

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (this “Agreement”) is made and entered into as of December 30, 2016 by and between Ameri Holdings, Inc. (the “Company”), a Delaware corporation, and Lone Star Value Investors, LP (the “Holder”).

RECITALS

WHEREAS, the Company has issued and outstanding an unsecured convertible promissory note for the aggregate principal amount of \$5,000,000 (the “Note”).

WHEREAS, the Company and the Holder have reached an agreement for the exchange of the Note held by the Holder for shares of the Company’s Series A Preferred Stock, par value \$0.01 per share (the “Preferred Stock”).

WHEREAS, the Company and the Holder have agreed, subject to and on the terms and conditions set forth in this Agreement, that the Holder shall exchange the principal amount of the Note for an aggregate of 363,611 shares of Preferred Stock (the “Shares”).

WHEREAS, the Company has filed the Certificate of Designations as attached hereto as Exhibit A with the Secretary of State of the State of Delaware.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I - EXCHANGE OF SECURITIES

Section 1.01. Authorization of Issue. Prior to the Closing (as defined below), the Company shall have duly authorized the delivery to the Holder of the Shares.

Section 1.02. Exchange of the Note. Subject to the terms and conditions set forth in this Agreement, the Holder hereby agrees to exchange at the Closing (the “Exchange”) the Note for 363,611 Shares of Preferred Stock. The Note exchanged pursuant to this Agreement shall be cancelled. The warrants issued to the Holder in connection with the purchase of the Note, to the extent such warrants have not yet been exercised, will continue to be held by the Holder and will remain in full force and effect.

Section 1.03. Uncertificated Book-Entry Securities. The Shares of Preferred Stock shall be issued as book-entry securities directly registered in the Holder’s name on the Company’s books and records. The Shares shall not be represented by certificates but instead shall be uncertificated securities of the Company and shall be governed by the terms of the Certificate of Designations as attached hereto as Exhibit A.

Section 1.04. Registration. Pursuant to the terms of that certain Amended and Restated Registration Rights Agreement, dated as of May 12, 2016, between the Company and the Holder (the “RRA”), the Shares of Preferred Stock issued to the Holder pursuant to the Exchange

constitute Registrable Securities (as defined in the RRA) that are subject to the terms of the RRA.

Section 1.05. Credit Agreement Acknowledgement. Holder hereby acknowledges and agrees that the Company is party to that certain Loan and Security Agreement, dated as of July 1, 2016, with Sterling National Bank, pursuant to which the Company is prohibited from paying or becoming obligated to pay dividends, with certain limited exceptions as provided in the Consent and Amendment No. 3 to Loan and Security Agreement, a copy of which has been provided to Holder, which provides, in part, that the definition of Permitted Restricted Payments includes: “a regular dividend on the Series A Preferred Stock at the rate and times and in the manner provided in the Series A Certificate of Designation, but if and to the extent such dividend is payable in cash, the cash portion of the dividend shall be in an amount not in excess of twenty percent (20%) of EBITDA for the twelve (12) fiscal month period most recently ended prior to the applicable Dividend Payment Date (as defined in the Series A Certificate of Designation).”

Section 1.06. Registration Demand Acknowledgement. The Company acknowledges the Holder’s written request in accordance with Section 2(a) of the RRA, to act in accordance with such section.

ARTICLE II - CLOSING DATE; DELIVERY

Section 2.01. Closing and Location. The closing of the Exchange (the “Closing”) shall take place on December 30, 2016, or on such other date as shall be mutually agreed to by the Company and the Holder (the “Closing Date”), at the offices of Olshan Frome Wolosky LLP, 1325 Avenue of the Americas, New York, New York, or such other place as shall be mutually agreed to by the Company and the Holder.

Section 2.02. Issuance. At the Closing, the Company shall instruct its transfer agent to issue the Shares of Preferred Stock to the Holder on the books and records of the Company and the Note shall be cancelled.

Section 2.03. Consummation of Closing. All acts, deliveries and confirmations comprising the Closing, regardless of chronological sequence, shall be deemed to occur contemporaneously and simultaneously upon the occurrence of the last act, delivery or confirmation of the Closing and none of such acts, deliveries or confirmations shall be effective unless and until the last of same shall have occurred.

Section 2.04. No Further Ownership Rights in the Note. From and after the Closing, the Holder shall cease to have any rights with respect to the Note exchanged pursuant to this Agreement, including any payments of accrued and unpaid interest, except as otherwise provided herein or by applicable law.

ARTICLE III - REPRESENTATIONS AND WARRANTIES

Section 3.01. Representations and Warranties of the Company. The Company represents and warrants to the Holder that the following statements are true, correct and complete as of the date hereof:

(a) Corporate Organization. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and has all requisite corporate power and authority to own, operate and lease its properties and to carry on its business as and in the places where such properties are now owned, operated and leased or such business is now being conducted.

(b) Authorization. The Company has the necessary corporate power and authority to enter into this Agreement and to assume and perform its obligations hereunder. The execution and delivery of this Agreement and the performance by the Company of its obligations hereunder have been duly authorized by the Board of Directors of the Company. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to (a) applicable bankruptcy, insolvency, reorganization and moratorium laws, (b) other laws of general application affecting the enforcement of creditors' rights generally and general principles of equity, (c) the discretion of the court before which any proceeding therefor may be brought, and (d) as rights to indemnity may be limited by federal or state securities laws or by public policy.

(c) No Violation or Breach. Neither the execution and delivery of this Agreement, nor the consummation by the Company of the transactions contemplated hereby, (i) will violate or cause a default under any judgment, order, writ or decree of any court or governmental authority applicable to the Company; (ii) breach or conflict with the provisions of the constituent documents of the Company; or (iii) violate, conflict with or breach any agreement, arrangement, document or instrument to which the Company is a party or by which it is bound.

(d) Approvals and Consents. No action, approval, consent or authorization, including, but not limited to, any action, approval, consent or authorization by any governmental or quasi-governmental agency, commission, board, bureau, or instrumentality is necessary or required as to the Company in order to constitute this Agreement as a valid, binding and enforceable obligation of the Company in accordance with its terms.

(e) Brokers and Finders. The Company nor its officers, directors, managers or employees has employed any broker, finder, investment banker, financial advisor or similar professional or incurred any liability for any investment banking fees, brokerage fees, commissions or finders' fees in connection with the transactions contemplated by this Agreement.

(f) Commission Reporting and Compliance. The Company has filed with the Securities and Exchange Commission (the "Commission") all registration statements, proxy statements, information statements and reports required to be filed pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company has not filed with the Commission a certificate on Form 15 pursuant to Rule 12h-3 under the Exchange Act. The Company has made available to the Company true and complete copies of the registration statements, information statements and other reports (collectively, the "Company SEC Documents") filed by the Company with the Commission. None of the Company SEC Documents, as of their respective dates, contained any untrue statement of a material fact or

omitted to state a material fact necessary in order to make the statements contained therein not misleading. To the knowledge of the Company, the Company has otherwise complied with the Securities Act of 1933, as amended (the "Securities Act"), Exchange Act and all other applicable federal and state securities laws.

(g) Shares Duly Issued. The Shares to be issued to the Holder in accordance with the terms hereof shall be, when issued, duly and validly issued, fully paid and nonassessable.

