

From: INC.PEAN USA

13024281274

07/13/2004 14:21 #155 P.002/006

CERTIFICATE OF INCORPORATION
OF
CODA OCTOPUS GROUP, INC.

ARTICLE I
Name

The name of the Corporation is Coda Octopus Group, Inc.

ARTICLE II
Registered Office and Agent

The address of its registered office in the State of Delaware is Trolley Square, Suite 26 C, Wilmington, County of Newcastle, State of Delaware. The name of its registered agent at such address is Inc. Plan (USA), Inc.

ARTICLE III
Purposes

The purpose for which the Corporation is organized is to transact all lawful business for which corporations may be incorporated pursuant to the laws of the State of Delaware. The Corporation shall have all the powers of a corporation organized under the General Corporation Law of the State of Delaware.

ARTICLE IV
Capital Stock

- A. *Number and Designation.* The Corporation shall have authority to issue 75 million shares of capital stock, of which 70 million shall be shares of common stock, par value \$0.001 per share ("Common Stock") and 5 million shall be shares of preferred stock, par value \$0.001 per share ("Preferred Stock"). Upon payment of consideration such shares shall be deemed to be fully paid and non-assessable.
- B. *Common Stock.* Except as otherwise required by law, the holders of Common Stock will be entitled to one vote per share on all matters to be voted on by the Corporation's shareholders.
- C. *Serial Preferred Stock.* The board of directors of the Corporation is authorized, by resolution from time to time adopted, to provide for the issuance of serial preferred stock in series and to fix and state the powers, designations, preferences and relative, participating, optional or other special rights of the shares of each such series, and the qualifications, limitation or restrictions.

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:25 PM 07/13/2004
FILED 03:25 PM 07/13/2004
SRV 040513806 - 3828185 FILE

From: INC.PLAN USA

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07/13/2004 14:21 #155 P.004/006

- B. *Directors Elected by Preferred Stockholders.* Whenever the holders of any one or more series of preferred stock of the Corporation shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the board of directors shall include said directors so elected and not be in addition to the maximum number of directors fixed as provided in this Article VIII. Notwithstanding the foregoing, and except as otherwise may be required by law, whenever the holders of any one or more series of preferred stock of the Corporation elect one or more directors of the Corporation, the terms of the director or directors elected by such holders shall expire at the next succeeding annual meeting of stockholders.

ARTICLE IX Removal of Directors

Notwithstanding any other provision of this Certificate or the by-laws of the Corporation, any director or all the directors of a single class (but not the entire board of directors) of the Corporation may be removed, at any time, but only for cause and only by the affirmative vote of the holders of at least 2/3 of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors cast at a meeting of the stockholders called for that purpose. Notwithstanding the foregoing, whenever the holders of any one or more series of preferred stock of the Corporation shall have the right, voting separately as a class, to elect one or more directors of the Corporation, the preceding provisions of this Article IX shall not apply with respect to the director or directors elected by holders of preferred stock.

ARTICLE X Indemnification

Any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (whether or not by or in the right of the corporation) by reason of the fact that he is or was a director, officer, incorporator, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, incorporator, employee, partner, trustee, or agent of another corporation, partnership, joint venture, trust, or other enterprise (including an employee benefit plan), shall be entitled to be indemnified by the corporation to the full extent then permitted by law against expenses (including counsel fees and disbursements), judgments, fines (including excise taxes assessed on a person with respect to an employee benefit plan), and amounts paid in settlement incurred by him in connection with such action, suit, or proceeding. Such right of indemnification shall inure whether or not the claim asserted is based on matters which antedate the adoption of this Article X. Such right of indemnification shall continue as to a person who has ceased to be a director, officer, incorporator, employee, partner, trustee, or agent and shall inure to the benefit of the heirs and personal representatives of such a person. The indemnification provided by this Article X shall not be deemed exclusive of any other rights which may be provided now or in the future under any provision currently in effect or hereafter adopted of the by-laws, by any agreement, by vote of stockholders, by resolution of disinterested directors, by provisions of law, or otherwise.

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07/13/2004 14:21 #155 P.005/006

ARTICLE XI Limitations on Directors' Liability

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except: (A) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (B) for acts or omissions that are not in good faith or that involve intentional misconduct or a knowing violation of law, (C) under Section 174 of the General Corporation Law of the State of Delaware, or (D) for any transaction from which the director derived any improper personal benefit. If the General Corporation law of the State of Delaware is amended after the date of filing of this Certificate to further eliminate or limit the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of the State of Delaware, as so amended.

Any repeal or modification of the foregoing paragraph by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

ARTICLE XII Amendment of By-laws

In furtherance and not in limitation of the powers conferred by statute, the board of directors of the Corporation is expressly authorized to adopt, repeal, alter, amend and rescind the by-laws of the Corporation by a vote of two-thirds of the board of directors. Notwithstanding any other provision of this Certificate or the by-laws of the Corporation, and in addition to any affirmative vote required by law (and notwithstanding the fact that some lesser percentage may be specified by law), the by-laws shall be adopted, repealed, altered, amended or rescinded by the stockholders of the Corporation only by the vote of the holders of not less than 2/3 of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors cast at a meeting of the stockholders called for that purpose (provided that notice of such proposed adoption, repeal, alteration, amendment or rescission is included in the notice of such meeting), or, as set forth above, by the board of directors.

ARTICLE XIII Amendment of Certificate of Incorporation

Subject to the provisions hereof, the Corporation reserves the right to repeal, alter, amend or rescind any provision contained in this Certificate in the manner now or hereafter prescribed by law, and all rights conferred on stockholders herein are granted subject to this reservation. Notwithstanding the foregoing at any time and from time to time, the provisions set forth in Articles VII, VIII, IX, X, XI, XII and this Article XIII may be repealed, altered, amended or rescinded in any respect only if the same is approved by the affirmative vote of the holders of not less than 2/3 of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.

From: INC.PLAN USA

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07/13/2004 14:21 #155 P.003/006

ARTICLE V Repurchase of Shares

The Corporation may from time to time, pursuant to authorization by the board of directors of the Corporation and without action by the stockholders, purchase or otherwise acquire shares of any class, bonds, debentures, notes, scrip, warrants, obligations, evidences or indebtedness, or other securities of the Corporation in such manner, upon such terms, and in such amounts as the board of directors shall determine; subject, however, to such limitations or restrictions, if any, as are contained in the express terms of any class of shares of the Corporation outstanding at the time of the purchase or acquisition in question or as are imposed by law.

ARTICLE VI Stockholders

- A. *Action by Written Consent.* Action required or permitted to be taken by the stockholders of the Corporation at any annual or special meeting of stockholders may be effected by written consent of stockholders in lieu of a meeting of stockholders, only by the vote of the holders of not less than 2/3 of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.
- B. *Special Meetings.* Special meetings of the stockholders of the Corporation for any purpose or purposes may be called at any time by the holders of not less than 1/2 of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.
- C. *Place of Meetings.* Meetings of stockholders may be held at such place as the by-laws may provide.

ARTICLE VII Notice for Nominations and Proposals

Nominations for the election of directors and proposals for any new business to be taken up at any annual or special meeting of stockholders may be made by the board of directors of the Corporation or by any stockholder of the Corporation entitled to vote generally in the election of directors.

