

**No: 3071231**

The Companies Act 1985

COMPANY LIMITED BY SHARES

CAMBRIDGE MECHATRONICS LIMITED

ORDINARY AND SPECIAL RESOLUTIONS

At the Annual General Meeting of the Company held on 30 September 2009  
at St John's Innovation Centre, Cowley Road, Cambridge CB4 0WS

the following resolutions were passed:

**ORDINARY RESOLUTION**

That 200,000 Ordinary Shares of £0.0025 each in the authorised but unissued capital of the Company be and hereby are redesignated as A Ordinary Shares of £0.0025 each.

**SPECIAL RESOLUTIONS**

THAT the draft regulations attached to this resolution be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

That the pre-emption rights on the allotment of shares as set out in article 2(b) of the Articles of Association of the Company ("the Articles") be and are hereby disapplied for the purpose of the allotment and issue of 200,000 A Ordinary shares of £0.0025 each in the capital of the Company pursuant to the New Cambridge Mechatronics Limited Equity Incentive Plan.

*[Handwritten signature]*  
.....

Secretary

Dated:

THURSDAY



THE COMPANIES ACT 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

CAMBRIDGE MECHATRONICS LIMITED <sup>1</sup>

ADOPTED ON 30 SEPTEMBER 2009

PRELIMINARY

1.

- (a) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1935 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

- (b) In these Articles the expression "the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

- (c) In these Articles unless the context otherwise requires:

"A Ordinary Shares" means the A Ordinary Shares of 0.25p each in the capital of the Company ranking *pari passu* with the Ordinary Shares save as otherwise provided in these articles of association.

"Asset Sale" means the completion (whether in one transaction or a series of transactions) of the sale or transfer of the whole or substantially the whole undertaking or assets of the Company.

"Bad Leaver" means any member who ceases to hold office or employment with a Group Company and is not a Good Leaver.

"Commencement Date" means the date specified in any agreement to issue A Ordinary Shares.

"Deferred Shares" means the Deferred Shares of 0.25p in the capital of the Company which carry no rights other than those set out in Article 7(h).

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<sup>1</sup> Name changed 20 August 2008

"Good Leaver" means any member who ceases to hold office or employment with a Group Company by reason of:

- (a) injury or disability evidenced to the satisfaction of the Directors;
- (b) retirement either at the normal retirement date or earlier by agreement with the Company;
- (c) death;
- (d) redundancy;
- (e) because the company that is his employer company ceases to be a Group Company; or
- (f) for any other reason determined at the absolute discretion of the Directors and set out in writing within the period of one month following the date on which he ceased to hold office or employment with a Group Company.

"Group" means the Company, its holding company, its subsidiaries and subsidiary undertakings and subsidiaries and subsidiary undertakings of its holding company from time to time and "Group Company" means any one of them from time to time;

"Listing" means either:

- (a) the admission by the UK Listing Authority to listing, together with the admission by the London Stock Exchange to trading, on the Official List of any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing) and such admission becoming effective; or
- (b) the admission by the London Stock Exchange of any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing) to trading on AIM, and such admission becoming effective; or
- (c) any equivalent admission to any other Recognised Investment Exchange (having the meaning set out in Section 285 of the Financial Services and Markets Act 2000) becoming unconditionally effective in relation to any of the issued equity share capital of the Company (or any new holding company of the Company incorporated for the purposes of listing).

"Ordinary Shares" means the Ordinary Shares of 0.25p in the capital of the Company.

"Realisation Value" means the value calculated in accordance with Article 7(c) and "Realisation Value Per Share" shall be the Realisation Value divided by the number of A Ordinary Shares in issue.

"Share Sale" means the sale or transfer of series of transfers or other disposition of any interest in any shares in the Company to any bona fide third party purchaser (and any other person or persons who in relation to such third party purchaser is a Connected Person and/or with whom he is acting in concert (within the meaning set out in the City Code on Takeovers and Mergers)) which results in such third party purchaser (and any Connected Party or concert party of such third party purchaser) holding the entire issued ordinary share capital of the Company.

