

Articles of Association

Roylesoft Limited¹



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¹ Name changed from Chronicle Solutions (UK) Limited to Roylesoft Limited pursuant to special resolution passed on 17 February 2009

Contents

Article	Article heading	Page
1	Application of Table A	1
2	Share capital	1
3	Dividends	1
4	Voting	2
5	Deferred Shares	2
6	Class rights	3
7	Further issues of shares	3
8	Transfer of shares	4
9	Prohibited, permitted and mandatory transfers	5
10	Pre-emption rights	6
11	Tag along and drag along rights	9
12	Appointment and removal of directors	11
13	Meetings of directors	11
14	Directors' conflicts of interest	12
15	Lien	14
16	Partly paid shares	14
17	Seal	14
18	Indemnity	15
19	Data protection	15
20	Definitions	15

Companies Acts 1985 and 2006
Private company limited by shares
Articles of association
of
Roylesoft Limited¹

Registered company number: 4247757

Adopted by special resolution on: 17 February 2009

1 Application of Table A

- 1.1 The regulations contained in or incorporated in Table A shall apply to the Company except save insofar as they are excluded or varied by these articles or are inconsistent with these articles and such regulations (except as so excluded varied or inconsistent) and these articles shall be the regulations of the Company.
- 1.2 Regulations 38, 54, 73-80 (inclusive), 85, 86, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

2 Share capital

The authorised share capital of the Company at the date of adoption of these articles is £15,000,000 divided into:

938,303 Deferred Shares of £0.10 each and

149,061,697 Ordinary Shares of £0.10 each.

3 Dividends

- 3.1 No dividends shall accrue on any shares in the capital of the Company prior to 31 March 2010.
- 3.2 Every dividend shall be distributed to the appropriate shareholders pro rata according to the numbers of shares held by them respectively. Unless otherwise agreed by a majority of the Members having the right to attend and vote at a general meeting of the Company, all dividends shall be paid in cash.
- 3.3 All accrued but unpaid dividends shall be paid immediately prior to an IPO or Sale.

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- 3.4 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time, and to the extent that it may lawfully do so, declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment any dividends declared by the Company.

4 Voting

- 4.1 Subject to any other provisions in these articles concerning voting rights, shares in the Company shall carry one vote per share.
- 4.2 Votes on shares may be exercised:
- (a) on a show of hands by every Member who is entitled to vote and (being an individual) is present in person or (being a corporation) is present by a representative (in which case each Member holding shares with votes shall have one vote)
 - (b) on a poll by every Member who is entitled to vote and (being an individual) is present in person or by proxy or (being a corporation) is present by a representative or by a proxy (in which case each Member holding shares with votes shall have votes as determined in accordance with these articles).

5 Deferred Shares

- 5.1 Notwithstanding any provision to the contrary contained in these Articles, the rights and privileges attached to the Deferred Shares are as follows:
- (a) *as regards income:*

the Deferred Shares shall not entitle their holders to receive any dividend or other distribution;
 - (i) *as regards capital:*

the Deferred Shares shall on a return of assets in a winding up or otherwise entitle the holder only to the repayment of the amounts paid up on such shares after repayment of £10 million per share to the holders of the Ordinary Shares;
 - (ii) *as regards voting:*

the holders of the Deferred Shares shall not have the right to receive notice of any general meeting of the Company nor the right to attend, speak or vote at any such general meeting;
 - (iii) *as regards purchase by the Company:*

the holders of any Deferred Shares shall be deemed to confer irrevocable authority on the Company at any time thereafter to appoint any person to execute on behalf of the holders of the Deferred Shares which so arise a

transfer of such Deferred Shares (and/or an agreement to transfer the same) to such person as the Company may determine as custodian thereof and/or the Company to purchase the same (in accordance with the provisions of the Acts) in any such case in consideration for not more than one pound for all of the Deferred Shares in issue and where there is more than one holder of Deferred Shares such consideration is payable pro rata to the number of shares held by each holder of such Deferred Shares (and the Company or such other person as the Company shall appoint shall be entitled to retain and hold such consideration on trust for the holder(s) of such Deferred Shares until payment of the consideration is requested by the holder(s) or the Company elects to pay out such consideration to the holder(s), whichever is the earlier) without obtaining the sanction of the holder or holders of such Deferred Shares and pending such transfer and/or purchase to retain the certificate(s) (to the extent issued) for such Deferred Shares and no such action shall constitute a modification or abrogation of the rights or privileges attaching to the Deferred Shares;

(iv) *as regards further issues:*

subject to Section 125(3), 1985 Act, the special rights conferred by the Deferred Shares shall not be deemed to be modified or abrogated in any circumstances, including but not limited to the creation or issue of further shares ranking *pari passu* with or in priority to the Deferred Shares.