ARTICLE VIII Directors

- A. *Number.* The number of directors of the Corporation shall be such number, not less than one nor more than nine (exclusive of directors, if any, to be elected by holders of preferred stock of the Corporation), as shall be provided from time to time in a resolution adopted by the board of directors, provided that no decrease in the number of directors shall have the effect of shortening the term of any incumbent director, and provided further that no action shall be taken to decrease or increase the number of directors from time to time unless at least two-thirds of the directors then in office shall concur in said action. Exclusive of directors, if any, elected by holders of preferred stock, vacancies in the board of directors of the Corporation, however caused, and newly created directorships shall be filled by a vote of two-thirds of the directors then in office, whether or not a quorum, and any director so chosen shall hold office for a term expiring at the annual meeting of stockholders at which the term of the class to which the director has been chosen expires and when the director's successor is elected and qualified.

0102S	Incorp Delaware Sto	07-13-2004	5	18.00	
0250S	Merger; Survivor	07-20-2004	4	8.00	
0151	Stock Designation	06-07-2006	3	6.00	
0151	Stock Designation	06-07-2006	11	22.00	
0240S	Amendment; Stock	03-26-2007	1	2.00	
0103B	Correction, Designa	03-29-2007	5	10.00	
0151	Stock Designation	04-03-2007	1	2.00	
0240S	Amendment; Stock	08-27-2008	1	2.00	
	Plain Copy Fee				70.00
	FILING TOTAL				70.00
	TOTAL PAYMENTS				70.00
	SERVICE REQUEST BALANCE				.00

PAGE 1

Delaware

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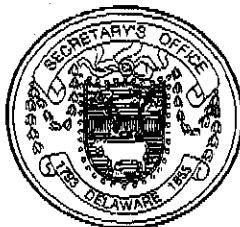
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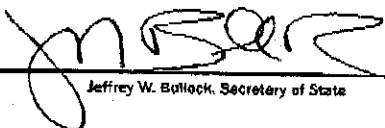
9171887
INC. PLAN (USA)
TROLLEY SQUARE SUITE 20 C
WILMINGTON DE 19806

10-06-2010

ATTN: CAROLINE QUIGLEY

CODA OCTOPUS GROUP, INC.
3828185 4100H Plain Copy History




Jeffrey W. Bullock, Secretary of State

From: INC.PLAN USA

13024281274

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**ARTICLE XIV
INCORPORATOR**

The name and address of the incorporator is:

Caroline Quigley
Trolley Square
Suite 26 C
Wilmington, Delaware 19806

I, THE UNDERSIGNED, being the incorporator, for the purpose of forming a corporation pursuant to the General Corporation Law of Delaware, do make and file this Certificate of Incorporation, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this 12th day of July, 2004.



Caroline Quigley,
Incorporator

State of Delaware: 228
Secretary of State
Division of Corporations
Delivered 11:00 AM 07/20/2004
FILED 11:00 AM 07/20/2004
SRV 040529810 - 3828185 FILE

William Rhearn

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P.2

**PLAN AND AGREEMENT OF MERGER
BY AND BETWEEN PANDA
AND CODA OCTOPUS**

THIS PLAN AND AGREEMENT OF MERGER (hereinafter referred to as this "Agreement") dated as of July 12, 2004, is made and entered into by and between The Panda Project, Inc., a Florida corporation ("Panda") and Coda Octopus Group, Inc., a Delaware corporation ("Coda Octopus").

W-I-T-N-E-S-S-E-T-H:

WHEREAS, Panda is a corporation organized and existing under the laws of the State of Florida; and

WHEREAS, Coda Octopus is a wholly-owned subsidiary corporation of Panda, having been incorporated on July 12, 2004; and

NOW THEREFORE, in consideration of the premises, the mutual covenants herein contained and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto (the "Parties") agree that Panda shall be merged into Coda Octopus (the "Merger") upon the terms and conditions hereinafter set forth.

ARTICLE I

Merger

On July 12, 2004 or as soon as practicable thereafter (the "Effective Date"), Panda shall be merged into Coda Octopus, the separate existence of Panda shall cease and Coda Octopus (following the Merger referred from time to time as the "Surviving Company") shall continue to exist under the name of "Coda Octopus," by virtue of, and shall be governed by, the laws of the State of Delaware. The address of the registered office of Panda in the State of Delaware will be Trolley Square, Suite 26 C, Wilmington, Delaware. The name of its registered agent at such address is Inc. Plan (USA), Inc.

ARTICLE II

Certificate of Incorporation of Panda

The Certificate of Incorporation of the Surviving Company shall be the Certificate of Incorporation of Coda Octopus as in effect on the date hereof without change unless and until amended in accordance with applicable law.

ARTICLE III

By-Laws of Coda Octopus

The By-Laws of Coda Octopus shall be the By-Laws of the Surviving Company as in effect on the date hereof without change unless and until amended or repealed in accordance with applicable law.

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William Rhearn

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ARTICLE IV

Effect of Merger on Stock of Constituent Corporation

- 4.01 On the Effective Date, (i) each three (300) hundred outstanding shares of Panda common stock ("Panda Common Stock") shall be converted into one share of Coda Octopus common stock, \$.001 par value, ("Coda Octopus Common Stock"), except for those shares of Panda Common Stock with respect to which the holders thereof duly exercise their dissenters' rights under Florida law.
- 4.02
- (a) Olde Monmouth Stock Transfer Co., Inc., 200 Memorial Parkway, Atlantic Highlands New Jersey 07716, shall act as exchange agent in the Merger.
 - (b) As soon as practicable, after the Effective Date, each person who was, at the time of mailing or at the Effective Date, a holder of record of issued and outstanding Panda ("stock") will be mailed (i) a form letter of transmittal and (ii) instructions for effecting the surrender of the certificate or certificates, which immediately prior the Effective Date represented issued and outstanding shares of stock ("Panda Certificates"), in exchange for certificates representing Coda Octopus Common Stock. Upon surrender of a Panda Certificate for cancellation to Coda Octopus, together with a duly executed letter of transmittal, the holder of such Panda Certificate shall subject to paragraph (f) of this section 4.03 be entitled to receive in exchange therefor a certificate representing that number of Coda Octopus shares into which Panda Stock theretofore represented by Panda Certificate so surrendered shall have been converted pursuant to the provisions of this Article IV, and Panda Certificate so surrendered shall forthwith be canceled.
 - (c) No dividends or other distributions declared after the Effective Date with respect to Panda and payable to holders of record thereof after the Effective Date shall be paid to the holder of any unsurrendered Panda Certificate with respect to Panda Stock which by virtue of the Merger are represented thereby, nor shall such holder be entitled to exercise any right as a holder of Panda, until such holder shall surrender such Panda Certificate. Subject to the effect, if any, of applicable law, after the subsequent surrender and exchange of a Panda Certificate, the holder thereof shall be entitled to receive any such dividends or other distributions, without any interest thereon, which became payable prior to such surrender and exchange with respect to Panda Stock represented by such Certificate.
 - (d) If any stock certificate representing Panda is to be issued in a name other than that in which Panda Certificate surrendered with respect thereto is registered, it shall be a condition of such issuance that Panda Certificate so surrendered shall be properly endorsed or otherwise in proper form for transfer and that the person requesting such issuance shall pay any transfer or other taxes required by reason of the issuance to a person other than the registered holder of Panda Certificate surrendered or shall establish to the satisfaction of Coda Octopus that such tax has been paid or is not applicable.
 - (e) After the Effective Date, there shall be no further registration of transfers on the stock transfer books of Panda of the shares of stock, or of any other shares of stock of Panda, which were outstanding immediately prior to the Effective Date. If after the Effective Date certificates representing such shares are presented to Panda they shall be canceled and, in the case of Panda Certificates, exchanged for certificates representing Coda Octopus Stock as provided in this Article IV.