(h) Compliance with Other Instruments. The Company is not in violation or default (i) of any provisions of its Certificate of Incorporation or Bylaws, each as amended, (ii) of any instrument, judgment, order, writ or decree, (iii) under any note, indenture or mortgage, or (iv) under any lease, agreement, contract or purchase order to which it is a party or by which it is bound or, of any provision of federal or state statute, rule or regulation applicable to the Company, the violation of which would have a material adverse effect. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby will not result in any such violation or be in conflict with or constitute, with or without the passage of time and giving of notice, either (i) a default under any such provision, instrument, judgment, order, writ, decree, contract or agreement or (ii) an event which results in the creation of any lien, charge or encumbrance upon any assets of the Company or the suspension, revocation, forfeiture, or nonrenewal of any material permit or license applicable to the Company.

Section 3.02. Representations and Warranties of the Holder. The Holder represents and warrants to the Company that the following statements are true, correct and complete as of the date hereof:

(a) Organization and Good Standing. It is a limited partnership duly organized, validly existing and in good standing under the laws of its state of formation and has all requisite power and authority to own, lease and operate its properties and to carry on its business.

(b) Power and Authority. It has all requisite power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its obligations under, this Agreement.

(c) Authorization. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part.

(d) Binding Obligation. This Agreement is the legally valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(e) No Conflicts. The execution, delivery and performance by it of this Agreement do not and will not (i) violate any provision of law, rule or regulation applicable

to it or its certificate of incorporation or by-laws (or other organizational document) or (ii) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party.

(f) Governmental Consents. The execution, delivery and performance by it of this Agreement do not and will not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body.

(g) Ownership of the Note. The Holder is the beneficial owner of the Note, free and clear of all liens (other than obligations pursuant to this Agreement).

(h) Purchase Entirely for Own Account. It is acquiring the Shares for its own account, for investment purposes and not with a view to the distribution thereof, except in compliance with the Securities Act. It understands that the Shares issued to it may not be resold except pursuant to an effective registration statement filed under the Securities Act or pursuant to an exemption from registration thereunder.

(i) Investment Experience. It has such knowledge and experience in financial and business affairs that the Holder is capable of evaluating the merits and risks of an investment in the Shares. It is either a “qualified institutional buyer” as defined in Rule 144A under the Securities Act or an “accredited investor” as defined in Regulation D under the Securities Act, and was not organized for the purpose of acquiring the Shares. The Holder has previously invested in securities similar to the Shares. The Holder acknowledges that no representations, express or implied, are being made with respect to the Company, the Shares or otherwise, other than those expressly set forth herein. In making its decision to invest in the Shares hereunder, the Holder has relied upon independent investigations made by the Holder and, to the extent believed by the Holder to be appropriate, the Holder’s representatives, including the Holder’s own professional, tax and other advisors. The Holder and its representatives have been given the opportunity to examine all documents and to ask questions of, and to receive answers from, the Company and its representatives concerning the terms and conditions of the investment in the Shares. The Holder is able to bear the economic risk of its investment in the Shares and is presently able to afford the complete loss of such investment. The Holder acknowledges that the Company is relying on the truth and accuracy of the foregoing representations and warranties in the offering of the Shares to the Holder without first having registered the Shares under the Securities Act.

(j) Restricted Securities. It has been advised by the Company that (i) the offer and sale of the Shares have not been registered under the Securities Act; (ii) the offer and sale of the Shares are intended to be exempt from registration under the Securities Act pursuant to either Rule 144A or Regulation D under the Securities Act; and (iii) there is no established market for the Shares, and it is not anticipated that there will be any active public market for the Shares in the foreseeable future. It is familiar with Rule 144 promulgated by the SEC under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

ARTICLE IV - CONDITIONS TO CLOSING

Section 4.01. Holder's Conditions to Closing. The obligations of the Holder to exchange the Note for the Shares shall be subject to (A) the representations and warranties of the Company contained in this Agreement shall be true and correct as of the Closing as though made on and as of the Closing Date, (B) the Company shall have performed all of its obligations and covenants under this Agreement, (C) no decision, order or similar ruling shall have been issued (and remain in effect) restraining or enjoining the transactions contemplated by this Agreement; and (D) from the date hereof to the date of Closing, there shall not have occurred any change, event, occurrence, fact condition, development or effect that, individually or in the aggregate, has had, or is reasonably likely to have, a material adverse effect upon the business, assets, operations, properties, financial position, results of operations, prospects or liabilities of the Company or any adverse effect upon the consummation of this Agreement or any of the transactions contemplated hereby.

Section 4.02. Company's Conditions to Closing. The Company's obligations to exchange the Note for the Shares shall be subject to (A) the representations and warranties of Holder contained in this Agreement shall be true and correct as of the Closing as though made on and as of the Closing Date, (B) the Holder having delivered the Note in accordance with Section 2.02 hereof, (C) the Holder shall have performed all of its obligations and covenants under this Agreement, (D) no decision, order or similar ruling shall have been issued (and remain in effect) restraining or enjoining the transactions contemplated by this Agreement; and (E) from the date hereof to the date of Closing, there shall not have occurred any change, event, occurrence, fact condition, development or effect that, individually or in the aggregate, has had, or is reasonably likely to have, a material adverse effect upon the business, assets, operations, properties, financial position, results of operations, prospects or liabilities of the Company or any adverse effect upon the consummation of this Agreement or any of the transactions contemplated hereby.

ARTICLE V - INDEMNIFICATION

Section 5.01. Indemnification by the Holder. The Holder agrees to indemnify and hold the Company Indemnified Persons (as defined below) harmless from any and all Losses (as defined below) (including taxes) that the Company Indemnified Persons may incur due to:

- (a) any inaccuracy or breach of any of the representations and warranties given by the Holder herein; or
- (b) the nonfulfillment or breach of any covenant, undertaking, agreement or other obligation of the Holder contained herein.

Section 5.02. Indemnification by the Company. The Company agrees to indemnify and hold the Holder Indemnified Person harmless from any and all Losses (including Taxes) that the Holder Indemnified Person may incur due to:

- (a) any inaccuracy or breach of any of the representations and warranties of the Company contained herein; or

(b) the nonfulfillment or breach of any covenant, undertaking, agreement or other obligation of the Company contained herein.

Section 5.03. Survival of Indemnification. The representations and warranties of the parties contained in this Agreement and the rights to indemnification under this Agreement with respect thereto will survive the Closing Date for a period of twelve (12) months after the Closing Date.

Section 5.04. Third Party Claims.

(a) A party entitled to indemnification hereunder (an “Indemnified Party”) shall notify promptly the indemnifying party (the “Indemnifying Party”) in writing of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Agreement; provided, however, that the failure of any Indemnified Party to provide such notice shall not relieve the Indemnifying Party of its obligations under this Agreement, except to the extent the Indemnifying Party is actually materially prejudiced thereby. In case any claim, action or proceeding is brought against an Indemnified Party and the Indemnified Party notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party shall be entitled to participate therein and to assume the defense thereof, to the extent that it chooses, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party that it so chooses, the Indemnifying Party shall not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation; provided, however, that (i) if the Indemnifying Party fails to take reasonable steps necessary to defend diligently the action or proceeding within twenty (20) calendar days after receiving notice from such Indemnified Party that the Indemnified Party believes it has failed to do so; or (ii) if such Indemnified Party who is a defendant in any claim or proceeding which is also brought against the Indemnifying Party reasonably shall have concluded that there may be one or more legal defenses available to such Indemnified Party which are not available to the Indemnifying Party; or (iii) if representation of both parties by the same counsel is otherwise inappropriate under applicable standards of professional conduct, then, in any such case, the Indemnified Party shall have the right to assume or continue its own defense as set forth above (but with no more than one firm of counsel for all Indemnified Parties in each jurisdiction), and the Indemnifying Party shall be liable for any expenses therefor.