6 Class rights

- 6.1 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up, with and only with, the consent in writing of the holders of 50% of the issued shares of that class which at that time carry the right to vote at a general meeting of the Company.

7 Further issues of shares

- 7.1 Subject to the remaining provisions of this Article 7, the Directors are generally and unconditionally authorised for the purpose of section 80 of the Act and/or section 551 of the Companies Act 2006 to exercise any power of the Company to:

- (a) offer, allot or grant rights to subscribe for;
- (b) convert securities; or
- (c) otherwise deal in, or dispose of,

any Relevant Securities in the Company to any persons, at any times and subject to any terms and conditions as the Directors think proper, provided that

- (a) this authority shall only apply insofar as the Company in general meeting has not waived or revoked it;

- (b) this authority may only be exercised for a period of three years commencing upon the Date of Adoption, save that the Directors may make an offer or agreement during that period which would or might require relevant securities to be allotted after the expiry of such authority (and the Directors may allot relevant securities in pursuance of an offer or agreement as if such authority had not expired);

- 7.2 Subject to the provisions of Article 7.1 in accordance with section 91(1) of the Act and section 567(1) of the Companies Act 2006 sections 89(1) and 90(1) to (6) (inclusive) of the Act and sections 561(1) and 562(1) to (5) (inclusive) of the Companies Act 2006 do not apply to an allotment of equity securities made by the Company.
- 7.3 Subject to the provisions of Article 7.1 and unless the directors acting reasonably and based on professional advice agree that it is uneconomical for the Company to do so to any Member(s), all Relevant Securities shall first be offered to the holders of Equity Shares (the "**Offeree Members**") *pro rata* as nearly as possible to the numbers of Equity Shares held by them. Any such offer shall be open for acceptance for not less than 21 days from the date of despatch. In accepting such offer any Offeree Member may apply to subscribe for Relevant Securities in excess of its *pro rata* share ("**Excess Securities**") by stipulating the number of Excess Securities for which it wishes to subscribe.
- 7.4 Any Relevant Securities not accepted by the Offeree Members pursuant to the offer made to them in accordance with Article 7.3 shall be used for satisfying any applications for Excess Securities made pursuant to Article 7.3 and in the event that there are insufficient Excess Securities to satisfy such applications, the Excess Securities shall be allotted to the applicants *pro rata* as nearly as possible to the numbers of Equity Shares held by the applicants immediately prior to the offer made to the Offeree Members in accordance with Article 7.3 .
- 7.5 Any Relevant Securities not accepted within 21 days of the offer made in accordance with Article 7.3 shall be at the disposal of the directors who may (within the period of three months from the end of that period) allot, grant options over or otherwise dispose of the same to such persons at a price per share and on terms no less onerous than that at which the same were offered to such Offeree Members, and otherwise on such terms as they think proper. Section 89 of the Act will not apply to the Company.

8 Transfer of shares

The directors shall refuse to register any transfer of shares made in contravention of the provisions of these articles but (subject to Regulation 24 of Table A) shall not otherwise be entitled to refuse to register any transfer of shares. For the purpose of ensuring that a particular transfer of shares is permitted under the provisions of these articles, the directors may request the transferor, or the person named as transferee in any transfer lodged for registration, to furnish the Company with such information and evidence as the directors may reasonably think necessary or relevant. Failing such information or evidence being furnished to the satisfaction of the directors

within a period of 28 days after such request the directors shall be entitled to refuse to register the transfer in question.

9 Prohibited, permitted and mandatory transfers

Transfers prohibited absolutely

- 9.1 No sale or transfer of the legal or beneficial interest in any shares in the Company may be made or validly registered if as a result of such sale or transfer and registration thereof a Controlling Interest would be obtained in the Company by a company in which one or more of the Members of the Company (or persons acting in concert with them) has a Controlling Interest.

Permitted transfers to holders of Ordinary Shares

- 9.2 Subject to the provisions of article 9.1 (transfers prohibited absolutely) any holder of Ordinary Shares may at any time during his lifetime transfer all or any Ordinary Shares to any other holder of Ordinary Shares provided the identity of the new beneficial owner is disclosed.

Permitted transfers to privileged relations and family trusts

- 9.3 Any Member may at any time during his lifetime or on his death transfer all or any shares held by him to a Privileged Relation or to trustees to be held upon a Family Trust of which he is the settlor, provided that any such transfer of shares to trustees to be held upon a Family Trust may only be made with the consent in writing of a majority of the Members having the right to attend and vote at a general meeting of the Company.

