

# Delaware

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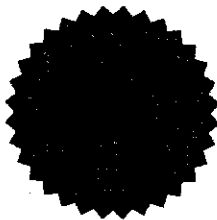
*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "POWERFILM, INC.", FILED IN THIS OFFICE ON THE TWENTY-SECOND DAY OF MAY, A.D. 2006, AT 4:37 O'CLOCK P.M.

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

4154406 8100

060487769



*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State  
AUTHENTICATION: 4764766

DATE: 05-22-06

CERTIFICATE OF INCORPORATION  
OF  
POWERFILM, INC.

1. Name. The name of this corporation is PowerFilm, Inc. (the "Corporation").
2. Registered Office and Registered Agent. The address, including street, number, city and county of the registered officer of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle (19801). The name of the registered agent of the Corporation in the State of Delaware at such address is The Corporation Trust Company.
3. Corporate Purposes. 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, as amended (the "DGCL").
4. Authorized Capital.
  - (a) The Corporation is authorized to issue one class of stock to be designated Common Stock. The Corporation is authorized to issue Sixty Million (60,000,000) shares of Common Stock, with a par value of One Cent (\$0.01) per share.
  - (b) As long as the Corporation's Common Stock is admitted to the official list of the United Kingdom Listing Authority or admitted to trading on the Alternative Investment Market, a market operated by London Stock Exchange plc in the United Kingdom ("AIM"), save as otherwise approved by a resolution passed by at least 75% of the votes cast in person or represented by proxy at any duly convened meeting of stockholders, the Corporation shall not allot or issue its shares of Common Stock to any person for cash unless it shall first have made an offer to each holder of Common Stock to sell to such stockholder on the same or more favorable terms a proportion of those shares which is as nearly as practicable equal to the proportion of outstanding shares of Common Stock held by such stockholder on the record date for any such sale in relation to the aggregate of all such outstanding shares of Common Stock, but subject to such exclusions or other arrangements as the Board of Directors may deem necessary, appropriate or expedient in their exclusive discretion to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any regulatory authority or stock exchange or otherwise in any jurisdiction (these exclusions shall include, without limitation, the exclusion from any pre-emptive offer of US Persons (as defined by Securities Act of 1933, as amended)); provided, however, that these pre-emption rights shall not apply with respect to:
    - (i) the sale for cash of any Common Stock in any 12-month period which, when aggregated with all other such sales in the relevant 12-month period, do not exceed 10% of the outstanding Common Stock as of the first day of the relevant 12-month period;
    - (ii) options or shares granted to employees, officers, directors, consultants, contractors or advisors under, and the issuance of shares pursuant to benefits granted under, the Corporation's PowerFilm, Inc. 2005 Incentive Stock Option Plan or PowerFilm, Inc.

2006 Stock Option Plan or any stock option or incentive plan heretofore or hereafter adopted by the Corporation;

(iii) shares issued upon exercise of any warrants granted in connection with business transactions of the Corporation in the ordinary course (including, without limitation, to lessors, financial institutions, vendors and research and development joint venture partners);

(iv) shares issued as a dividend or distribution payable in shares of Common Stock pro rata to all shareholders;

(v) shares issued upon any subdivision or combination or reclassification of shares of Common Stock;

(vi) shares issued upon exercise of the conversion rights attaching to any convertible preferred stock or convertible debentures or similar instruments; or

(vii) shares issued for or in connection with the purchase or acquisition of the stock, business or assets of one or more other persons, or in connection with a merger of the Corporation with or into one or more other persons or any similar business combination or acquisition.

The provisions of this Section 4(b) shall cease to apply to issues of shares as soon as the shares of Common Stock of the Corporation become listed on any stock exchange outside of the United Kingdom.

5. Management of Business. For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

(a) (i) The management of the business and the conduct of the affairs of the Corporation shall be vested in its Board of Directors. The number of directors which shall constitute the whole Board of Directors shall be fixed by the Board of Directors in accordance with the Bylaws of the Corporation.

(ii) Notwithstanding the foregoing provisions of this Section, each director shall serve until his successor is duly elected and qualified or until his death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

(iii) The Board of Directors or any individual director may be removed from office at any time with cause by the affirmative vote of the holders of a majority of the Common Stock.

(iv) Newly created directorships resulting from any increase in the number of Directors and any vacancies on the Board resulting from death, resignation, disqualification, removal or other cause will be filled solely by the affirmative vote of a majority

of the remaining Directors then in office, even though less than a quorum of the Board, or by a sole remaining Director. No decrease in the number of Directors constituting the Board will shorten the term of an incumbent Director.