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William Rhearn

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ARTICLE V

Corporate Existence, Panda and Liabilities of Panda

- 5.01 On the Effective Date, the separate existence of Panda shall cease. Panda shall be merged with and into Coda Octopus in accordance with the provisions of this Agreement. Thereafter, Coda Octopus shall possess all the rights, privileges, powers and franchises as well of a public as of a private nature, and shall be subject to all the restrictions, disabilities and duties of each of the Parties and all and singular; the rights, privileges, powers and franchises of Panda, and all property, real, personal and mixed, and all debts due to each of them on whatever account, shall be vested in Coda Octopus; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter the property of Coda Octopus, as they were of the respective constituent entities, and the title to any real estate whether by deed or otherwise vested in Panda, shall not revert to be in any way impaired by reason of the Merger; but all rights of creditors and all liens upon any property of the Parties, shall be preserved unimpaired, and all debts, liabilities and duties of the respective constituent entities, shall thenceforth attach to Coda Octopus, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.
- 5.02 Coda Octopus will execute and deliver, or cause to be executed and delivered, all such deeds, assignments and other instruments, and will take or cause to be taken such further or other action as Coda Octopus may deem necessary or desirable in order to vest in and confirm to Coda Octopus title to and possession of all the property, rights, privileges, immunities, powers, purposes and franchises, and all and every other interest, of Coda Octopus and otherwise to carry out the intent and purposes of this Agreement.

ARTICLE VI

Officers and Directors of Coda Octopus

- 6.01 Upon the Effective Date, the officers and directors of Panda shall be officers and directors of Coda Octopus in office at such date, and such persons shall hold office in accordance with the by-laws of Coda Octopus or until their respective successors shall have been appointed or elected.
- 6.02 If, upon the Effective Date, a vacancy shall exist in the Board of Directors of Coda Octopus, such vacancy shall be filled in the manner provided by its by-laws.

ARTICLE VII

Approval by Shareholders; Amendment; Effective Date

- 7.01 This Agreement and the Merger contemplated hereby are subject to approval by the requisite vote of shareholders in accordance with applicable Florida law. As promptly as practicable after approval of this Agreement by shareholders in accordance with applicable law, duly authorized officers of the respective Parties shall make and execute a Certificate of Merger and shall cause such documents to be filed with the Secretary of State of Florida and the Secretary of State of Delaware, respectively, in accordance with the laws of the States of Florida and Delaware. The Effective Date of the Merger shall be the date on which the Merger becomes effective under the laws of Florida or the date on which the Merger becomes effective under the laws of Delaware, whichever occurs later.

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William Ahearn

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- 7.02 The Board of Directors of Panda and Coda Octopus may amend this Agreement at any time prior to the Effective Date, provided that an amendment made subsequent to the approval of the Merger by the shareholders of Panda shall not (1) alter or change the amount or kind of shares to be received in exchange for or on conversion of all or any of the capital stock of Panda (2) alter or change any term of the Certificate of Incorporation of Coda Octopus, or (3) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect stockholders.

ARTICLE VIII

Termination of Merger

This Agreement may be terminated and the Merger abandoned at any time prior to the filing of this Agreement with the Secretary of State of Florida and the Secretary of State of Delaware, whether before or after shareholder ratification of this Agreement, by the consent of the Board of Directors of Panda and Coda Octopus

ARTICLE IX

Miscellaneous

In order to facilitate the filing and recording of this Agreement, this Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers, all as of the day and year first above written.

THE PANDA PROJECT, INC.

By: 
William Ahearn, President

CODA OCTOPUS GROUP, INC.

By: 
William Ahearn, President

FROM

(WED) JUN 7 2006 11:09/ST.11:07/No.750000717 P 2

State of Delaware
 Secretary of State
 Division of Corporations
 Delivered 11:17 AM 06/07/2006
 FILED 11:17 AM 06/07/2006
 SRV 060549165 - 3828185 FILE

**CERTIFICATE OF DESIGNATIONS,
 PREFERENCES AND RIGHTS
 OF PREFERRED STOCK
 OF
 CODA OCTOPUS GROUP, INC.**

Coda Octopus Group, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Company"), pursuant to the authority conferred upon the Board of Directors by its Certificate of Incorporation, the Board of Directors in a meeting dated November 30th, 2005 duly adopted resolutions approving the statement of the Certificate of Designations, Preferences and Rights of Series A Preferred Stock of the Company creating 50,000 Shares of 12% Series A Preferred Stock as follows:

RESOLVED, that pursuant to the authority vested in the Board of Directors of the Company in accordance with the provisions of its Certificate of Incorporation, a series of Preferred Stock of the Company be and it is hereby created, and that the designation and amount thereof and the powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

Section 1. Designation and Amount.

There shall be a series of 50,000 shares of the preferred stock of the Company which shall be designated as "Series A Preferred Stock." Each share of Series A Preferred Stock shall be denominated into "Dollar Preferred" or "Sterling Preferred" depending on whether the shares were purchased in US Dollars or Pounds Sterling at \$100 or £100 respectively.

Section 2. Dividends and Distributions.

- (a) The holders ("the Holders") of shares of Series A Preferred Stock, in preference to the holders of shares of Common Stock, \$.001 par value per share (the "Common Stock"), of the Company and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, Dividends will be paid on semi-annually on April 30th and October 31st, (each such date being referred to herein as a "Dividend Payment Date"), commencing on the first Dividend Payment Date after the first issuance of shares of Series A Preferred Stock in an amount per share (rounded to the nearest cent) equal to 12% per annum payable in US dollars or Pounds Sterling at the rate of \$1.7689/pound, depending on the currency in which the shares were issued. At the option of each Holder, dividends may be issued in whole or in part in shares of the common stock of the Company valued at the average closing price for the ten trading days preceding the dividend date.
- (b) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the date of issue of such shares. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or

distribution declared thereon, which record date shall be not more than sixty days prior to the date fixed for the payment thereof.

Section 3. Voting Rights.

The holders of shares of Series A Preferred Stock shall have the following voting rights:

- (a) Each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Company.
- (b) Except as otherwise provided, in the Company's Certificate of Incorporation or by law, the holders of shares of Series A Preferred Stock, the holders of shares of Common Stock, and the holders of shares of any other capital stock of the Company having general voting rights, shall vote together as one class on all matters submitted to a vote of stockholders of the Company.
- (c) Except as otherwise set forth herein or in the Company's Certificate of Incorporation, and except as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

- (a) Whenever dividends or distributions payable on the Series A Preferred Stock are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Company shall not:
 - (i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;
 - (ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;
 - (iii) except as permitted in Section 4(a)(iv) below, redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, provided that the Company may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Company ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or
 - (iv) purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by

FROM

(WED) JUN 7 2008 11:08/ST.11:07/No.750000717 P 4

Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that are outstanding immediately prior to such event.

Section 8. Conversion and Redemption.

