

Company Number: 04238862

Centre for Engineering and Manufacturing Excellence Ltd.

The Companies Act 1985

**Company Limited by Guarantee and
not having a share capital**

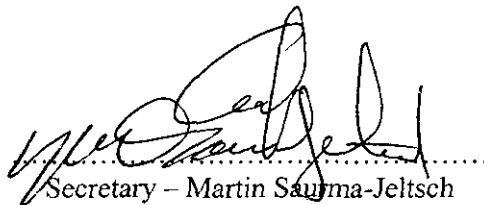
Special Resolution

Passed 28 July 2006

At an Extraordinary General Meeting of the above named Company, duly convened and held at CEME Campus, Marsh Way, Rainham, Essex RM13 8EU on 28 July 2006 at 12.00 midday, the following Special Resolution was duly passed:-

Adoption of New Articles of Association

That the existing Articles of Association be deleted in their entirety and that the new Articles of Association contained in the printed document marked "B", hereby attached, be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles thereof.


Secretary – Martin Sauma-Jeltsch



The Companies Act 1985 & 1989

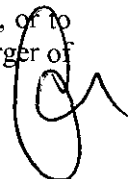
**COMPANY LIMITED BY GUARANTEE AND
NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION
OF
CENTRE FOR ENGINEERING AND MANUFACTURING EXCELLENCE LTD.**

(as adopted by Special Resolution dated 28 July 2006)

1 MEMBERSHIP

- 1.1 The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with the Articles shall be members of the Company.
- 1.2 The Company must maintain a register of members.
- 1.3 Membership of the Company is open to any individual or organisation interested in promoting the Objects who is approved by the Directors.
- 1.4 The Directors may establish different classes of membership and prescribe their respective privileges and duties and set the amounts of any subscriptions.
- 1.5 Membership is terminated if the member concerned
 - 1.5.1 gives written notice of resignation to the Company;
 - 1.5.2 dies or, in the case of an organisation, ceases to exist;
 - 1.5.3 is 6 months in arrears in paying the relevant subscription (if any) (but in such a case the member may be re-instated on payment of the amount due) or;
 - 1.5.4 assigns its membership rights in accordance with Article 1.6 below.
- 1.6 Membership of the Company shall not be transferable save that membership shall be assignable:
 - 1.6.1 in the case of Ford Motor Company Limited to any of its directly or indirectly owned subsidiaries or associated companies from time to time or to Ford Motor Company or any of its directly owned subsidiaries or associated companies from time to time;
 - 1.6.2 in the case of Havering College to one of its subsidiaries from time to time or to any successor college to Havering College, or to Barking College or one of its subsidiaries from time to time or any successor college to Barking College, or to any new further education college resulting from the complete or partial merger of Havering College with any other college;



- 1.6.3 in the case of Barking College to one of its subsidiaries from time to time or to any successor to Barking College, or to Havering College or one of its subsidiaries from time to time or any successor college to Havering College, or to any new further education college resulting from the complete or partial merger of Barking College with any other college; and
- 1.6.4 in the case of London Borough of Havering to one of its subsidiaries or associated companies from time to time or to any government body from time to time nominated by London Borough of Havering.
- 1.7 Any organisation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the organisation which he represents as that organisation could exercise if it were an individual member of the Company.

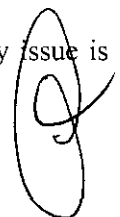
2 GENERAL MEETINGS


- 2.1 Members are entitled to attend general meetings personally or (in the case of a member organisation by authorised representative). General meetings are called on at least 21 clear days written notice specifying the business to be discussed but a general meeting may be called by shorter notice if it is so agreed:

- (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote being a majority together holding not less than 95 per cent. of the total voting rights at the meeting of all the members.

The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

- (c) No business shall be transacted at a general meeting unless a quorum is present. Three members personally present (or, in the case of a member organisation, present by an authorised representative) of whom one shall be or represent Ford Motor Company Limited, one shall be or represent Barking College or Havering College and one shall be or represent London Borough of Havering shall be the quorum for these purposes. If a quorum is not present within half an hour after the time set for the meeting, the meeting is automatically adjourned to the same day in the next week, at the same time and place, to another day, time and place decided by the Board.
- (d) The Chairman or (if the Chairman is unable or unwilling to do so) a member elected by those present presides at a general meeting. Unless the Chairman of the meeting is a member of the Company, or a representative of a member of the Company, the Chairman will not be entitled to a vote, whether a casting vote or otherwise.
- (e) Except where otherwise herein provided or provided by the Act, every issue is decided by a majority of the votes cast.