(b) No Indemnifying Party shall, without the written consent of the Indemnified Party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification may be sought hereunder (whether or not the Indemnified Party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the Indemnified Party from all liability arising out of such action or claim, (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Indemnified Party and (iii) does not include any injunctive or other non-monetary relief.

Section 5.05. Notwithstanding anything herein to the contrary, no reimbursement for Losses asserted against Indemnifying Party under this Agreement shall be required unless and

until the cumulative aggregate amount of such Losses equals or exceeds \$25,000 and then from the first dollar of such Losses, as finally determined up to a maximum of such amount that is equal to the Purchase Price.

Section 5.06. For purposes of this Section 5, “Company Indemnified Persons” means the Company, its affiliates and their respective stockholders, partners, members, managers, directors, officers, employees, agents, affiliates, representatives and consultants and each of their respective heirs, executors, owners, successors and assigns.

Section 5.07. For purposes of this Section 5, “Holder Indemnified Persons” means the Holder, its affiliates and their respective stockholders, partners, members, managers, directors, officers, employees, agents, affiliates, representatives and consultants and each of their respective heirs, executors, owners, successors and assigns.

Section 5.08. For purposes of this Section 5, “Losses” means any and all liabilities, obligations, losses, debts, charges, judgments, fines, penalties, amounts paid in settlement, damages, costs, expenses, claims, fees and expenses (including the expense of investigation and reasonable attorneys’ fees and expenses in connection therewith).

ARTICLE VI - MISCELLANEOUS

Section 6.01. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

Section 6.02. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties hereto with regard to the subject matter hereof and supersedes all prior agreements with respect thereto.

Section 6.03. Effectiveness; Amendments. This Agreement shall not become effective and binding on a party hereto unless and until a counterpart signature page to this Agreement has been executed and delivered by such party. Once effective, this Agreement may not be modified, amended or supplemented, nor may any of the conditions to Closing be waived, except in a writing signed by the Company and the Holder.

Section 6.04. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 6.05. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same Agreement. Delivery of an executed signature page of this Agreement by telecopier or e-mail shall be effective as delivery of a manually executed signature page of this Agreement.

Section 6.06. Headings. The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not affect the interpretation hereof.

Section 6.07. Governing Law; Jurisdiction. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflict of laws of the State of New York. The parties hereby irrevocably submit to the non-exclusive jurisdiction of any federal or state court located within the borough of Manhattan of the City, County and State of New York over any dispute arising out of or relating to this Agreement or any of the transactions contemplated hereby. The parties hereby irrevocably waive, to the fullest extent permitted by applicable law, jury trial and any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

Section 6.08. Notices. All demands, notices, requests, consents and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, telecopy, or if duly deposited in the mails, by certified or registered mail, postage prepaid-return receipt requested, to the following addresses, or such other addresses as may be furnished hereafter by notice in writing, to the following parties:

(a) If to the Company, to:

Ameri Holdings, Inc.
100 Canal Pointe Blvd., Suite 108
Princeton, NJ 08540
Attention: Giri Devanur, President & Chief Executive Officer

with a copy to (which copy shall not constitute notice):

Olshan Frome Wolosky LLP
1325 Avenue of the Americas
New York, New York 10022
Facsimile No.: (212) 451-2222
Attn: Adam W. Finerman, Esq.

(b) If to the Holder, to:

Lone Star Value Investors, LP
53 Forest Avenue, 1st Floor
Old Greenwich, Connecticut 06870
Telephone: (203) 489-9500
Fax: (203) 990-0727
Attention: Mr. Jeffrey E. Eberwein, Manager
and
Ms. Hannah Bible, General Counsel

Section 6.09. Specific Performance. Each party hereto recognizes and acknowledges that a breach by it of any covenants or agreements contained in this Agreement will cause the

other party to sustain damages for which such party would not have an adequate remedy at law for money damages, and therefore each party hereto agrees that in the event of any such breach the other party may seek the remedy of specific performance of such covenants and agreements and injunctive and other equitable relief (without the requirement to post bond or other security) in addition to any other remedy to which such party may be entitled, at law or in equity.

Section 6.10. Remedies Cumulative. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power or remedy thereof by any party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such party.

Section 6.11. No Waiver. The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by the other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

Section 6.12. No Third Party Beneficiaries. This Agreement is not intended to be for the benefit of, and shall not be enforceable by, any person who or which is not a party hereto.


Section 6.13. Representation by Counsel. The Holder acknowledges that Olshan Frome Wolosky LLP represents the Company and does not, and did not, represent the Holder in connection with this Agreement and the Exchange. Each of the Company and the Holder acknowledges that it has been represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would provide any party with a defense to the enforcement of the terms of this Agreement against such party based upon lack of legal counsel shall have no application and is expressly waived.

[Signature Pages Follow]

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

COMPANY:

AMERI HOLDINGS, INC.

By: 
Name: G. V. Devanur
Title: President and Chief Executive Officer

HOLDER:

LONE STAR VALUE INVESTORS, LP
By: Lone Star Value Investors GP, LLC,
General Partner

By: _____
Name: Jeffrey E. Eberwein
Title: Manager

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

COMPANY:

AMERI HOLDINGS, INC.

By: _____

Name: Giri Devanur
Title: President and Chief Executive Officer

HOLDER:

LONE STAR VALUE INVESTORS, LP
By: Lone Star Value Investors GP, LLC,
General Partner

By: _____



Name: Jeffrey E. Eberwein
Title: Manager

Exhibit A
Certificate of Designations

Delaware

The First State

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I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF DESIGNATION OF "AMERI HOLDINGS, INC.", FILED IN THIS OFFICE ON THE THIRTIETH DAY OF DECEMBER, A.D. 2016, AT 11:06 O`CLOCK A.M.

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



2382235 8100
SR# 20167345259

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", is written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

Authentication: 203613591
Date: 12-30-16

AMERI HOLDINGS, INC.

CERTIFICATE OF DESIGNATION OF RIGHTS AND PREFERENCES

9.00% SERIES A CUMULATIVE PREFERRED STOCK

(Pursuant to Section 151 of the General Corporation Law of the State of Delaware)

Ameri Holdings, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware, as amended (the "*DGCL*"), in accordance with Section 151 of the DGCL, does hereby certify that:

1. The name of the corporation is Ameri Holdings, Inc. (the "*Corporation*").
2. The original Certificate of Incorporation of the Corporation (as may be amended from time to time, the "*Certificate of Incorporation*") was filed with the Secretary of State of the State of Delaware on February 28, 1994.
3. Pursuant to the authority conferred upon the Board of Directors of the Corporation by the Certificate of Incorporation, as amended, and pursuant to the provisions of Sections 103 and 151(g) of the DGCL, said Board of Directors, on December 30, 2016, adopted a resolution establishing the rights, preferences, privileges and restrictions of, and the number of shares comprising, the Corporation's 9.00% Series A Cumulative Preferred Stock, which resolution is as follows:

RESOLVED, that, pursuant to authority given by Article IV of the Certificate of Incorporation, as amended (which authorized 1,000,000 shares of preferred stock, par value \$0.01 per share), a new series of preferred stock in the Corporation, having the rights, preferences, privileges and restrictions, and the number of shares constituting such series and the designation of such series, set forth below be, and it hereby is, authorized by the Board of Directors of the Corporation as follows:

Section 1. Number of Shares and Designation. This series of Preferred Stock shall be designated as 9.00% Series A Cumulative Preferred Stock, par value \$0.01 per share (the "*Series A Preferred Stock*"), and the number of shares that shall constitute such series shall be 700,000.