Each share of Series A Preferred Stock may be converted, at the option of the Holder, into 100 Shares of the Common Stock if Dollar Denominated and 177 Shares if Sterling denominated for a term of seven years from the date of issuance.

Shares of Series A Preferred Stock may be redeemed by the Company at their purchase price plus any accrued but unpaid dividends commencing one year after the issue date in the event the closing price of the Common Stock on the market on which it trades is at least \$3.00 for the twenty trading days prior to the receipt by each Holder of a notice of redemption. Holders may elect to sell their Shares of Series A Preferred Stock or convert their shares into shares of the Company's Common Stock between the time of the receipt of such written notice and ten business days thereafter.

Section 9. Ranking.

The Series A Preferred Stock shall rank senior to all other series of the Company's Preferred Stock, any, as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment.

The Certificate of Incorporation of the Company shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect it adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Preferred Stock voting separately as a class.

Section 11. Fractional Shares.

Series A Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock


IN WITNESS WHEREOF, Coda Octopus Group, Inc. has caused this Certificate of Designations, Preferences and Rights of Cumulative Preferred Stock to be executed by its President and attested by its Secretary this 18th day of April, 2006.

Coda Octopus Group, Inc.

Sworn before me this 18th day of April, 2006

By: 

Jason Reid,
President

Notary: 

ROSE M. SMALL
Notary Public, State of New York
No. 01SM6106336
Qualified in New York County
My Commission Expires April 12, 2008

FROM

(WED) JUN 7 2006 11:09/ST.11:07/No.750000717 P 6

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:17 AM 06/07/2006
FILED 11:18 AM 06/07/2006
SRV 060549169 - 3828185 FILE

CODA OCTOPUS GROUP, INC.**CERTIFICATE OF THE POWERS, DESIGNATIONS,****PREFERENCES AND RIGHTS OF THE****SERIES B CONVERTIBLE PREFERRED STOCK,****PAR VALUE \$0.001 PER SHARE**

Pursuant to Section 151 of the Delaware General Corporation Law

The undersigned, Jason Reid, President of Coda Octopus Group, Inc., a Delaware corporation (the "Corporation"), DOES HEREBY CERTIFY that the following resolution, creating a series of 50,000 shares of Preferred Stock was duly adopted by the Board of Directors, on June 2, 2006:

WHEREAS, the Board of Directors is authorized, within the limitations and restrictions stated in the Certificate of Incorporation of the Corporation, to provide by resolution or resolutions for the issuance of shares of Preferred Stock, par value \$0.001 per share, of the Corporation, in one or more classes or series with such rights, powers, designations, preferences and other special rights, and qualifications, limitations or restrictions as shall be stated and expressed in the resolution or resolutions providing for the issuance thereof adopted by the Board of Directors, and as are not stated and expressed in the Certificate of Incorporation, or any amendment thereto, including (but without limiting the generality of the foregoing) such provisions as may be desired or matters as may be fixed by resolution or resolutions of the Board of Directors under the General Corporation Law of the State of Delaware; and

WHEREAS, it is the desire of the Board of Directors, pursuant to its authority as aforesaid, to authorize and fix the terms of a series of Preferred Stock and the number of shares constituting such series.

NOW, THEREFORE, BE IT RESOLVED:

1. Designation and Number of Shares. There shall be hereby created and established a series of Preferred Stock designated as "Series B Convertible Preferred Stock" (the "Series B Preferred Stock"). The authorized number of shares of Series B Preferred Stock shall be 50,000. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in Section 9 below.

2. Rank. The Series B Preferred Stock shall, with respect to the payment of (i) the Liquidation Payment in the event of a Liquidation, (ii) the Sale Payment in the event of a Sale Transaction, (iii) dividends, rank junior to the Corporation's issued and outstanding Series A Preferred Stock and senior to (x) all classes of common stock of the Corporation (including, without limitation, the Common

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Stock, par value \$0.001 per share, of the Corporation (the "Common Stock") and (y) each other class or series of Capital Stock of the Corporation hereafter created which does not expressly rank pari passu with or senior to the Series B Preferred Stock (clauses (x) and (y), together, the "Junior Stock").

3. Dividends.

(a) Dividend Rate. The holders of shares of Series B Preferred Stock shall receive dividends at an annual rate equal to 8% of the Accreted Value, calculated on the basis of a 360-day year, consisting of twelve 30-day months, which shall accrue on a daily basis from the date of issuance thereof, whether or not declared. Accrued and unpaid dividends shall not be paid in cash but instead shall compound and be added to the Accreted Value in effect immediately prior to the Compounding Date, on a semi-annual basis on April 30 and October 31 of each year (each such date, a "Compounding Date"), whether or not declared by the Board of Directors.

(b) Junior Stock Dividends. The Corporation shall not declare or pay any dividends on, or make any other distributions with respect to or redeem, purchase or otherwise acquire for consideration, any shares of any Junior Stock unless and until all accrued dividends on the Series B Preferred Stock have been paid in full.

4. Liquidation Rights and Change of Control.

(a) Liquidation. Upon the occurrence of a Liquidation, the holders of shares of Series B Preferred Stock shall be paid in cash for each share of Series B Preferred Stock held thereby, out of, but only to the extent of, the assets of the Corporation legally available for distribution to its stockholders after payment in full of the liquidation preference of the Series A Preferred Stock, before any payment or distribution is made to any Junior Stock, an amount equal to the greater of (i) the sum of (x) the Accreted Value of such share of Series B Preferred Stock on the date of such Liquidation plus (y) all that have dividends accrued since the previous Compounding Date or (ii) the aggregate amount payable in such Liquidation with respect to the number of shares of Common Stock into which such share of Series B Preferred Stock is convertible immediately prior to such Liquidation (the greater of clause (i) or clause (ii), the "Liquidation Payment"). If the assets of the Corporation available for distribution to the holders of shares of Series B Preferred Stock shall be insufficient to permit payment in full to such holders of the aggregate Liquidation Payment, then all of the assets available for distribution to holders of shares of Series B Preferred Stock shall be distributed among and paid to such holders ratably in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit payment in full.

(b) Change of Control. In the event of a Change of Control, the holders of shares of Series B Preferred Stock shall be paid for each share of Series B Preferred Stock held thereby, after payment in full of any amounts then required to be paid to the holders of shares of Series A Preferred Stock but before any payment or distribution is made to any Junior Stock, an amount equal to the greater of (i) the sum of (x) the Accreted Value of such share of Series B Preferred Stock on the date of such

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Change of Control plus (y) all dividends that have accrued since the previous Compounding Date to the closing date of such Change of Control or (ii) the aggregate amount of consideration payable in such Change of Control to the number of shares of Common Stock into which such share of Series B Preferred Stock is convertible immediately prior to the closing of such Change of Control. If the assets of the Corporation available for distribution to the holders of shares of Series B Preferred Stock shall be insufficient to permit payment in full to such holders of the aggregate Sale Payment, then all of the assets available for distribution to holders of shares of Series B Preferred Stock shall be distributed among and paid to such holders ratably in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit payment in full. Such amount shall be paid in the form of consideration paid in such Change of Control on the closing date of such Change of Control. Any securities of the surviving Person to be delivered to the holders of shares of Series B Preferred Stock pursuant to this Section 4(b) shall be valued as follows:

(i) With respect to securities that do not constitute "restricted securities," as such term is defined in Rule 144(a)(3) promulgated under the Securities Act, the value shall be deemed to be the Current Market Price of such securities as of three (3) days prior to the date of payment.