"Shares" means Ordinary Shares, A Ordinary Shares or such other class of share as may hereafter be created but, for the avoidance of doubt, does not include any Deferred Shares that may, from time to time, be in issue.

"Threshold Value" shall be £1.20 per share.

"Winding Up" means the liquidation, dissolution or winding up of the Company pursuant to the making of a winding-up order by the court or the passing of a resolution by the members of the Company that the Company be wound-up or dissolved (save for the a solvent winding-up for the purposes of reconstruction or amalgamation).

## ALLOTMENT OF SHARES

2.

- (a) Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the Directors who may (subject to Section 80 of the Act and to paragraph (d) below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- (b) All shares which are not compromised in the authorised share capital with which the Company is incorporated and which the Directors propose to issue shall first be offered to the Members in proportion as nearly as may be to the number of the existing Ordinary Shares held by them respectively unless the Company in General Meeting shall by Special Resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than fourteen days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer. Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such Special Resolution as aforesaid shall be under the control of the Directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefore than the terms on which they were offered to the Members. The foregoing provisions of this paragraph (b) shall have effect subject to Section 80 of the Act.
- (c) In accordance with Section 91(1) of the Act Sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.
- (d) The Directors are generally and unconditionally authorised for the purposes of Section 80 of the Act, to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the Directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said Section 80) be renewed, revoked or varied by Ordinary Resolution of the Company in General Meeting.

## SHARES

3. The special rights and restrictions attached to and imposed on each class of shares in the capital of the Company are as set out in these Articles.
4. The lien conferred by Clause 8 in Table A shall attach also to fully paid-up shares, and the Company shall also have a first and paramount lien on all shares, whether fully paid or not, standing registered in the name of any person indebted or under liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders, for all moneys presently payable by him or his estate to the Company. Clause 8 in Table A shall be modified accordingly.
5. The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of Clause 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment."

## DIVIDENDS

6.
  - (a) Any resolution declaring a dividend shall not constitute the declaration of a dividend on any class of Shares unless the said resolution shall so state that it does.
  - (b) A resolution declaring a dividend on the A Ordinary Shares shall be null and void unless the said resolution also constitutes the declaration of a dividend of at minimum equal value on the Ordinary Shares.

## A ORDINARY SHARES

7.
  - (a) No A Ordinary Share may be transferred other than pursuant to Article 15 or at any time following an Asset Sale, provided that this Article 7(a) shall not apply to any person becoming entitled to A Ordinary Shares by way of the death of a member.
  - (b) At any time the holders of the A Ordinary Shares shall participate pro rata to their holdings of A Ordinary Shares in that part of the capital of the Company as is equal in value to the Realisation Value, including upon (i) a return of assets on a Winding Up, reduction of capital or otherwise; or (ii) a Share Sale or Asset Sale; or (iii) a Listing.
  - (c) The Realisation Value shall be:

$$(X) \times (CP/Y - T)$$

where:

"X" is at any time the total number of A Ordinary Shares in issue

"Y" is at any time the total number of Shares in issue

"CP" is:

- i) on the occurrence of a Share Sale or Winding Up, the actual proceeds net of all expenses
- ii) on the occurrence of an Asset Sale, the actual sales proceeds net of all expenses less an amount equal to all retained liabilities of the Company

(including, but not limited to, corporation tax in respect of the proceeds of sale)

- iii) on the occurrence of a Listing, the initial public offering price of the Company (which, for the avoidance of doubt, is equal to the placing price of a share multiplied by the total number of shares in issue)
- iv) at any other time, the Market Value of the Company

"T" is the Threshold Value.