Section 2. Definitions. For purposes of the Series A Preferred Stock and as used in this Certificate, the following terms shall have the meanings indicated:

"Ameri Board" shall mean the board of directors of the Corporation or any committee of members of the board of directors authorized by such board to perform any of its responsibilities with respect to the Series A Preferred Stock.

"Business Day" shall mean any day other than a Saturday, Sunday or a day on which state or federally chartered banking institutions in New York, New York are not required to be open.

"Bylaws" shall mean the amended and restated bylaws of the Corporation, as may be amended from time to time.

"Call Date" shall mean the date fixed for redemption of the Series A Preferred Stock and specified in the notice to holders required under paragraph (e) of Section 5 hereof as the Call Date.

"Certificate" shall mean this Certificate of Designations of Rights and Preferences of the Series A Preferred Stock.

"Change of Control" shall mean when, after the original issuance of the Series A Preferred Stock, the following have occurred and are continuing (i) the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of shares of stock of the Corporation entitling that person to exercise more than 50% of the total voting power of all shares of stock of the Corporation entitled to vote generally in elections of directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition), and (ii) following the closing of any transaction referred to in (i) above, neither the Corporation nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the OTCQB Marketplace or any national securities exchange or national securities market.

"Common Shares" shall mean the shares of common stock, \$0.01 par value, of the Corporation.

"Dividend Default" shall have the meaning set forth in paragraph (b) of Section 3 hereof.

"Dividend Payment Date" shall have the meaning set forth in paragraph (a) of Section 3 hereof.

"Dividend Periods" shall mean quarterly dividend periods commencing on the first day of each of January, May, July and October and ending on and including the day preceding the first day of the next succeeding Dividend Period; provided, however, that any Dividend Period during which any Series A Preferred Stock shall be redeemed pursuant to Section 5 hereof shall end on but shall not include the Call Date only with respect to the Series A Preferred Stock being redeemed.

"Dividend Rate" shall mean the dividend rate accruing on the Series A Preferred Stock, as applicable from time to time pursuant to the terms hereof.

"Dividend Record Date" shall have the meaning set forth in paragraph (a) of Section 3 hereof.

"Exchange Act" shall mean the U.S. Securities Exchange Act of 1934, as amended.

“Junior Shares” shall have the meaning set forth in paragraph (a)(iii) of Section 7 hereof.

“Parity Shares” shall have the meaning set forth in paragraph (b) of Section 7 hereof.

“Penalty Rate” shall mean 11.00% per annum.

“Person” shall mean any individual, firm, partnership, limited liability company, corporation or other entity, and shall include any successor (by merger or otherwise) of such entity.

A **“Quarterly Dividend Default”** shall occur if the Corporation fails to pay dividends on the Series A Preferred Stock in full for any Dividend Period.

“SEC” shall have the meaning set forth in Section 9 hereof.

“Securities Act” shall mean the U.S. Securities Act of 1933, as amended.

“Senior Shares” shall have the meaning set forth in paragraph (a) of Section 7 hereof.

“Series A Preferred Stock” shall have the meaning set forth in Section 1 hereof.

“set apart for payment” shall be deemed to include, without any further action, the following: the recording by the Corporation in its accounting ledgers of any accounting or bookkeeping entry that indicates, pursuant to an authorization by the Ameri Board and a declaration of dividends or other distribution by the Corporation, the initial and continued allocation of funds to be so paid on any series or class of shares of stock of the Corporation; provided, however, that if any funds for any class or series of Junior Shares or any class or series of Parity Shares are placed in a separate account of the Corporation or delivered to a disbursing, paying or other similar agent, then “set apart for payment” with respect to the Series A Preferred Stock shall mean irrevocably placing such funds in a separate account or irrevocably delivering such funds to a disbursing, paying or other similar agent.

“Stated Rate” shall mean 9.00% per annum.

“Transfer Agent” means Corporate Stock Transfer, or such other agent or agents of the Corporation as may be designated by the Ameri Board or its duly authorized designee as the transfer agent, registrar and dividend disbursing agent for the Series A Preferred Stock.

“Voting Preferred Shares” shall have the meaning set forth in Section 8 hereof.

“Voting Stock” shall mean stock of any class or kind having the power to vote generally for the election of directors.

Section 3. Dividends.

(a) Holders of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Ameri Board or a duly authorized committee thereof, in its sole discretion, out of

funds of the Corporation legally available for the payment of distributions, cumulative preferential cash dividends at a rate per annum equal to the Dividend Rate multiplied by \$50.00 per share stated liquidation preference of the Series A Preferred Stock (equivalent to a fixed annual amount of \$4.50 per share); provided, however, dividends may be paid in-kind through the issuance of additional shares to Holders of Series A Preferred Stock at a rate per annum equal to the Penalty Rate multiplied by \$50.00, at the sole option of the Corporation, for up to four Dividend Periods in any consecutive 36-month period, determined on a rolling basis. Except as otherwise provided in paragraphs (b) and (c) of this Section 3, the Dividend Rate shall be equal to the Stated Rate. Such dividends shall accrue and accumulate, whether or not earned or declared, on each issued and outstanding share of the Series A Preferred Stock from (and including) the original date of issuance of such share and shall be payable quarterly in arrears on the last calendar day of each Dividend Period except for Series A Preferred Stock issued during December 2016, for which an initial partial dividend payment for dividends accrued in December 2016 shall be payable at the end of the first full Dividend Period (each such day being hereinafter called a “*Dividend Payment Date*”); provided, that (i) Series A Preferred Stock issued during any Dividend Period after the Dividend Record Date for such Dividend Period shall only begin to accrue dividends on the first day of the next Dividend Period; and provided, further, that (ii) if any Dividend Payment Date is not a Business Day, then the dividend that would otherwise have been payable on such Dividend Payment Date (if declared) may be paid on the next succeeding Business Day with the same force and effect as if paid on such Dividend Payment Date, and no interest or additional dividends or other sums shall accrue on the amount so payable from such Dividend Payment Date to such next succeeding Business Day. Any dividend payable on the Series A Preferred Stock for any partial Dividend Period shall be prorated and computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends shall be payable to holders of record as they appear in the stock records of the Corporation at the close of business on the applicable record date, which shall be the fifteenth day of the month in which the applicable Dividend Payment Date occurs, or such other date designated by the Ameri Board or an officer of the Corporation duly authorized by the Ameri Board for the payment of dividends that is not more than 30 nor less than ten days prior to such Dividend Payment Date (each such date, a “*Dividend Record Date*”).