(ii) With respect to securities that constitute "restricted securities," as such term is defined in Rule 144(a)(3) promulgated under the Securities Act, and that are of the same class or series of securities that are publicly traded, the value shall be adjusted to make an appropriate discount from the value as set forth above in clause (i) to reflect the appropriate fair market value thereof, as mutually determined by the Board of Directors and the holders of a majority of the shares of Series B Preferred Stock, or if there is no active public market with respect to such class or series of securities, such securities shall be valued in accordance with clause (i) above, giving appropriate weight, if any, to such restriction as mutually determined by the Board of Directors and the holders of a majority of the shares of Series B Preferred Stock, or if the Board of Directors and the holders of a majority of the shares of Series B Preferred Stock shall fail to agree, at the Corporation's expense by an appraiser chosen by the Board of Directors and reasonably acceptable to the holders of a majority of the shares of Series B Preferred Stock.

(c) Notice. Written notice of a Liquidation or Change of Control stating a payment or payments and the place where such payment or payments shall be payable, shall be delivered in person, mailed by certified mail, return receipt requested, mailed by overnight mail or sent by telecopier, not less than ten (10) days prior to the earliest payment date stated therein, to the holders of record of shares of Series B Preferred Stock, such notice to be addressed to each such holder at its address as shown by the records of the Corporation.

5. Redemption. The shares of Series B Preferred Stock shall not be redeemed or subject to redemption, whether at the option of the Corporation or any holder thereof, or otherwise.

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6. Major Actions. Notwithstanding anything to the contrary set forth in the Certificate of Incorporation, the By-Laws of the Corporation or otherwise, neither the Corporation, the Board of Directors nor the stockholders of the Corporation shall approve, consent to or ratify any of the following actions without the affirmative vote or written consent of the holders of a majority of the outstanding shares of Series B Preferred Stock, voting as a separate class:

(i) any amendment, modification or restatement of the Certificate of Incorporation or the By-laws of the Corporation that would adversely affect the rights of the Series B Preferred Stock;

(ii) the issuance, reservation for issuance or authorization of any Capital Stock of the Corporation or any right or option to acquire shares of Capital Stock ranking pari passu with or senior to the shares of Series B Preferred Stock or any increase or decrease in the authorized number of shares of Series B Preferred Stock;

(iii) any capital reorganization of the Company, any reclassification of the Capital Stock of the Company, any consolidation with or merger of the Company into another corporation, or any conveyance of all or substantially all of the assets of the Company to another corporation;

(iv) the redemption of any Junior Stock other than the repurchase of unvested stock options or restricted stock from employees, officers, directors, or consultants of the Corporation upon termination of service;

(v) any declaration, distribution or payment of any dividend or other distribution to any Junior Stock;

(vi) the issuance, incurrence, assumption or guarantee by the Corporation or any Subsidiary of the Corporation of any funded indebtedness in excess of \$1 million; and

(vii) any amendment to this Section 6.

7. Conversion.

(a) Optional Conversion. Any holder of shares of Series B Preferred Stock shall have the right, at its option, at any time after the date hereof and from time to time, to convert, subject to the terms and provisions of this Section 7, any or all of such holder's shares of Series B Preferred Stock into such number of fully paid and non-assessable shares of Common Stock as is equal to the product of (i) the number of shares of Series B Preferred Stock being so converted multiplied by (ii) the quotient of (x) the sum of the Accreted Value plus all dividends accrued since the previous Compounding Date divided by (y) the conversion price of \$1.00 per share, subject to adjustment as provided in Section 7(d) below (the "Conversion Price"); provided, however, that any holder of the Series B Preferred Stock may not convert such Series B

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Preferred Stock into shares of Common Stock pursuant to this Section 7(a) to the extent that such holder's beneficial ownership (as such term is defined in Rule 13d-3 under the Exchange Act) of Common Stock would exceed 9.99% of the Company's fully issued and outstanding shares of Common Stock.

(b) Method of Conversion. Such conversion right shall be exercised by the surrender of certificate(s) representing the shares of Series B Preferred Stock to be converted to the Corporation at any time during usual business hours at its principal place of business (or such other office or agency as the Corporation may designate by notice to the holders of shares of Series B Preferred Stock), accompanied by written notice that the holder elects to convert such shares of Series B Preferred Stock and specifying the name or names (with address) in which a certificate or certificates for shares of Common Stock are to be issued. All certificates representing shares of Series B Preferred Stock surrendered for conversion shall be delivered to the Corporation for cancellation and canceled by it. Each conversion shall be deemed to have been effected at the close of business on the date on which the Corporation or such agency shall have received such surrendered Series B Preferred Stock certificate(s); and the person or persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the record holder or holders of the shares represented thereby on such date. As soon as practicable after such conversion, the Corporation shall issue or deliver at such address of the holder for whose account such shares of Series B Preferred Stock were surrendered, certificates bearing legends as may be required by applicable securities laws for the number of shares of Common Stock to which the holder shall be entitled.

(c) Termination of Rights. On the date of an optional conversion pursuant to Section 7(a), all rights with respect to the shares of Series B Preferred Stock so converted shall terminate, except only the rights of holders thereof to (i) receive certificates for the number of shares of Common Stock into which such shares of Series B Preferred Stock have been converted and (ii) exercise the rights to which they are entitled as holders of Common Stock.

(d) Antidilution Adjustments. The Conversion Price, and the number and type of securities to be received upon conversion of shares of Series B Preferred Stock, shall be subject to adjustment as follows:

(i) Dividend, Subdivision, Combination or Reclassification of Common Stock. In the event that the Corporation shall at any time or from time to time, prior to conversion of shares of Series B Preferred Stock (w) pay a dividend or make a distribution on the outstanding shares of Common Stock payable in Capital Stock of the Corporation, (x) subdivide the outstanding shares of Common Stock into a larger number of shares, (y) combine the outstanding shares of Common Stock into a smaller number of shares or (z) issue any shares of its Capital Stock in a reclassification of the Common Stock (other than any such event for which an adjustment is made pursuant to another clause of this Section 7(d)), then, and in each such case, the Conversion Price in effect immediately prior to such event shall be adjusted (and any other appropriate actions shall be taken by the Corporation) so that the holder of any

share of Series B Preferred Stock thereafter surrendered for conversion shall be entitled to receive the number of shares of Common Stock or other securities of the Corporation that such holder would have owned or would have been entitled to receive upon or by reason of any of the events described above, had such share of Series B Preferred Stock been converted immediately prior to the occurrence of such event.

(ii) Issuance of Common Stock or Common Stock Equivalent below Conversion Price.