- (d) For the purposes of this Article 7 Market Value shall be the value agreed by the parties of the Company as between a willing purchaser and a willing vendor negotiating at arm's-length or, in default of such agreement, as determined by such person being a member of the Institute of Chartered Accountants of England and Wales as may be nominated by the Directors acting as expert and not as arbitrator, the costs of such determination to be borne equally by the parties.
- (e) Where any member is a Bad Leaver any A Ordinary Shares held by that member shall convert into Deferred Shares, with effect from the date on which he ceased to hold office or employment with a Group Company.
- (f) Where any member is a Good Leaver that number of A Ordinary Shares held by that member determined in accordance with Article 7(g) shall convert into Deferred Shares, with effect from the date on which he ceased to hold office or employment with a Group Company.
- (g) The proportion of a Good Leaver's holdings of A Ordinary Shares that shall convert into Deferred Shares shall be:
  - i) before the first anniversary of the Commencement Date, one hundred percent;
  - ii) after the first anniversary of the Commencement Date, but before the second anniversary of the Commencement Date, two thirds;
  - iii) after the second anniversary of the Commencement Date, but before the third anniversary of the Commencement Date, one third; and
  - iv) after the third anniversary of the Commencement Date, zero percent

and, for the avoidance of doubt, a Good Leaver shall retain any A Ordinary Shares that are not converted into Deferred Shares and hold them in accordance with these Articles of Association.

- (h) On any return of capital the holders of Deferred Shares shall participate pro rata to their holdings of Deferred Shares in that part of the Capital of the Company as is equal to the sum of £1, the Deferred Shares shall not participate in any dividend distribution and shall not have the right to receive notice of or attend and vote at any General Meeting of the Company.

## GENERAL MEETINGS AND RESOLUTIONS

8.

- (a) Every notice convening a General Meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to Members in regard to their right to appoint proxies; and notices of and other communications relating to any General Meeting which

any Member is entitled to receive shall be sent to the Directors and to the Auditors for the time being of the Company.

- (b) Subject to Article 8(c) on a show of hands and on a poll every member who is present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder and one vote for every one hundred A Ordinary Shares of which he is the holder. Regulation 54 shall not apply.
- (c) The holders of A Ordinary Shares shall be entitled in their capacity as holders of A Ordinary Shares to vote on any resolution, the effect of which would be to alter their rights under Articles 6, 7, 15 and this Article 8(c), in the proportion of one vote for every A Ordinary Share held.
- (d) No business shall be transacted at any General Meeting unless a quorum is present. Subject to paragraph (c) below two persons entitled to vote upon the business to be transacted, each being a Member or a proxy for a Member or a duly authorised representative of a corporation, shall be a quorum.
- (e) If and for so long as the Company has only one Member, that Member present in person or by proxy or if that Member is a corporation by a duly authorised representative shall be a quorum.
- (f) If a quorum is not present within half an hour from the time appointed for a General Meeting, the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefore such adjourned General Meeting shall be dissolved.
- (g) Clauses 40 and 41 in Table A shall not apply to the Company.

9.

- (a) If and for so long as the Company has only one Member and that Member takes any decision which is required to be taken in General Meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in General Meeting save that this paragraph shall not apply to resolutions passed pursuant to Sections 303 and 391 of the Act.
- (b) Any decision taken by a sole Member pursuant to paragraph (a) above shall be recorded in writing and delivered by that Member to the Company for entry in the Company's Minute Book.

#### APPOINTMENT OF DIRECTORS

10.

- (a) Clause 64 in Table A shall not apply to the Company.
- (b) The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be one. Whensoever the minimum number of Directors shall be one, a sole Director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally, and Clause 89 in Table A shall be modified accordingly.

- (c) The Directors shall not be required to retire by rotation and Clauses 73 to 80 (inclusive) in Table A shall not apply to the Company.
- (d) No person shall be appointed a Director at any General Meeting unless either: -
  - (i) he is recommended by the Directors; or
  - (ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice signed by a Member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.
- (e) Subject to paragraph (d) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
- (f) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with paragraph (b) above as the maximum number of Directors and for the time being in force.
- (g) In any case where as the result of the death of a sole Member of the Company the Company has no Members and no Directors, the personal representatives of such deceased Member shall have the right by notice in writing to appoint a person to be a Director of the Company and such appointment shall be as effective as if made by the Company in General Meeting pursuant to paragraph (e) of this Article.