(b) Upon the occurrence of six accumulated, accrued and unpaid Quarterly Dividend Defaults, whether consecutive or non-consecutive (a “*Dividend Default*”), then:

(i) the Dividend Rate shall increase to the Penalty Rate, commencing on the first day after the Dividend Payment Date on which a Dividend Default occurs and for each subsequent Dividend Payment Date thereafter until such time as the Corporation has paid all accumulated accrued and unpaid dividends on the Series A Preferred Stock in full and has paid accrued dividends for all Dividend Periods during the two most recently completed Quarterly Dividend Periods in full, at which time the Dividend Rate shall revert to the Stated Rate;

(ii) when the Dividend Default is cured and the Dividend Rate reverts to the Stated Rate, a second Dividend Default shall not occur until the Corporation has an additional six accumulated, accrued and unpaid Quarterly Dividend Defaults, whether consecutive or non-consecutive after the initial default is cured; and

(iii) until such time as the Dividend Rate reverts to the Stated Rate pursuant to subparagraph (i) of this paragraph (b) the holders of Series A Preferred Stock will have the voting rights described in Section 8 hereof.

(c) No dividend on the Series A Preferred Stock will be declared by the Corporation or paid or set apart for payment by the Corporation at such time as the terms and provisions of Senior Shares or any agreement of the Corporation, including any agreement relating to its indebtedness, prohibit such declaration, payment or setting apart for payment or provide that such declaration, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such declaration, payment or setting aside of funds is restricted or prohibited under the DGCL or other applicable law; provided, however, notwithstanding anything to the contrary contained herein, dividends on the Series A Preferred Stock shall continue to accrue and accumulate regardless of whether: (i) any or all of the foregoing restrictions exist; (ii) the Corporation has earnings or profits; (iii) there are funds legally available for the payment of such dividends; or (iv) such dividends are authorized by the Ameri Board. Accrued and unpaid dividends on the Series A Preferred Stock will accumulate as of the Dividend Payment Date on which they first become payable or on the date of redemption of the Series A Preferred Stock, as the case may be.

(d) Except as provided in the next sentence, if any Series A Preferred Stock is outstanding, no dividends will be declared or paid or set apart for payment on any Parity Shares or Junior Shares, unless all accumulated accrued and unpaid dividends are contemporaneously declared and paid in cash or declared and a sum of cash sufficient for the payment thereof set apart for such payment on the Series A Preferred Stock for all past Dividend Periods with respect to which full dividends were not paid on the Series A Preferred Stock in cash. When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart for payment) upon the Series A Preferred Stock and upon all Parity Shares, all dividends declared, paid or set apart for payment upon the Series A Preferred Stock and all such Parity Shares shall be declared and paid pro rata or declared and set apart for payment pro rata so that the amount of dividends declared per share of Series A Preferred Stock and per share of such Parity Shares shall in all cases bear to each other the same ratio that accumulated dividends per share of Series A Preferred Stock and such other Parity Shares (which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if such other Parity Shares do not bear cumulative dividends) bear to each other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on Series A Preferred Stock which may be in arrears, whether at the Stated Rate or at the Penalty Rate.

(e) Except as provided in paragraph (d) of this Section 3, unless all accumulated accrued and unpaid dividends on the Series A Preferred Stock are contemporaneously declared and paid in cash or declared and a sum of cash sufficient for the payment thereof is set apart for payment for all past Dividend Periods with respect to which full dividends were not paid on the Series A Preferred Stock, no dividends (other than in Common Stock or Junior Shares ranking junior to the Series A Preferred Stock as to dividends and upon liquidation) may be declared or paid or set apart for payment upon the Common Stock or any Junior Shares or Parity Shares, nor shall any Common Stock or any Junior Shares or Parity Shares be redeemed, purchased or otherwise acquired directly or indirectly for any consideration (or any monies be paid to or made available for a sinking fund for the redemption of any such stock) by the Corporation (except by

conversion into or exchange for Junior Shares or by redemption, purchase or acquisition of stock under any employee benefit plan of the Corporation).

(f) Holders of Series A Preferred Stock shall not be entitled to any dividend in excess of all accumulated accrued and unpaid dividends on the Series A Preferred Stock as described in this Section 3. Any dividend payment made on the Series A Preferred Stock shall first be credited against the earliest accumulated accrued and unpaid dividend due with respect to such shares which remains payable at the time of such payment.

Section 4. Liquidation Preference.

(a) Subject to the rights of the holders of Senior Shares and Parity Shares, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, before any payment or distribution of the assets of the Corporation (whether capital or surplus) shall be made to or set apart for the holders of Junior Shares, as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation, each holder of the Series A Preferred Stock shall be entitled to receive an amount of cash equal to \$50.00 per share of Series A Preferred Stock plus an amount in cash equal to all accumulated accrued and unpaid dividends thereon (whether or not earned or declared) to the date of final distribution to such holders. If, upon any liquidation, dissolution or winding up of the Corporation, the assets of the Corporation, or proceeds thereof, distributable among the holders of the Series A Preferred Stock shall be insufficient to pay in full the preferential amount aforesaid and liquidating payments on any other shares of any class or series of Parity Shares as to the distribution of assets on any liquidation, dissolution or winding up of the Corporation, then such assets, or the proceeds thereof, shall be distributed among the holders of Series A Preferred Stock and any such other Parity Shares ratably in accordance with the respective amounts that would be payable on such Series A Preferred Stock and any such other Parity Shares if all amounts payable thereon were paid in full. For the purposes of this Section 4, none of (i) a consolidation or merger of the Corporation with one or more corporations or other entities, (ii) a sale, lease or transfer of all or substantially all of the Corporation's assets or (iii) a statutory share exchange shall be deemed to be a liquidation, dissolution or winding up, voluntary or involuntary, of the Corporation.

(b) Written notice of any such liquidation, dissolution or winding up of the Corporation, stating the payment date or dates when, and the place or places where, the amounts distributable in such circumstances shall be payable, shall be given by first class mail, postage pre-paid, not less than 30 nor more than 60 days prior to the payment date stated therein, to each record holder of the Series A Preferred Stock at the respective address of such holders as the same shall appear on the stock transfer records of the Corporation.

Subject to the rights of the holders of Senior Shares and Parity Shares upon liquidation, dissolution or winding up, upon any liquidation, dissolution or winding up of the Corporation, after payment shall have been made in full to the holders of the Series A Preferred Stock, as provided in this Section 4, any other series or class or classes of Junior Shares shall, subject to the respective terms and provisions (if any) applying thereto, be entitled to receive any and all assets remaining to be paid or distributed, and the holders of the Series A Preferred Stock shall not be entitled to share therein.

Section 5. Redemption.

(a) **Optional Redemption Right.** The Series A Preferred Stock shall not be redeemable by the Corporation prior to December 31, 2017, except following a Change of Control as provided in paragraph (c) of this Section 5. On and after December 31, 2017, the Corporation may redeem the Series A Preferred Stock, in whole at any time or from time to time in part, at the option of the Corporation, for cash, at a redemption price of \$50.00 per share of Series A Preferred Stock, plus the amounts indicated in paragraph (d) of this Section 5.

(b) **Partial Redemption.** If fewer than all of the outstanding shares of Series A Preferred Stock are to be redeemed pursuant to the Optional Redemption Right, the shares to be redeemed shall be selected pro rata (as nearly as practicable without creating fractional shares) or by lot or in such other equitable method prescribed by the Corporation.