(a) If the Corporation shall at any time or from time to time prior to conversion of shares of Series B Preferred Stock, issue or sell (such time or date, the "Relevant Date") any shares of Common Stock or Common Stock Equivalents at a price per share of Common Stock (the "New Issue Price") that is less than the Conversion Price (treating the price per share of Common Stock in the case of any Common Stock Equivalent, as on a fully converted, exercised or exchanged basis), then, and in each such case, the Conversion Price then in effect shall be adjusted by multiplying the Conversion Price in effect on the day immediately prior to the Relevant Date by a fraction (i) the numerator of which shall be the sum of the number of shares of Common Stock outstanding on the Relevant Date plus the number of shares of Common Stock which the aggregate consideration received by the Corporation for the total number of such additional shares of Common Stock so issued would purchase at the Conversion Price on the Relevant Date (or, in the case of Common Stock Equivalents, the number of shares of Common Stock which the aggregate consideration received by the Corporation upon the issuance of such Common Stock Equivalents and receivable by the Corporation upon the conversion, exchange or exercise of such Common Stock Equivalents would purchase at the Conversion Price on the Relevant Date) and (ii) the denominator of which shall be the sum of the number of shares of Common Stock outstanding on the Relevant Date plus the number of additional shares of Common Stock issued or to be issued (or, in the case of Common Stock Equivalents, the maximum number of shares of Common Stock into which such Common Stock Equivalents initially may convert, exchange or be exercised).

(b) If any Common Stock Equivalents (or any portions thereof) which shall have given rise to an adjustment pursuant to this Section 7(d)(ii) shall have expired or terminated without the exercise thereof and/or if by reason of the terms of such Common Stock Equivalents there shall have been an increase or increases, with the passage of time or otherwise, in the price payable upon the exercise or conversion thereof, then the Conversion Price hereunder shall be readjusted (but to no greater extent than originally adjusted) in order to (A) eliminate from the computation any additional shares of Common Stock corresponding to such Common Stock Equivalents as shall have expired or terminated, (B) treat the additional shares of Common Stock, if any, actually issued or issuable pursuant to the previous exercise of such Common Stock Equivalents as having been issued for the consideration actually received and receivable therefor and (C) treat any of such Common Stock Equivalents which remain outstanding as being subject to exercise or conversion on the basis of such exercise or conversion price as shall be in effect at the time.

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(iii) No Adjustment. Notwithstanding anything herein to the contrary, no adjustment under this Section 7(d) need be made to the Conversion Price if the Corporation receives written notice from 66 2/3% of the holders of the outstanding shares of Series B Preferred Stock that no such adjustment is required.

(e) Abandonment. If the Corporation shall take a record of the holders of its Common Stock for the purpose of entitling them to receive a dividend or other distribution, and shall thereafter and before the distribution to stockholders thereof legally abandon its plan to pay or deliver such dividend or distribution, then no adjustment in the Conversion Price shall be required by reason of the taking of such record.

(f) Certificate as to Adjustments. Upon any adjustment in the Conversion Price, the Corporation shall within a reasonable period (not to exceed ten (10) Business Days) following any of the foregoing transactions deliver to each registered holder of shares of Series B Preferred Stock a written notice from the Corporation, setting forth in reasonable detail the event requiring the adjustment and the method by which such adjustment was calculated and specifying the increased or decreased Conversion Price then in effect following such adjustment.

(g) Reorganization, Reclassification. In case of any merger or consolidation of the Corporation (other than a Sale Transaction) or any capital reorganization, reclassification or other change of outstanding shares of Common Stock (other than a change in par value) (each, a "Transaction"), the Corporation shall execute and deliver to each holder of shares of Series B Preferred Stock at least ten (10) Business Days prior to effecting such Transaction a written notice from the Corporation, stating that the holder of each share of Series B Preferred Stock shall have the right to receive in such Transaction, in exchange for each share of Series B Preferred Stock, a security identical to (and not less favorable than) the Series B Preferred Stock, and provision shall be made therefor in the agreement, if any, relating to such Transaction. Any certificate delivered pursuant to this Section 7(g) shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 7. The provisions of this Section 7(g) and any equivalent thereof in any such certificate similarly shall apply to successive transactions.

(h) Notices. If the Corporation (i) shall declare a dividend (or any other distribution) on its shares of Common Stock; (ii) shall authorize the granting to the holders of its Common Stock rights or warrants to subscribe for or purchase any shares of Capital Stock of any class or of any other rights or warrants; (iii) shall enter into a Transaction; or (iv) shall effect an Initial Public Offering or a Sale Transaction;

then the Corporation shall mail to each holder of shares of Series B Preferred Stock at such holder's address as it appears on the transfer books of the Corporation, at least ten (10) Business Days prior to (A) the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or granting of rights or warrants, or (B) the date on which such Transaction, Initial Public Offering or Sale Transaction is expected to become effective.

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(i) Reservation of Common Stock. The Corporation shall at all times reserve and keep available for issuance upon the conversion of shares of Series B Preferred Stock, such number of its authorized but unissued shares of Common Stock as will be sufficient to permit the conversion of all outstanding shares of Series B Preferred Stock. If at any time the number of authorized but unissued shares of Common Stock (or such other shares or other securities) shall not be sufficient to affect the conversion of all then outstanding Series B Preferred Stock, the Corporation shall promptly take such action as may be necessary to increase its authorized but unissued Common Stock (or other shares or other securities) to such number of shares as shall be sufficient for such purpose.

(j) No Conversion Tax or Charge. The Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in a name other than that of the holder of the shares of Series B Preferred Stock converted, and the Corporation shall not be required to issue or deliver such certificate unless or until the Person or Persons requesting the issuance or delivery thereof shall have paid to the Corporation the amount of such tax or shall have established to the reasonable satisfaction of the Corporation that such tax has been paid.

8. Business Day. If any payment shall be required by the terms hereof to be made on a day that is not a Business Day, such payment shall be made on the immediately succeeding Business Day.

9. Definitions. As used in this Certificate of Designations, the following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and vice versa), unless the context otherwise requires:

"Accreted Value" means, as of any date, with respect to each share of Series B Preferred Stock, \$100 (subject to adjustment for the events described in Section 7(d)(i) if such events occur with respect to the shares of Series B Preferred Stock), plus the amount of dividends which have accrued, compounded and been added thereto to such date pursuant to Section 3(a) hereof.

"Board of Directors" means the Board of Directors of the Corporation.

"Business Day" means any day except a Saturday, a Sunday, or other day on which commercial banks in the State of New York are authorized or required by law or executive order to close.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person's capital stock (including, without limitation, common stock and preferred stock) and any and all rights, warrants or options exchangeable for or convertible into such capital stock.

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"Change of Control" means (i) any merger, consolidation or other business combination transaction (or series of related transactions) in which the stockholders owning a majority of the voting securities of the Corporation prior to such transaction do not own a majority of the voting securities of the surviving Person, (ii) any tender offer, exchange offer or other transaction whereby the stockholders of the Corporation prior to such tender offer, exchange offer or other transaction do not retain at least a majority of the outstanding shares of Common Stock or (iii) a sale of all or substantially all of the assets of the Corporation.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" shall have the meaning ascribed to it in Section 2 hereof.

"Common Stock Equivalent" means any security or obligation which is by its terms, directly or indirectly, convertible, exchangeable or exercisable into or for shares of Common Stock, including, without limitation, the Series B Preferred Stock, and any option, warrant or other subscription or purchase right with respect to Common Stock or any Common Stock Equivalent.

"Conversion Price" shall have the meaning ascribed to it in Section 7(a) hereof.

"Corporation" shall have the meaning ascribed to it in the first paragraph of this Certificate of Designation.

"Current Market Price" per share of Capital Stock of any Person means, as of the date of determination, the average of the daily Market Price of such Capital Stock during the immediately preceding thirty (30) Business Days ending on such date.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Junior Stock" shall have the meaning ascribed to it in Section 2 hereof.