## BORROWING POWERS

- 11. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to Section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.
- 12.
  - (a) An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointer as such appointer may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly.
  - (b) A Director, or any such other person as is mentioned in Clause 65 in Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he represents in addition to his own vote (if any) as a Director, but he shall count as only one for the purpose of determining whether a quorum is present.



## GRATUITIES AND PENSIONS

13.

- (a) The Directors may exercise the powers of the Company conferred by Clause 3(ii)(s) of the Memorandum of Association of the Company and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.
- (b) Clause 87 in Table A shall not apply to the Company.

## TRANSFER OF SHARES

14.

- 14.1 The instrument of transfer of a share may be in any usual form or in any other form which the Directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- 14.2 The directors may refuse to register the transfer of a share which is not fully paid to a person of whom they do not approve and they may refuse to register the transfer of a share on which the company has a lien. They may also refuse to register a transfer unless (a) it is lodged at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; (b) it is in respect of only one class of shares; and (c) it is in favour of not more than four transferees.
- 14.3 If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- 14.4 The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the Directors may determine.
- 14.5 No fee shall be charged by the Company for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
- 14.6 The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

## DRAG ALONG RIGHT

- 15. In the Article 15 a Qualifying Offer shall be a bona fide offer made at arm's length to any member or members to purchase all of his, her or their issued shares in the Company each on the same terms, where members of the Company representing 75% or more of the issued shares in the Company accept that offer (the "Accepting Shares").
- 15.1 In the event that any other member or members shall, if required by the offeror in writing, be bound to accept, or shall be deemed to have accepted an offer in respect of all of his, her or their shares on the same terms (the "Offer") as those intended to be accepted by the holders of the Accepting Shares and the price payable under the terms of the Offer shall be:

- (a) in respect of holdings of Ordinary Shares, the same consideration as is payable in respect of the Accepting Shares;
  - (b) in respect of holdings of A Ordinary Shares, the Realisation Value Per Share,
- 15.2 Such member or members to whom the Offer is made shall be bound to comply with the terms of the Offer.
- 15.3 In the event that any member fails to accept the Offer made to him or her or, having accepted such Offer, fails to complete the sale of any of his shares pursuant to the Offer or otherwise fails to take action required by him under the terms of the Offer the Directors (or any of them) may authorise any person to accept the Offer on behalf of that member or undertake any action required under the terms of the Offer on the part of that member. The Directors may in particular authorise any person to execute a transfer of any shares held by that member in favour of the offeror (or its nominee) and the Company may give a good receipt for the purchase consideration for such shares and may register the offeror (or its nominee) as holder thereof and issue to it certificates for the same. The member shall in such case be bound to deliver up his certificate for shares to the Company whereupon the member shall be entitled to receive the purchase consideration for such shares which shall in the meantime be held by the Company on trust for that member, but without interest.
- 15.4 After the name of the offeror (or its nominee) has been entered in the register of members of the Company in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.
- 15.5 Nothing in the preceding provisions of Regulations 15.1, 15.2 or 15.3 shall affect any member's obligations under Regulation 14 (Transfer of Shares) of the articles of association of the Company.

#### PROCEEDINGS OF DIRECTORS

16.

- (a) A Director may vote, at any meeting of the Directors or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution as aforesaid his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.
- (b) Clauses 94 to 97 (inclusive) in Table A shall not apply to the Company.

#### THE SEAL

17.

- (a) If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or second Director. The obligation under Clause 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Clause 101 of Table A shall not apply to the Company.
- (b) The Company may exercise the powers conferred by Section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.