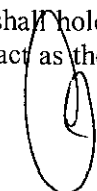
- (f) On a show of hands every member present in person or by authorised representative has one vote on each issue and on a poll:
- (i) Ford Motor Company Limited shall have one vote;
 - (ii) London Borough of Havering shall have one vote;
 - (iii) Havering College shall have ½ vote; and
 - (iv) Barking College shall have ½ vote.
- 2.2 The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by facsimile or electronic transaction otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the company.
- 2.3 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the company in relation to the meeting) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be valid.
- 2.4 A poll vote may be demanded by any of the members of the Company or a proxy or any of them or the Chairman.
- 2.5 Subject to the provisions of the Act a written resolution signed by all those entitled to vote at a general meeting is as valid as a resolution actually passed at a general meeting (and for this purpose the written resolution may be set out in more than one document and will be treated as passed on the date of the last signature).
- 2.6 The Company must hold an AGM in every year which all members are entitled to attend. The interval between the date of one AGM and the date of the next AGM must not be more than 15 months.
- 2.7 At an AGM the members:
- 2.7.1 receive the accounts of the Company for the previous financial year;
 - 2.7.2 receive the Directors' report on the Company's business since the previous AGM;
 - 2.7.3 appoint auditors for the Company; and
 - 2.7.4 discuss and determine any issues of policy or deal with any other business put before them.
- 2.8 Any general meeting which is not an AGM is an EGM.
- 

- 2.9 An EGM may be called at any time by the Directors and must be called within 28 days of a written request from any member.


3 THE DIRECTORS

- 3.1 There shall be no more than eight Directors of which a maximum of six Directors will be non-executive.

- 3.2 Appointment of the Directors shall be in accordance with the following provisions:


- 3.2.1 For so long as Ford Motor Company Limited or any party to whom Ford Motor Company Limited may have transferred its membership is a member, it shall be entitled to appoint one person to act as a non-executive Director of the Company and to remove any non-executive Director so appointed.
- 3.2.2 For so long as Havering College and Barking College or any parties to whom either College may have transferred its membership are members, they shall be entitled jointly, to appoint one person to act as a non-executive Director of the Company and to remove any non-executive Director so appointed. In such circumstances whereby the aforementioned parties are unable to determine a suitable person to act in this capacity, the duly appointed Chairman will intercede and appoint a person who he nominates as appropriate for this position.
- 3.2.3 For so long as London Borough of Havering or any party to whom London Borough of Havering may have transferred its membership is a member, it shall be entitled to appoint one person to act as a non-executive Director of the Company and to remove any non-executive Director so appointed.
- 3.2.4 There shall at all times be a non-executive Director on the Board to provide business and commercial expertise to the Board. The appointment and removal of such a non-executive Director will be proposed by the Chairman, and subject to approval by the Directors requiring, under Article 5.11 consent of a Specified Majority of the Directors. Where a vacancy arises in this position, the Directors shall seek to fill this position as soon as is reasonably practical.
- 3.2.5 There shall at all times be a non-executive Director on the Board to provide expert advice on the higher education sector to the Board. The appointment and removal of such a non-executive Director will be proposed by the Chairman, and subject to approval by the Directors requiring, under Article 5.12 consent of a Specified Majority of the Directors. Where a vacancy arises in this position, the Directors shall seek to fill this position as soon as is reasonably practical.
- 3.2.6 There shall at all times be a non-executive Director on the Board who is designated to act as Chairman of the Board. The Chairman will be appointed and can be removed by the members of the Company. Where a vacancy arises in this position, the Directors shall seek to fill this position as soon as is reasonably practical, although where there is a continuing vacancy, the Directors shall appoint one of their number as Chairman until the position is filled.
- 3.2.7 There shall at all times be two executive Directors on the Board who shall hold executive office with the Company and are accordingly designated to act as the
- 

Chief Executive Officer and the Chief Financial Officer. The appointment and removal of such executive Directors will be proposed by the Chairman, and subject to approval by the Directors requiring, under Article 5.13 consent of a Specified Majority of the Directors. Where a vacancy arises in these positions, the Directors shall seek to fill them as soon as is reasonably practical, and, in the case of a vacancy in the Chief Executive Officer, the Chairman shall assume the executive responsibilities of the Chief Executive Officer until the position is filled.