(c) **Special Optional Redemption Right.** At any time following a Change of Control, the Corporation will have the option, upon giving notice as provided in Section 12 hereof, to redeem the Series A Preferred Stock, in whole, at any time, or in part, from time to time, within 120 days after the first date on which the Change of Control has occurred (the "***Change of Control Redemption Right***"), for cash at a redemption price of \$50.00 per share, plus any accumulated and unpaid dividends on the Series A Preferred Stock as provided in paragraph (d) of this Section 5 (whether or not declared, unless the redemption date is after a record date for a Series A Preferred Stock dividend payment and prior to the corresponding Dividend Payment Date, in which case no amount for such accumulated and unpaid dividend will be paid upon redemption and such accumulated and unpaid dividend will be paid to the holder of record), to, but not including, the redemption date.

(d) **Unpaid Dividend.** Upon any redemption of Series A Preferred Stock pursuant to this Section 5, the Corporation shall, subject to the next sentence, pay any accumulated accrued and unpaid dividends in arrears for any Dividend Period ending on or prior to the Call Date. If the Call Date falls after a Dividend Record Date and prior to the corresponding Dividend Payment Date, then each holder of Series A Preferred Stock at the close of business on such Dividend Record Date shall be entitled to the dividend payable on such shares on the corresponding Dividend Payment Date notwithstanding the redemption of such shares before such Dividend Payment Date. Except as provided above, the Corporation shall make no payment or allowance for unpaid dividends, whether or not in arrears, on Series A Preferred Stock called for redemption.

(e) **Additional Limitation on Redemption.** If all accumulated accrued and unpaid dividends on the Series A Preferred Stock and any other class or series of Parity Shares of the Corporation have not been paid in cash (or, with respect to any Parity Shares, in Parity Shares), declared and set apart for payment in cash (or, with respect to any Parity Shares, in Parity Shares), then the Series A Preferred Stock shall not be redeemed under this Section 5 in part and the Corporation shall not purchase or acquire any shares of Series A Preferred Stock, otherwise than (i) pursuant to a purchase or exchange offer made on the same terms to all holders of Series A Preferred Stock and Parity Shares or (ii) in exchange for Junior Shares.

(f) **Redemption Procedures.** Notice of the redemption of any Series A Preferred Stock under this Section 5 shall be mailed by first class mail to each holder of record of Series A Preferred Stock to be redeemed at the address of each such holder as shown on the Corporation's records, not less than 30 nor more than 60 days prior to the Call Date. Neither the failure to mail any notice required by this paragraph (f), nor any defect therein or in the mailing thereof, to any particular holder, shall affect the sufficiency of the notice or the validity of the proceedings for redemption with respect to the other holders. Any notice mailed in the manner herein provided shall be conclusively presumed to have been duly given on the date mailed whether or not the holder receives the notice. Each such mailed notice shall state, as appropriate: (1) the Call Date; (2) the number of shares of Series A Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price per share of Series A Preferred Stock (determined as set forth in paragraph (a) or (c) of this Section 5, as applicable) plus accumulated accrued and unpaid dividends through the Call Date (determined as set forth in paragraph (d) of this Section 5); (4) if any shares are represented by certificates, the place or places at which certificates for such shares are to be surrendered; (5) that dividends on the shares to be redeemed shall cease to accrue on such Call Date except as otherwise provided herein; and (6) any other information required by law or by the applicable rules of any exchange or national securities market upon which the Series A Preferred Stock may be listed or admitted for trading. Notice having been mailed as aforesaid, from and after the Call Date (unless the Corporation shall fail to make available an amount of cash necessary to effect such redemption), (i) except as otherwise provided herein, dividends on the Series A Preferred Stock so called for redemption shall cease to accrue, (ii) said shares shall no longer be deemed to be outstanding, and (iii) all rights of the holders thereof as holders of Series A Preferred Stock shall cease (except the right to receive cash payable upon such redemption, without interest thereon, upon surrender and endorsement of their certificates if so required and to receive any dividends payable thereon).

(g) **Set Asides.** The Corporation's obligation to provide cash in accordance with the preceding subsection shall be deemed fulfilled if, on or before the Call Date, the Corporation shall irrevocably deposit funds necessary for such redemption, in trust, with a bank or trust company that has, or is an affiliate of a bank or trust company that has, capital and surplus of at least \$50 million, with irrevocable instructions that such cash be applied to the redemption of the Series A Preferred Stock so called for redemption, in which case the notice to holders of the Series A Preferred Stock will (i) state the date of such deposit, (ii) specify the office of such bank or trust company as the place of payment of the redemption price and (iii) require such holders to surrender the certificates, if any, representing such shares at such place on or about the date fixed in such redemption notice (which may not be later than the Call Date) against payment of the redemption price (including all accumulated accrued and unpaid dividends to the Call Date, determined as set forth in paragraph (d) of this Section 5). No interest shall accrue for the benefit of the holders of Series A Preferred Stock to be redeemed on any cash so set aside by the Corporation. Subject to applicable escheat laws, any such cash unclaimed at the end of six months from the Call Date shall revert to the general funds of the Corporation after which reversion the holders of such shares so called for redemption shall look only to the general funds of the Corporation for the payment of such cash.

(h) **Surrender and Payment.** As promptly as practicable after the surrender in accordance with said notice of the certificates, if any, for any such shares so redeemed (properly endorsed or

assigned for transfer, if the Corporation shall so require and if the notice shall so state), such shares shall be exchanged for any cash (without interest thereon) for which such shares have been redeemed. If fewer than all the outstanding shares of Series A Preferred Stock are to be redeemed, shares to be redeemed shall be selected by the Corporation from outstanding shares of Series A Preferred Stock not previously called for redemption by lot or pro rata (as nearly as may be) or by any other method determined by the Corporation in its sole discretion to be equitable. If fewer than all the shares of Series A Preferred Stock represented by any certificate are redeemed, then new certificates representing the unredeemed shares shall be issued without cost to the holder thereof.

Section 6. Status of Acquired Shares. All shares of Series A Preferred Stock issued and redeemed by the Corporation in accordance with Section 5 hereof, or otherwise acquired by the Corporation, shall be restored to the status of authorized but unissued shares of undesignated Preferred Stock of the Corporation.

Section 7. Ranking. Any class or series of shares of stock of the Corporation shall be deemed to rank:

(a) prior to the Series A Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon liquidation, dissolution or winding up, as the case may be, in preference or priority to the holders of Series A Preferred Stock ("**Senior Shares**");

(b) on a parity with the Series A Preferred Stock, as to the payment of dividends and as to distribution of assets upon liquidation, dissolution or winding up, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share thereof be different from those of the Series A Preferred Stock, if the holders of such class or series and the Series A Preferred Stock shall be entitled to the receipt of dividends and of amounts distributable upon liquidation, dissolution or winding up in proportion to their respective amounts of accrued and unpaid dividends per share or liquidation preferences, without preference or priority one over the other ("**Parity Shares**"); and

(c) junior to the Series A Preferred Stock, as to the payment of dividends and as to the distribution of assets upon liquidation, dissolution or winding up, if such class or series shall be the Common Shares or any other class or series of shares of stock of the Corporation now or hereafter issued and outstanding over which the Series A Preferred Stock have preference or priority in the payment of dividends and in the distribution of assets upon any liquidation, dissolution or winding up of the Corporation ("**Junior Shares**").

Section 8. Voting Rights.