"Liquidation" means the voluntary or involuntary liquidation under applicable bankruptcy or reorganization legislation, or the dissolution or winding up of the Corporation.

"Liquidation Payment" shall have the meaning ascribed to it in Section 4(a) hereof.

"Market Price" means, with respect to the Capital Stock of any Person, as of the date of determination, a market price per share determined mutually by the Board of Directors and the holders of a majority of the shares of Series B Preferred Stock or, if the Board of Directors and the holders of a majority of the shares of Series B Preferred

Stock shall fail to agree, at the Corporation's expense, by an appraiser chosen by the Board of Directors and reasonably acceptable to the holders of a majority of the shares of Series B Preferred Stock.

"New Issue Price" shall have the meaning ascribed to it in Section 7(d)(ii) hereof.

"Person" means any individual, firm, corporation, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, governmental body or other entity of any kind.

"Relevant Date" shall have the meaning ascribed to it in Section 7(d)(ii) hereof.

"Sale Transaction" means (a) (i) the merger or consolidation of the Corporation into or with one or more Persons, (ii) the merger or consolidation of one or more Persons into or with the Corporation or (iii) a tender offer or other business combination if, in the case of (i), (ii) or (iii), the stockholders of the Corporation prior to such merger or consolidation do not retain at least a majority of the voting power of the surviving Person or (b) the voluntary sale, conveyance, exchange or transfer to another Person of (i) the voting Capital Stock of the Corporation if, after such sale, conveyance, exchange or transfer, the stockholders of the Corporation prior to such sale, conveyance, exchange or transfer do not retain at least a majority of the voting power of the Corporation or (ii) all or substantially all of the assets of the Corporation.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Series B Preferred Stock" shall have the meaning ascribed to it in Section 1 hereof.

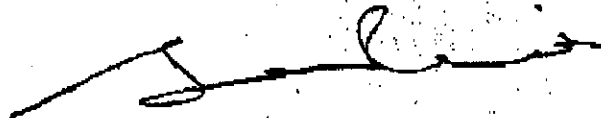
"Series A Preferred Stock" means the Company's Series A Preferred Stock, \$001 par value, issued and outstanding as of the date hereof.

"Transaction" shall have the meaning ascribed to it in Section 7(g) hereof.

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FROM

IN WITNESS WHEREOF, the undersigned has executed and subscribed this certificate of designation on the date first written above.



**Jason Rcid
President**

FROM

(MON) MAR 26 2007 14:39/ST. 14:39/No. 7500000610 P 2

Mar 26 07:03:28p

Coda Octopus Group

12129243447

P. 1

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:39 PM 03/26/2007
FILED 03:39 PM 03/26/2007
SRV 070360845 - 3828185 FILE

**CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION**

FIRST: That at a meeting of the Board of Directors of Coda Octopus Group, Inc. resolutions were duly adopted setting forth a proposed amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said for considerations thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "FOURTH" so that, as amended, said Article shall be and read as follows:

"The total number of shares of stock which the corporation shall have authority to issue is one hundred and five million shares (105,000,000). Of such, five million (5,000,000) shall be preferred shares, each having a par value of \$.001, and one hundred million (100,000,000) shall be common shares, each having a par value of \$.001. Upon payment of consideration such shares shall be deemed to be fully paid and non-assessable"

SECOND: That as is permitted under the Certificate of Incorporation of the Corporation and in accordance with Section 228 of the General Corporation Law of the State of Delaware, the aforementioned amendment shall be taken without a meeting of stockholders and by consent of stockholders having not less than 2/3 of the voting power of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors.

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

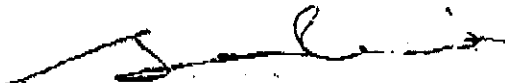
FOURTH: That the capital of said corporation shall not be reduced under or by reason of said amendment.

IN WITNESS WHEREOF, said Coda Octopus Group, Inc. has caused this certificate to be signed by:

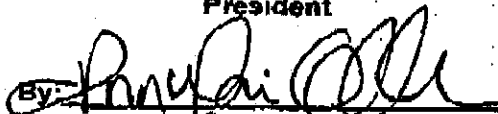
Jason Reid, its President

and Annmarie Gayle, its Secretary,

this 26th day of March, A.D. 2007

By: 

President

By: 
Secretary

FROM

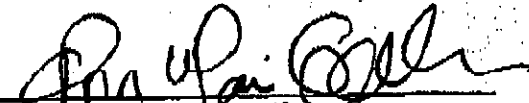
(THU)MAR 29 2007 15:44/ST. 15:43/No. 7500000007 P 2

**STATE OF DELAWARE
CERTIFICATE OF CORRECTION**

CODA OCTOPUS GROUP, INC., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware, does hereby certify that:

- 1. The name of the corporation is CODA OCTOPUS GROUP, INC**
- 2. A Certificate of Designation (the "Certificate") was filed by the Delaware Secretary of State on June 7, 2006, and that said Certificate requires correction as permitted by Section 103 of the General Corporation Law of the State of Delaware.**
- 3. The Inaccuracy or defect of said Certificate to be corrected is as follows:
Page three (3) of the Certificate is missing.**
- 4. The corrected Certificate in its entirety is attached to this document.**

IN WITNESS WHEREOF, CODA OCTOPUS GROUP, INC., has caused this Certificate of Correction this 29th day of March, A.D. 2007.

BY: 
Annmarie Gayle/Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:50 PM 03/29/2007
FILED 04:50 PM 03/29/2007
SRV 070379039 - 3828185 FILE

**CERTIFICATE OF DESIGNATIONS,
PREFERENCES AND RIGHTS
OF PREFERRED STOCK
OF
CODA OCTOPUS GROUP, INC.**

Coda Octopus Group, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Company"), pursuant to the authority conferred upon the Board of Directors by its Certificate of Incorporation, the Board of Directors in a meeting dated November 30th, 2005 duly adopted resolutions approving the statement of the Certificate of Designations, Preferences and Rights of Series A Preferred Stock of the Company creating 50,000 Shares of 12% Series A Preferred Stock as follows:

RESOLVED, that pursuant to the authority vested in the Board of Directors of the Company in accordance with the provisions of its Certificate of Incorporation, a series of Preferred Stock of the Company be and it is hereby created, and that the designation and amount thereof and the powers, preferences and relative, participating, optional and other special rights of the shares of such series, and the qualifications, limitations or restrictions thereof are as follows:

Section 1. Designation and Amount.

There shall be a series of 50,000 shares of the preferred stock of the Company which shall be designated as "Series A Preferred Stock." Each share of Series A Preferred Stock shall be denominated into "Dollar Preferred" or "Sterling Preferred" depending on whether the shares were purchased in US Dollars or Pounds Sterling at \$100 or £100 respectively.

Section 2. Dividends and Distributions.

- (a) The holders ("the Holders") of shares of Series A Preferred Stock, in preference to the holders of shares of Common Stock, \$.001 par value per share (the "Common Stock"), of the Company and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, Dividends will be paid on semi-annually on April 30th and October 31st, (each such date being referred to herein as a "Dividend Payment Date"), commencing on the first Dividend Payment Date after the first issuance of shares of Series A Preferred Stock in an amount per share (rounded to the nearest cent) equal to 12% per annum payable in US dollars or Pounds Sterling at the rate of \$1.7689/pound, depending on the currency in which the shares were issued. At the option of each Holder, dividends may be issued in whole or in part in shares of the common stock of the Company valued at the average closing price for the ten trading days preceding the dividend date.
- (b) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the date of issue of such shares. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or

FROM

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distribution declared thereon, which record date shall be not more than sixty days prior to the date fixed for the payment thereof.