- 3.2.8 For so long as the LDA and the Learning Skills Council have an interest as stakeholders of the Company, a representative of these bodies shall be entitled to attend and speak at the meetings of the Board. These representatives shall not be considered in the quorum or have any voting rights in this capacity. The representative chosen to attend meetings of the Board on behalf of the LDA and the Learning Skills Council will be by agreement with the Chairman.
- 3.2.9 Any appointment or removal in accordance with this Article 3.2 shall be in writing served on the Company and signed by or on behalf of the relevant appointor and, if an appointment, shall be accompanied by notice in writing signed by the Director so appointed of willingness to act as Director and such appointment and removal shall take effect on receipt at the registered office of the Company. In respect of a Director who is appointed by them in accordance with this Article 3.2 (excluding Articles 3.2.4 – 3.2.8 inclusive) each member ("the appointing member") severally undertakes to indemnify the Company and the other members against all losses, damages, awards and reasonable costs and expenses which it or they incur by reason of any claim for loss of office brought by such a Director by reason of his removal from office by the appointing member in accordance with this Article 3.2 (excluding Articles 3.2.4 – 3.2.8 inclusive).
- 3.3 A Director's term of office automatically terminates if he:
- 3.3.1 is disqualified under the Company Directors Disqualification Act 1986 or otherwise;
- 3.3.2 is incapable, whether mentally or physically, of managing his or her own affairs;
- 3.3.3 is removed by notice in writing to the Company under Article 3.2;
- 3.3.4 resigns by written notice to the Directors (but only if at least three Directors remain in office);
- 3.3.5 is removed by a simple majority of the members of the Company, following the procedure laid down in Section 303 of the Companies Act 1985;
- 3.3.6 dies, becomes bankrupt or makes any arrangement with his creditors, or is convicted of an indictable offence for which he is sentenced to a term of imprisonment.
- 3.4 A technical defect in the appointment of a Director of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.
- 

- 3.5 The Board has control over all the affairs and property of the Company and may exercise all the powers of the Company except as otherwise provided by the Memorandum of Association of the Company and these Articles.
- 3.6 The Board may delegate any of their powers to any committee consisting of one or more Directors and/or one or more third parties. Any such delegation may be made subject to such conditions as the Directors may impose, and either collaterally with or to the exclusion of their own powers, and may be revoked or altered.
- 3.7 The Board shall, within 6 months of the date of adoption of these Articles, establish an Audit Committee and a Stakeholder Committee, subject to the provisions of Article 3.6. The Chairman will represent the findings and recommendations of these Committees to the Board. The terms of reference and membership of these sub-committees will be agreed by the Board, excepting that a designated Ford Motor Company Limited representative will be part of the membership of the Audit Committee.

4 PROCEEDINGS OF DIRECTORS

- 4.1 The Directors must hold at least four meetings each year.
- 4.2 No business shall be transacted at a board meeting unless a quorum is present. The quorum at a meeting of the Directors is three including the Chairman or nominee of the Chairman and one non-executive Director appointed by Ford Motor Company Limited. For the avoidance of doubt reference to Ford Motor Company Limited shall in this Article 4, where appropriate be taken as references to any to whom Ford Motor Company Limited may have transferred its membership.
- 4.3 A meeting of the Directors may be held either in person or by suitable electronic or telephonic means agreed by the Directors in which all participants may communicate with all the other participants.
- 4.4 The Company Secretary is entitled to attend all board meetings, and this entitlement cannot be abrogated or otherwise removed by the Board of Directors.
- 4.5 Every issue may be determined by a simple majority of the votes cast at a meeting, excepting those requiring, under Article 5, consent of a Specified Majority of the Directors. Each Director shall have one vote.
- 4.6 A procedural defect of which the Directors are unaware at the time does not invalidate decisions taken at a meeting.
- 4.7 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, and if he shall vote on any such resolution 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. Each Director shall comply with his obligations to disclose his interest in contracts under Section 317 of the Act.
- 4.8 Any director may appoint any other person employed by or contracted to their own appointing organisation or corporate body, as specified under Article 3.2, or in the case of the Executive Directors any other person employed by or contracted to the Company,
- 

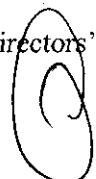
approved by resolution of the directors and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him, such appointment to be on the following terms:

- 4.8.1 an alternate director shall be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the company for his services as an alternate director. But it shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom;
- 4.8.2 an alternate director shall cease to be an alternate director if his appointor ceases to be a director;
- 4.8.3 any appointment or removal of an alternate director shall be by notice to the company signed by the director making or revoking the appointment or in any other manner approved by the directors;
- 4.8.4 save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

5 MATTERS REQUIRING CONSENT OF A SPECIFIED MAJORITY OF THE DIRECTORS

The following matters shall require the consent of a Specified Majority of the Directors:

- 5.1 the acquisition, sale or disposal by the Company of any assets or property having a value in excess of £50,000 other than in the ordinary course of business;
- 5.2 the giving of any guarantee or indemnity by the Company;
- 5.3 the incorporation by the Company of any subsidiary or the establishment of any joint venture or partnership;
- 5.4 the consolidation or amalgamation by the Company with any other company, association, partnership or legal entity;
- 5.5 the entering into by the Company of any contract of a material nature other than in the ordinary course of business;
- 5.6 the acquisition by the Company of share capital or other securities of any body corporate or the acquisition of an interest in any association, partnership or other non-corporate body;
- 5.7 the settling by the Company of any litigation, arbitration or other proceedings which are material in the context of the Company's operations;
- 5.8 the appointment by the Company of a managing director or delegation of Directors' powers;