(b) (i) The original Bylaws of the Corporation shall be adopted by the sole incorporator, and in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation. As of the effective date of the listing of the Corporation's Common Stock on AIM (the "Initial Public Offering"), the Bylaws of the Corporation may be altered or amended or new Bylaws of the Corporation adopted by the affirmative vote of a majority of the voting power of all of the then outstanding shares of the Corporation with the right to vote on such matters.

(ii) The directors of the Corporation need not be elected by written ballot unless the Bylaws of the Corporation so provide.

(iii) Following the closing of the Initial Public Offering, no action shall be taken by the stockholders of the Corporation except at an annual or special meeting of stockholders called in accordance with the Bylaws of the Corporation and no action shall be taken by the stockholders by written consent.

(iv) Special meetings of the stockholders of the Corporation may be called by the Chairman of the Board of Directors or the Chief Executive Officer, and shall be called by the Chief Executive Officer or Secretary at the request in writing of a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such written request is made by the Board of Directors) or the holders of not less than a majority of the outstanding Common Stock.

(v) Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws of the Corporation.

#### 6. Indemnification by the Corporation; Liability of Directors.

(a) To the fullest extent permitted by the DGCL or any other laws presently or hereinafter in effect, directors of the Corporation shall have no personal liability to the Corporation or its stockholders for monetary damages for or with respect to any acts or omissions in the performance of such person's duties as a director of the Corporation, except to the extent now or hereafter required by law.

(b) Each person who is or was or had agreed to become a director or officer of the Corporation, or each such person who is or was serving or who had agreed to serve at the request of the board of directors or an officer of the Corporation as an employee or agent of the Corporation or as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (including the heirs, executors, administrators or estate of such person), shall be indemnified by the Corporation to the full extent permitted by the DGCL or any other applicable laws as presently or hereafter in effect. Such indemnification is not exclusive of any other right to indemnification provided by law or otherwise. The right to indemnification

conferred by this paragraph shall be deemed to be a contract between the Corporation and each person referred to herein.

(c) No amendment to or repeal of the provisions of this Section 6 shall apply to or have any effect on the liability or alleged liability of any person for or with respect to any acts or omissions of such person occurring prior to such amendment.

7. Offers for the Company. From the date of the Initial Public Offering, subject to subsection (q) of this Section 7, for so long as the Corporation has any shares of its capital stock listed on the official list of the London Stock Exchange or AIM in the United Kingdom (or any successor to either of them), the following provisions shall be in effect:

(a) In subsections (b) through (q) of this Section 7, the following words and expressions have the meanings set forth below:

"AIM" means the Alternative Investment Market, a market operated by London Stock Exchange plc;

"acting in concert" means actively co-operating pursuant to an agreement or understanding (whether formal or informal), through the acquisition of securities of the Corporation, to obtain or consolidate Control (as defined below) of the Corporation;

"beneficial ownership" means, with respect to a security, sole or shared voting power (which includes the power to vote, or to direct the voting of, such security) and/or investment power (which includes the power to dispose, or to direct the disposition of, such security), whether direct or indirect and whether through any contract, arrangement, understanding, relationship or otherwise;

"Control" means a holding or aggregate holdings of securities representing 30% or more of the Voting Rights of the Corporation, irrespective of whether the holding or holdings gives de facto control;

"Exchange Act" means the Securities Exchange Act of 1934, as amended;

"interest" in a person means beneficial ownership of any securities of such person;

"Offer" means a written offer made in accordance with subsections (b) and (d) through (h) of this Section 7 and may, subject to subsections (b) and (d) through (h), include an offer to consummate a takeover, merger or consolidation transaction, however effected including a reverse takeover, partial offer, tender offer, Court scheme or offer by a parent company for stock in its subsidiary;

"Offeror" has the meaning given to it in subsection (b) of this Section 7 and includes persons wherever organized or resident;

**"Offer period"** means the period from the time when an announcement is made of a proposed or possible Offer (with or without terms) until the first closing date or, if later, the date when the Offer becomes or is declared unconditional as to acceptances or lapses. An announcement that a holding, or aggregate holdings, of stock carrying 30% or more of the Voting Rights of the Corporation is for sale or that the Board of Directors is seeking potential offers to acquire Control of the Corporation will be treated as the announcement of a possible Offer for purposes of determining the applicable Offer Period;