Section 3. Voting Rights.

The holders of shares of Series A Preferred Stock shall have the following voting rights:

- (a) Each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Company.
- (b) Except as otherwise provided, in the Company's Certificate of Incorporation or by law, the holders of shares of Series A Preferred Stock, the holders of shares of Common Stock, and the holders of shares of any other capital stock of the Company having general voting rights, shall vote together as one class on all matters submitted to a vote of stockholders of the Company.
- (c) Except as otherwise set forth herein or in the Company's Certificate of Incorporation, and except as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. Certain Restrictions.

- (a) Whenever dividends or distributions payable on the Series A Preferred Stock are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Company shall not:
 - (i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;
 - (ii) declare or pay dividends on or make any other distributions on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;
 - (iii) except as permitted in Section 4(a)(iv) below, redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, provided that the Company may at any time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Company ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or
 - (iv) purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by

publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

Section 5. Recquired Shares.

Any shares of Series A Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. The Company shall cause all such shares upon their cancellation to be authorized but unissued shares of preferred stock which may be reissued as part of a new series of preferred stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. Liquidation, Dissolution or Winding Up.

- (a) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Company, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received per share, the greater of the purchase price of the stock plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Liquidation Preference"). Following the payment of the full amount of the Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Preferred Stock.
- (b) In the event there are not sufficient assets available to permit payment in full of the Liquidation Preference and the liquidation preferences of all other series of preferred stock, if any, which rank on a parity with the Series A Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences.

Section 7. Consolidation and Merger

In case the Company shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then, in any such case, the shares of Series A Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is exchanged or changed.

In the event the Company shall at any time declare or pay any dividend on Common Stock payable in shares of Common Stock, or effect a subdivision or combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of

Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that are outstanding immediately prior to such event.

Section 8. Conversion and Redemption.

Each share of Series A Preferred Stock may be converted, at the option of the Holder, into 100 Shares of the Common Stock if Dollar Denominated and 177 Shares if Sterling denominated for a term of seven years from the date of issuance.

Shares of Series A Preferred Stock may be redeemed by the Company at their purchase price plus any accrued but unpaid dividends commencing one year after the issue date in the event the closing price of the Common Stock on the market on which it trades is at least \$3.00 for the twenty trading days prior to the receipt by each Holder of a notice of redemption. Holders may elect to sell their Shares of Series A Preferred Stock or convert their shares into shares of the Company's Common Stock between the time of the receipt of such written notice and ten business days thereafter.

Section 9. Ranking.

The Series A Preferred Stock shall rank senior to all other series of the Company's Preferred Stock, any, as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. Amendment.

The Certificate of Incorporation of the Company shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect it adversely without the affirmative vote of the holders of a majority or more of the outstanding shares of Series A Preferred Stock voting separately as a class.

Section 11. Fractional Shares.

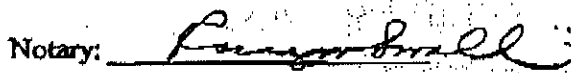
Series A Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock

IN WITNESS WHEREOF, Coda Octopus Group, Inc. has caused this Certificate of Designations, Preferences and Rights of Cumulative Preferred Stock to be executed by its President and attested by its Secretary this 18th day of April, 2006.

Coda Octopus Group, Inc.

Sworn before me this 18th day of April, 2006

By: 
Jason Reid,
President

Notary: 
ROSE M. SMALL
Notary Public, State of New York
No. 01 SM8108338
Qualified in New York County
My Commission Expires April 12, 2008

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:17 PM 04/03/2007
FILED 02:17 PM 04/03/2007
SRV 070393997 - 3828185 FILE

**CERTIFICATE OF AMENDMENT
of
CERTIFICATE OF DESIGNATION
of
SERIES A PREFERRED STOCK
of**

CODA OCTOPUS GROUP, INC

Pursuant to Section 151 of the Delaware General Corporation Law

The undersigned, Jason Reid, President of Coda Octopus Group, Inc., a Delaware corporation (the "Corporation"), DOES HEREBY CERTIFY THAT the following resolution, amending the rights attaching to Series A Preferred Stock was duly adopted by the Board of Directors of the Corporation (the "Board") on April 2, 2007 and that all holders of Series A Preferred Stock have unanimously consented to the amendments set forth in the resolutions herein.

WHEREAS, the Board has determined it to be in the best interests of the Corporation and its stockholders to amend the Certificate of Designation of Series A Preferred Stock subject to obtaining the unanimous consent of all existing holders of Series A Preferred Stock.

WHEREAS, all the existing holders of Series A Preferred Stock have unanimously and irrevocably consented to the amendments set forth herein.

NOW, THEREFORE, BE IT RESOLVED, that the Certificate of Designation be amended as follows:

Paragraph 2 of Section 8 is hereby deleted in its entirety and replaced with the following:

Section 8. Conversion

Shares of Series A Preferred Stock may, at the option of the Company, be converted into such number of fully paid and non-assessable shares of Common Stock as is equal to their purchase price plus any accrued but unpaid dividends commencing one year after the issue date in the event the closing price of the Common Stock on the market on which it trades is at least \$3.00 for the twenty trading days prior to the receipt by each Holder of a notice of conversion.

IN WITNESS WHEREOF, said Corporation has caused this Certificate of Amendment to Certificate of Designation of Series A Preferred Stock to be signed by its President on this 3rd day of April 2007.



**Jason Reid
President**

State of Delaware
Secretary of State
Division of Corporations
Delivered 09:23 PM 08/27/2008
FILED 08:15 PM 08/27/2008
SRV 080908725 - 3828185 FILE

**CERTIFICATE OF AMENDMENT
TO
CERTIFICATE OF INCORPORATION
OF
CODA OCTOPUS GROUP, INC.,**

a Delaware corporation

Coda Octopus Group, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

FIRST: The name of the Corporation is Coda Octopus Group, Inc.

SECOND: Pursuant to Section 242 of the Delaware General Corporation Law, the Board of Directors of the Corporation has duly adopted, and a majority of the outstanding stock entitled to vote thereon and a majority of the outstanding stock of each class entitled to vote as a class has duly approved, the amendment to the Certificate of Incorporation of the Corporation, as amended, set forth in this Certificate of Amendment.

THIRD: that the Certificate of Incorporation of this corporation be amended further by changing the Article "FOURTH" to read as follows:

"The total number of shares which the corporation shall have authority to issue is One Hundred Fifty Five Million (155,000,000), of which five million (5,000,000) shall be preferred shares, each having a par value of \$0.001, and One Hundred Fifty Million (150,000,000) shall be common shares, each having a par value of \$0.001."

FOURTH: That this Certificate of Amendment shall be effective as of the date of filing.

IN WITNESS WHEREOF, Coda Octopus Group Inc. has caused this Certificate to be signed by Jason Reid, its President, who hereby acknowledges under penalties of perjury that the facts herein stated are true and that this Certificate is his act and deed, this 23 day of August, 2008.

CODA OCTOPUS GROUP, INC.



By: _____
Jason Reid, President