- 5.9 the creation by the Company of any mortgage or charge or encumbrance on any of the Company's assets;
- 5.10 any change in the nature of the Company's operations;
- 5.11 the appointment and removal of a non-executive director providing business and commercial expertise in accordance with Article 3.2.4;
- 5.12 the appointment and removal of a non-executive director providing higher education sector expertise in accordance with Article 3.2.5;
- 5.13 the appointment and removal of an executive director in accordance with Article 3.2.7;
- 5.14 the approval of the Company's annual business plan;
- 5.15 any borrowing by the Company in excess of £50,000.

6 RECORDS & ACCOUNTS

- 6.1 The Directors must comply with the requirements of the Act as to keeping financial records, the audit of accounts and the preparation and transmission to the Registrar of Companies of annual returns and annual accounts.
- 6.2 The Directors must keep proper records of:
 - 6.2.1 all proceedings at general meetings;
 - 6.2.2 all proceedings at meetings of the Directors;
 - 6.2.3 all reports of committees;
 - 6.2.4 all professional advice obtained.

7 FINANCIAL INFORMATION

- 7.1 Each member shall be entitled to receive:
 - 7.1.1 Within 120 days of the Company's accounting reference date in each year, audited accounts for the Company comprising a balance sheet and profit and loss account;
 - 7.1.2 Within 21 days of the end of each calendar month, management accounts for the Company comprising a balance sheet and profit and loss account.

8 NOTICES

- 8.1 Notices under these Articles may be sent by hand, or by post, or by facsimile or electronically.
- 8.2 The only address at which a member is entitled to receive notice is the address shown in the register of members or in relation to electronic communications (as defined in the

Electronic Communications Act 2000), includes any number or address used for the purposes of such communications.

8.3 Any notice given in accordance with these Articles is to be treated for all purposes as having been received:

8.3.1 24 hours after being sent by facsimile (subject to the sender having received a correct answerback and confirmation of the transmission of the notice in full to the recipient), or electronically (subject to confirmation that the electronic mail has been successfully sent and received by the recipient), or delivered by hand to the relevant address.

8.3.2 two clear days after being sent by first class post to that address;

8.3.3 three clear days after being sent by second class post to that address;

8.3.4 on being handed to the member personally or, if earlier;

8.3.5 as soon as the member acknowledges actual receipt;

8.3.6 in the case of a notice under Article 3.2 on receipt at the registered office of the company;

8.4 A technical defect in the giving of notice of which the Directors are unaware at the time does not invalidate decisions taken at the meeting.

9 INDEMNITY

Subject to the provisions of the Act every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in that capacity in defending any proceedings whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence default breach of duty or breach of trust in relation to the affairs of the Company.

10 DISSOLUTION

The provisions of the Memorandum relating to dissolution of the Company take effect as though repeated here.

11 INTERPRETATION

In the Memorandum and these Articles:

“The Act” means the Companies Act 1985;

“AGM” means an annual general meeting of the Company;

“these Articles” means these articles of association

“Chairman” means the chairman of the Directors;

“the Company” means the company governed by these Articles;

“clear day” mean 24 hours from midnight following the relevant event;

“Director” means a member of the board of Directors of the Company and “Directors” means all of the Directors;

“EGM” means an extraordinary general meeting of the Company;

“executive director” means any Director holding executive office with the Company;

“financial expert” means an individual, company or firm who is an authorised person or an exempted person within the meaning of the Financial Services Act 1986;

“LDA” means the London Development Agency;

“material benefit” means a benefit which may not be financial but has a monetary value;

“member” and “membership” refer to membership of the Company;

“Memorandum” means the Company’s memorandum of association;

“month” means calendar month;

“non-executive director” means any Director appointed other than the Executive Directors;

“the Objects” means the objects of the Company as defined in the Memorandum;

“Secretary” means the Secretary of the Company;

“Specified Majority” means the holders of at least three quarters of the total number of votes which can be cast by the directors in accordance with Article 4.5.

“written” or “in writing” refers to a legible document on paper including a fax message, or in electronic form;

“year” means calendar year;

11.2 References to the male gender include the female gender;

11.3 Expressions defined in the Act have the same meaning in these Articles of Association

11.4 References to an Act of Parliament are to the Act as amended or re-enacted from time to time and to any subordinate legislation made under it.

A handwritten signature or mark, possibly a stylized 'G' or 'J', enclosed within a large, loopy oval shape.