**"person"** means any individual, firm, partnership, association, corporation or other entity;

**"public disclosure"** means disclosure in a press release reported by the Dow Jones News Service, Associated Press, Reuters, Bloomberg or comparable national or international news service or in a document filed by the Company with a regulatory information service approved by the UK Financial Services Authority (if the Corporation's shares are admitted to the official list of the United Kingdom Listing Authority or are admitted to trading on AIM at such time) or the Securities and Exchange Commission pursuant to the Exchange Act (if the Company is then a U.S. Reporting Company) or furnished to all stockholders;

**"US Reporting Company"** means a person with class of equity securities registered under the Exchange Act, as amended; and

**"Voting Rights"** means all the voting rights represented by the issued and outstanding securities of the Corporation that give their holders the right to vote at meetings of stockholders.

(b) When:

(i) any person acquires, whether by a series of transactions over a period of time or not, securities which (taken together with securities held or acquired by persons acting in concert with such person) represent 30% or more of the Voting Rights; or

(ii) any person that, together with persons acting in concert with such person, holds not less than 30% but not more than 50% of the Voting Rights acquires, together with persons acting in concert with such person, in any period of 12 months, additional securities,

then such person and, if applicable, each person acting in concert with such person (collectively, the "Offeror") shall extend an Offer, on the basis set out in subsections (d) through (h) of this Section 7, to the holders of all issued and outstanding capital stock of the Corporation.

(c) Save as provided below, the acquisition of convertible securities, warrants or options will not give rise to an obligation to make an Offer under the subsection (b) of this

Section 7, but the exercise of any conversion or subscription rights or options will be considered to be an acquisition of securities for the purpose of subsection (b) of this Section 7. The taking of an option to acquire securities will, however, be deemed to constitute the acquisition of securities giving rise to the obligation to make an Offer under subsection (b) of this Section 7 where the relationship and arrangements between the parties concerned is such that effective control over those securities has passed to the taker of the option. The acquisition of Voting Rights, or general control of them, as distinct from the securities themselves will be deemed to be an acquisition of the relevant securities for the purposes of this Section 7. The provisions of subsection (b) of this Section 7 shall not apply to (a) the holding or the exercise of any convertible debentures issued by the Corporation which are outstanding as at the date the Common Stock is admitted to trading on AIM and (b) the acquisition or exercise of any options or warrants under any of the Corporation's stock option plans.

(d) Each member of a group of persons acting in concert that constitutes an Offeror will have a joint and several obligation to extend an Offer.

(c) In respect of any Offer(s) made under subsection (b) of this Section 7:

(i) such Offer(s) must be conditional only upon the Offeror having received acceptances in respect of securities which, together with securities acquired or agreed to be acquired before or during the Offer, will result in the Offeror holding securities representing more than 50% of the Voting Rights; and

(ii) no acquisition of securities which would give rise to the obligation to make an Offer under subsection (b) of this Section 7 may be made if the making or implementation of such Offer would or might be dependent on the passing of a resolution at any meeting of stockholders of the Offeror or upon any other conditions, consents or arrangements.

(f) An Offer must be unconditional if the Offeror holds securities carrying more than 50% of the Voting Rights before the Offer is made.

(g) An Offer must, in respect of each class of capital stock, be in cash (or be accompanied by a cash alternative) at not less than the highest price paid by the Offeror for capital stock of that class during the Offer period and within 12 months prior to its commencement. The cash offer or the cash alternative must remain open after the Offer has become or is declared unconditional as to acceptances for not less than 14 days after the date on which it would otherwise have expired. An Offer must be made in writing and publicly disclosed, and must be open for acceptance for a period of not less than 30 days.

(h) When capital stock of the Corporation has been acquired for consideration other than cash, the Offer must nevertheless be in cash or be accompanied by a cash alternative of at least equal value, which value must be determined by an independent valuation.

(i) In calculating the price paid for capital stock of the Corporation, stamp duty and broker's commission, if any, shall be excluded.

(j) If capital stock of the Corporation has been acquired in exchange for listed securities, the price paid for such capital stock will be established by reference to the closing middle market price of such listed securities on the applicable market on the date of such acquisition.

