centene Corporation (the "Corporation"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

FIRST: That the Board of Directors of the Corporation, at a meeting duly called and held on March 12, 2004, adopted the following resolution to amend the Certificate of Incorporation of the Corporation, as amended, and declared said amendment to be advisable:

RESOLVED, that paragraph (a) of Article FOURTH of the Certificate of Incorporation of the Corporation be amended to read in its entirety as follows:

"(a) Authorized Capital Stock. The total number of shares of stock which the Corporation shall have authority to issue is 110,000,000 shares of capital stock, consisting of (i) 100,000,000 shares of common stock, par value \$0.001 per share (the "Common Stock"), and (ii) 10,000,000 shares of preferred stock, par value \$0.001 per share (the "Preferred Stock")."

SECOND: That the aforesaid amendment was duly approved by the stockholders of the Corporation at the Corporation's 2004 Annual Meeting of Stockholders held on May 4, 2004.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed by Michael F. Neidorff, its President and Chief Executive Officer, this 7<sup>th</sup> day of May, 2004.

CENTENE CORPORATION

  
\_\_\_\_\_  
Michael F. Neidorff  
Chairman, President and Chief Executive Officer

ATTEST:

  
\_\_\_\_\_  
Karey L. Witty  
Secretary

BOSTON 1877877v1

FROM CT WILMINGTON - 302\_655\_4236 GROUP 6 (WED) 12.15'04 13:42/ST. 13:31/NO. 4260103705 P 2  
State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 01:36 PM 12/15/2004  
FILED 01:20 PM 12/15/2004  
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**CERTIFICATE OF AMENDMENT  
OF  
CERTIFICATE OF DESIGNATIONS  
OF  
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK  
OF  
CENTENE CORPORATION**

CENTENE CORPORATION, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation at a meeting duly called and held on December 8, 2004:

RESOLVED: That pursuant to the authority granted to and vested in the Board of Directors of the Corporation (hereinafter called the "Board of Directors") and in accordance with the provisions of the Certificate of Incorporation of the Corporation, as amended, the Board of Directors hereby (1) designates an additional 60,000 shares of Preferred Stock, \$0.001 par value per share, of the Corporation as "Series A Junior Participating Preferred Stock" bringing the total number of authorized shares of Series A Junior Participating Preferred Stock to 100,000 and (2) amends the Certificate of Designations of Series A Junior Participating Preferred Stock of the Corporation, filed on August 30, 2002, by deleting the number "40,000" in the first sentence of paragraph 1 of the and replacing it with the number "100,000."

IN WITNESS WHEREOF, this Certificate of Amendment of Certificate of Designations is executed on behalf of the Corporation by its Chairman and Chief Executive Officer as of December 15, 2004.

CENTENE CORPORATION

By:   
Michael F. Neidorff  
Chairman and Chief Executive Officer