(a) The Series A Preferred Stock shall have no voting rights, except as set forth in this Section 8. In the circumstances identified in paragraph (b) of Section 3 hereof, the number of directors then constituting the Ameri Board shall increase by at least two, if not already increased by reason of similar types of provisions with respect to Parity Shares which are entitled to similar voting rights, and the holders of Series A Preferred Stock, together with the holders of shares of

every other series of Parity Shares upon which like voting rights have been conferred and are exercisable (any such other series, the "*Voting Preferred Shares*"), voting together as a single class regardless of series, shall be entitled to elect two directors. Such directors shall be elected at any annual meeting of stockholders or special meeting held in place thereof, or at a special meeting of the holders of the Series A Preferred Stock and the Voting Preferred Shares called as provided in paragraph (b) of this Section 8; in each instance in accordance with the Bylaws. Such voting rights shall continue until terminated as provided in paragraph (b) of Section 3 hereof, as applicable, whereupon the terms of all persons elected as directors to the Ameri Board by the holders of the Series A Preferred Stock and the Voting Preferred Shares shall terminate effective immediately and the number of directors constituting the Ameri Board shall decrease accordingly.

(b) At any time after the voting power conferred in paragraph (a) of this Section 8 shall have been so vested in the holders of Series A Preferred Stock and the Voting Preferred Shares, the Secretary of the Corporation may, and upon the written request of any holder of Series A Preferred Stock (addressed to the Secretary at the principal office of the Corporation) shall, call a special meeting of the holders of the Series A Preferred Stock and of the Voting Preferred Shares for the election of the two directors to be elected by them to the Ameri Board as herein provided, such call to be made by notice similar to that provided in the Bylaws of the Corporation for a special meeting of the stockholders or as required by law. If any such special meeting required to be called as above provided shall not be called by the Secretary within 75 days after receipt of any such request, then any holder of Series A Preferred Stock may call such meeting, upon the notice above provided, and for that purpose shall have access to the share records of the Corporation for the Series A Preferred Stock and Voting Preferred Shares. The directors elected at any such special meeting shall hold office until the next annual meeting of stockholders or special meeting held in lieu thereof if such term shall not have previously terminated as above provided. If any vacancy shall occur among the directors elected by holders of Series A Preferred Stock and holders of the Voting Preferred Shares, a successor shall be elected by the Board of Directors, upon the nomination of the then-remaining director elected by holders of Series A Preferred Stock and holders of the Voting Preferred Shares or the successor of such remaining director, to serve until the next annual meeting of stockholders or special meeting held in place thereof if such term shall not have previously terminated as above provided.

(c) So long as any shares of Series A Preferred Stock are outstanding, the affirmative vote of the holders of at least two-thirds of the Series A Preferred Stock and the Voting Preferred Shares at the time outstanding, acting as a single class regardless of series, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Any amendment, alteration or repeal of any of the provisions of the Certificate of Incorporation or this Certificate that materially and adversely affects the rights, preferences or voting power of the Series A Preferred Stock or the Voting Preferred Shares; provided, however, that the amendment of the provisions of the Certificate of Incorporation so as to authorize or create, or to increase the authorized amount of, the Series A Preferred Stock, any Parity Shares or any Junior Shares shall not be deemed to materially or adversely affect the rights, preferences or voting power of the Series A Preferred Stock or the Voting Preferred Shares;

(ii) A statutory share exchange that affects the Series A Preferred Stock, a consolidation with or merger of the Corporation into another entity, or a consolidation with or merger of another entity into the Corporation, unless in each such case each share of Series A Preferred Stock (i) shall remain outstanding without a material and adverse change to its terms, voting powers, preferences and rights or (ii) shall be converted into or exchanged for preferred shares of the surviving entity having preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or distributions, qualifications and terms or conditions of redemption thereof identical to that of a share of Series A Preferred Stock (except for changes that do not materially and adversely affect the Series A Preferred Stock); or

(iii) The authorization, reclassification or creation of, or the increase in the authorized amount of, any shares of any class or any security convertible into or exchangeable for shares of any class ranking prior to the Series A Preferred Stock or the Voting Preferred Shares in the distribution of assets on any liquidation, dissolution or winding up of the Corporation or in the payment of dividends;

provided, however, that no such vote of the holders of Series A Preferred Stock shall be required on or after December 31, 2017, or in connection with a Change of Control if, at or prior to the time when such amendment, alteration, repeal, share exchange, consolidation or merger is to take effect, or when the issuance of any such prior shares or convertible security is to be made, as the case may be, a deposit is made for the redemption in cash of all shares of Series A Preferred Stock at the time outstanding as provided in paragraph (e) of Section 5 hereof for a redemption price determined under the appropriate paragraph of Section 5 hereof.

For purposes of paragraphs (c) and (d) of this Section 8, each share of Series A Preferred Stock shall have one vote per share, except that when any other series of Voting Preferred Shares shall have the right to vote with the Series A Preferred Stock as a single class on any matter, then the Series A Preferred Stock and such other series shall have with respect to such matters one vote per \$50.00 of stated liquidation preference. Except as set forth herein, the Series A Preferred Stock shall not have any relative, participating, optional or other special voting rights and powers other than as set forth herein, and the consent of the holders thereof shall not be required for the taking of any corporate action.

No amendment to these terms of the Series A Preferred Stock shall require the vote of the holders of Common Stock (except as required by law) or any series of Preferred Stock other than the Voting Preferred Shares.

Section 9. Information Rights. During any period in which the Corporation is not subject to Section 13 or 15(d) of the Exchange Act and any shares of Series A Preferred Stock are outstanding, the Corporation shall (a) transmit by mail to all holders of Series A Preferred Stock, as their names and addresses appear in the Corporation's record books and without cost to such holders, copies of the annual reports and quarterly reports that the Corporation would have been required to file with the Securities and Exchange Commission (the "*SEC*") pursuant to Section 13 or 15(d) of the Exchange Act if the Corporation was subject to such sections (other than any exhibits that would have been required); and (b) promptly upon written request, supply copies of such reports to any prospective holder of Series A Preferred Stock. The Corporation

shall mail the reports to the holders of Series A Preferred Stock within 15 days after the respective dates by which the Corporation would have been required to file the reports with the SEC if the Corporation were then subject to Section 13 or 15(d) of the Exchange Act, assuming the Corporation is a “*non-accelerated filer*” in accordance with the Exchange Act.

Section 10. Record Holders. The Corporation and the Transfer Agent shall deem and treat the record holder of any shares of Series A Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Corporation nor the Transfer Agent shall be affected by any notice to the contrary.

Section 11. Sinking Fund. The Series A Preferred Stock shall not be entitled to the benefits of any retirement or sinking fund.

Section 12. Conversion; Additional Shares of Series A Preferred Stock. The shares of Series A Preferred Stock are not convertible into or exchangeable for any other property or securities of the Corporation, except as provided in this Section 12.

(a) Upon the occurrence of a Change of Control, each holder of shares of Series A Preferred Stock shall have the right, unless, prior to the Change of Control Conversion Date, the Corporation has provided or provides notice of its election to redeem the shares of Series A Preferred Stock pursuant to the Redemption Right or Special Optional Redemption Right, to convert some or all of the shares of Series A Preferred Stock held by such holder (the “*Change of Control Conversion Right*”) on the Change of Control Conversion Date into a number of shares of Common Stock per share of Series A Preferred Stock to be converted (the “*Common Stock Conversion Consideration*”) equal to the lesser of (A) the quotient obtained by dividing (i) the sum of (x) the Fifty Dollar (\$50.00) liquidation preference plus (y) the amount of any accumulated and unpaid dividends to, but not including, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a Dividend Record Date and prior to the corresponding Dividend Payment Date, in which case no additional amount for such accumulated and unpaid dividend will be included in such sum) by (ii) the Common Stock Price (as defined below) and (B) 25 (the “*Share Cap*”), subject to certain adjustments for any splits, subdivisions or combinations of our common stock, as described in the immediately succeeding paragraph.