(k) If the capital stock of the Corporation has been acquired by the conversion or exercise (as applicable) of convertible securities, warrants, options or other subscription rights, the price to be paid for such capital stock will normally be established by reference to the middle market price of such capital stock at the close of business on the day on which the relevant exercise or conversion notice was submitted. If, however, the convertible securities, warrants, options or subscription rights were acquired during the Offer period or within 12 months prior to its commencement, they will be treated as if they were purchases of the underlying capital stock at a price equal to the sum of the purchase price and the relevant conversion or exercise price paid.

(l) In the event that any Director of the Corporation (or any of his or her affiliates) sells capital stock to a purchaser as a result of which the purchaser is required to make an Offer under subsection (b) of this Section 7, such Director must ensure that as a condition of the sale the purchaser undertakes to fulfill its obligations under subsection (b) of this Section 7. In addition, subject to subsection (p) of this Section 7, such Director shall not resign from the Board of Directors until the first closing date of the Offer or the date when the Offer becomes or is declared wholly unconditional, whichever is the later.

(m) No Offeror or nominee of an Offeror may be appointed to the Board of Directors, nor may an Offeror exercise the Voting Rights attaching to the securities of the Corporation held by such Offeror, until public disclosure of the Offer has been made.

(n) If an issue of new securities by the Corporation as consideration for an acquisition or a cash subscription would otherwise result in an obligation to make an Offer under subsection (b) of this Section 7, the obligation may be waived by an independent vote of the stockholders not affiliated or acting in concert with the allottees of the new securities. If an underwriter incurs an obligation under subsection (b) of this Section 7, the obligation to make an offer under subsection (b) of this Section 7 may be waived by the consent of the holders of a majority of the Voting Rights of those persons who are not the underwriter(s) (nor affiliated or acting in concert with such underwriter(s)).

(o) If an Offeror shall fail to comply with subsection (b) and (e) through (h) of this Section 7, or shall fail to comply with such Offeror's obligations under the Offer, and shall persist in such failure after written notice from the Corporation to such person or persons, the Board of Directors may:

- (i) make an award for costs against the Offeror;
- (ii) direct that the Offeror shall not be entitled to exercise any Voting Rights attaching to any common stock in the Corporation held by the Offeror; or
- (iii) direct that no dividends shall be paid in respect of all or any of the capital stock of the Corporation held by the Offeror.



The restrictions in subsection (o)(ii) and (o)(iii) above may be lifted at the discretion of the Board of Directors, and shall be lifted when (i) the capital stock subject to such restrictions is proved to the reasonable satisfaction of the Board of Directors to have been sold to a new beneficial owner that is not affiliated or acting in concert with the Offeror, (ii) such capital stock has been sold pursuant to an Offer made to all holders of capital stock of the Corporation on terms which do not differentiate between such holders or (iii) the provisions of this Section 7 relating to the Offer or, as the case may be, the Offeror's obligations under the Offer, have been complied with in full.

(p) If a Director is affiliated with an Offeror, he or she shall forthwith vacate his or her office if his or her resignation is required by notice tendered at a meeting of the Board by all other Directors who are not so affiliated. For purposes hereof, like notices signed by each such Director shall be effective as a single notice signed by all such Directors.

(q) The provisions of subsections (a) through (p) of this Section 7 shall cease to apply as soon as any securities of the Corporation become listed on any stock exchange outside the United Kingdom.

8. Reservation of Amendment Power.

(a) 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 by statute, except as provided in subsection (b) of this Section 8, and all rights conferred upon the stockholders herein are granted subject to this reservation.

(b) Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, following the Initial Public Offering the affirmative vote of a majority of the voting power of all of the then outstanding shares of the Common Stock, voting together as a single class, shall be required to alter, amend or repeal Sections 5, 6, 7 and 8 (other than any amendment of such Sections in connection with a restatement of the Certificate of Incorporation).

9. Existence. The Corporation shall have perpetual existence.

10. Business Combinations with Interested Stockholders. The Corporation hereby expressly states that it shall not be bound or governed by, or otherwise subject to, Section 203 of the DGCL.

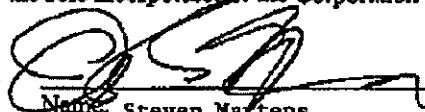
11. Incorporator. The name and mailing address of the sole incorporator is as follows:

<u>Name</u>	<u>Mailing Address</u>
PowerFilm, Inc.	2337 230th Street Boone, Iowa 50036

I, the undersigned, being the sole incorporator hereinbefore named, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this certificate, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 22nd day of May, 2006.

By: POWERFILM, INC., an Iowa corporation  
and the sole incorporator of the Corporation

By:



Name: Steven Martens  
Title: President