The Share Cap is subject to pro rata adjustments for any stock splits (including those effected pursuant to a Common Stock dividend), subdivisions or combinations (in each case, a “*Stock Split*”) with respect to shares of Common Stock as follows: the adjusted Share Cap as the result of a Stock Split shall be the number of shares of Common Stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Stock Split by (ii) a fraction, the numerator of which is the number of shares of Common Stock outstanding after giving effect to such Stock Split and the denominator of which is the number of shares of Common Stock outstanding immediately prior to such Stock Split.

For the avoidance of doubt, subject to the immediately succeeding sentence, the aggregate maximum number of shares of Common Stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable in connection with the exercise of the Change of Control Conversion Right in respect of the 700,000 shares of Preferred Stock

designated as Series A Preferred Stock and authorized for issuance pursuant hereto is 17,500,000 in total (or equivalent Alternative Conversion Consideration, as applicable) (the “*Exchange Cap*”). The Exchange Cap (i) shall be increased on a pro rata basis with respect to any additional shares of Series A Preferred Stock designated and authorized for issuance pursuant to any subsequent articles supplementary and (ii) is subject to pro rata adjustments for any Stock Splits on the same basis as the corresponding adjustment to the Share Cap.

In the case of a Change of Control pursuant to which shares of Common Stock shall be converted into cash, securities or other property or assets (including any combination thereof) (the “*Alternative Form Consideration*”), a holder of shares of Series A Preferred Stock shall receive upon conversion of such shares of Series A Preferred Stock the kind and amount of Alternative Form Consideration that such holder of shares of Series A Preferred Stock would have owned or been entitled to receive upon the Change of Control had such holder of shares of Series A Preferred Stock held a number of shares of Common Stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the “*Alternative Conversion Consideration*”; and the Common Stock Conversion Consideration or the Alternative Conversion Consideration, as may be applicable to a Change of Control, shall be referred to herein as the “*Conversion Consideration*”).

In the event that holders of shares of Common Stock have the opportunity to elect the form of consideration to be received in the Change of Control, the consideration that the holders of shares of Series A Preferred Stock shall receive shall be the form of consideration elected by the holders of the shares of Common Stock who participate in the determination (based on the weighted average of elections) and shall be subject to any limitations to which all holders of shares of Common Stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in the Change of Control.

The “*Change of Control Conversion Date*” shall be a Business Day set forth in the notice of Change of Control provided in accordance with Section 12(c) below that is no less than 20 days nor more than 35 days after the date on which the Corporation provides such notice pursuant to Section 12(c).

The “*Common Stock Price*” shall be (i) the amount of cash consideration per share of Common Stock, if the consideration to be received in the Change of Control by holders of shares of Common Stock is solely cash, and (ii) the average of the closing prices per share of Common Stock on the OTCQB Marketplace or any national securities exchange or national securities market for the ten consecutive trading days immediately preceding, but not including, the effective date of the Change of Control, if the consideration to be received in the Change of Control by holders of shares of Common Stock is other than solely cash.

(b) No fractional shares of Common Stock shall be issued upon the conversion of shares of Series A Preferred Stock. In lieu of fractional shares, holders shall be entitled to receive the cash value of such fractional shares based on the Common Stock Price.

(c) Within 15 days following the occurrence of a Change of Control, unless the Corporation has provided, prior to the expiration of such 15-day period, notice of its election to redeem the shares of Series A Preferred Stock pursuant to the Optional Redemption Right or

Special Optional Redemption Right, a notice of occurrence of the Change of Control, describing the resulting Change of Control Conversion Right, shall be delivered to the holders of record of the shares of Series A Preferred Stock at their addresses as they appear on the Corporation's stock transfer records and notice shall be provided to the Corporation's transfer agent. No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceedings for the conversion of any shares of Series A Preferred Stock except as to the holder to whom notice was defective or not given. Each notice shall state: (i) the events constituting the Change of Control; (ii) the date of the Change of Control; (iii) the last date on which the holders of shares of Series A Preferred Stock may exercise their Change of Control Conversion Right; (iv) the method and period for calculating the Common Stock Price; (v) the Change of Control Conversion Date, which shall be a Business Day occurring within 20 to 35 days following the date of such notice; (vi) that if, prior to the Change of Control Conversion Date, the Corporation has provided or provides notice of its election to redeem all or any portion of the shares of Series A Preferred Stock, the holder will not be able to convert shares of Series A Preferred Stock and such shares of Series A Preferred Stock shall be redeemed on the related redemption date, even if they have already been tendered for conversion pursuant to the Change of Control Conversion Right; (vii) if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series A Preferred Stock; (viii) the name and address of the paying agent and the conversion agent; and (ix) the procedures that the holders of shares of Series A Preferred Stock must follow to exercise the Change of Control Conversion Right.

(d) The Corporation shall issue a press release for publication on the Dow Jones & Company, Inc., Business Wire, PR Newswire or Bloomberg Business News (or, if such organizations are not in existence at the time of issuance of such press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), or post notice on the Corporation's website, in any event prior to the opening of business on the first Business Day following any date on which the Corporation provides notice pursuant to Section 12(c) above to the holders of shares of Series A Preferred Stock.

(e) In order to exercise the Change of Control Conversion Right, a holder of shares of Series A Preferred Stock shall be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates representing the shares of Series A Preferred Stock, to the extent such shares are certificated, to be converted, duly endorsed for transfer, together with a written conversion notice completed, to the Transfer Agent. Such notice shall state: (i) the relevant Change of Control Conversion Date; (ii) the number of shares of Series A Preferred Stock to be converted; and (iii) that the shares of Series A Preferred Stock are to be converted pursuant to the terms of this Certificate.

(f) Holders of shares of Series A Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to the Corporation's transfer agent prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal must state: (i) the number of withdrawn shares of Series A Preferred Stock; (ii) if certificated shares of Series A Preferred Stock have been issued, the certificate numbers of the withdrawn shares of Series A Preferred Stock; and (iii) the number of shares of Series A Preferred Stock, if any, which remain subject to the conversion notice.

(g) Shares of Series A Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn shall be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless, prior to the Change of Control Conversion Date, the Corporation has provided or provides notice of its election to redeem such shares of Series A Preferred Stock, whether pursuant to its Redemption Right or Special Optional Redemption Right. If the Corporation elects to redeem shares of Series A Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series A Preferred Stock shall not be so converted and the holders of such shares shall be entitled to receive on the applicable redemption date Fifty Dollars (\$50.00) per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but not including, the redemption date.


(h) The Corporation shall deliver the applicable Conversion Consideration no later than the third Business Day following the Change of Control Conversion Date.

Section 13. Uncertificated Book-Entry Securities. The Series A Preferred Stock shall be issued as book-entry securities directly registered in the stockholder's name on the Corporation's books and records. The Series A Preferred Stock shall not be represented by certificates but instead shall be uncertificated securities of the Corporation.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Designation to be duly executed and acknowledged by the undersigned officer of the Corporation as of this 30th day of December, 2016.

AMERI HOLDINGS, INC.

By: 

Giri Devanur
President and Chief Executive Officer