Criteria for consents to family trusts

- 9.4 Where the consent of a majority of the Members is requested to a transfer to a Family Trust such consent must be given if the majority of the Members are satisfied:
- (a) with the terms of the trust instrument and in particular with the powers of the trustees;
 - (b) with the identity of the proposed trustees;
 - (c) that the proposed transfer will not result in 50% or more in the aggregate of the Company's equity share capital being held by trustees of that and any other trusts; and
 - (d) that no costs incurred in connection with the setting up or administration of the Family Trust in question are to be paid by the Company.

Permitted transfers by family trusts

- 9.5 Where any shares are held by trustees upon a Family Trust such shares may be transferred without restriction as to price or otherwise:

- (a) on any change of trustees, to the new trustees of that Family Trust;
- (b) at any time to the settlor or to another Family Trust of which he is the settlor or to any Privileged Relation of the settlor.

Permitted transfers by corporate Investors

- 9.6 Notwithstanding any other provisions of these articles, a transfer of shares held by a corporate member or any of its subsidiaries, its holding company or any subsidiary of its holding company may be made between any such subsidiaries, any holding company of that company and any subsidiary of any such holding company from time to time without restriction as to price or otherwise and the directors shall register such transfer.

Transfers with Majority approval

- 9.7 Notwithstanding any other provision of these articles, a transfer of any shares approved by the holders of 50% or more of the Members may be made without restriction as to price or otherwise and any such transfer shall be registered by the directors.

Mandatory transfer if trust ceases to be a Family Trust

- 9.8 If and whenever any shares in the Company held by trustees upon a Family Trust cease to be so held upon a Family Trust (otherwise than in consequence of a transfer to the settlor or to any Privileged Relation of the settlor) or there cease to be any beneficiaries of the Family Trust other than a charity or charities a Transfer Notice (as hereinafter defined) shall be deemed to have been given in respect of all shares in the Company by the holders thereof and such shares may not otherwise be transferred.

10 Pre-emption rights

Transfer Notices and Sale Price

- 10.1 Except where otherwise provided in these articles, every Member who desires to transfer (or desires to enter into an agreement to transfer) any interest in shares must serve a Transfer Notice and any Member who is required by these articles to transfer any interest in shares will be deemed to have served a Deemed Transfer Notice.
- 10.2 Transfer Notices and Deemed Transfer Notices shall constitute the Company the Seller's agent for the sale of the Sale Shares in one or more lots at the discretion of the directors at the price agreed by the Seller and the directors (the "Sale Price"). If the Seller and the directors are unable to agree a price within 21 days of the Transfer Notice being given (or within 21 days of the directors becoming aware of a Transfer Notice being deemed to have been given) the Sale Price will instead be the price which the Independent Expert shall certify to be in his opinion a fair value of the Sale Shares. In arriving at his opinion the Independent Expert will value the Sale Shares as at the date the Transfer Notice is given, or is deemed to have been given, on a going concern basis as between a willing seller

and a willing buyer, ignoring any reduction in value which may be ascribed to the Sale Shares by virtue of the fact that they represent a minority interest and on the assumption that the Sale Shares are capable of transfer without restriction. The decision of the Independent Expert as to the Sale Price shall be final and binding.

Right of Seller to reject partial sales

- 10.3 A Transfer Notice (but not a Deemed Transfer Notice) may contain a condition (a **"Total Transfer Condition"**) that unless all the Sale Shares are sold by the Company pursuant to this article none shall be sold. Any such provision shall be binding on the Company.

Certification of the Sale Price and right of Seller to cancel

- 10.4 If the Independent Expert is asked to certify the fair value his certificate shall be delivered to the Company. As soon as the Company receives the certificate it shall deliver a copy of it to the Seller. The Seller shall be entitled by notice in writing given to the Company within 7 days of the service upon him of the copy certificate to cancel the Company's authority to sell the Sale Shares unless the shares are to be sold pursuant to a Deemed Transfer Notice. The cost of obtaining the certificate shall be paid by the Company unless the Seller cancels the Company's authority to sell the Sale Shares as referred to above in which case the Seller shall bear the cost.

Pre-emptive offers-general

- 10.5 Once the Sale Price has been determined then, unless the Seller has given a valid notice of cancellation, the Sale Shares shall be offered for sale in accordance with the following provisions of this article 10.

Offer to Members

- 10.6 As soon as the Sale Shares become available they shall forthwith be offered for sale by the Company giving notice in writing to that effect to all holders of Equity Shares (other than the Seller). The notice shall specify:
- (a) the number of Sale Shares on offer and the Sale Price;
 - (b) whether the Sale Shares are subject to a Total Transfer Condition;
 - (c) the date by which the application to purchase the Sale Shares has to be received by the Company (being a date no less than 14 days and no more than 21 days after the date of the notice).

The notice shall set out the method of allocation of the Sale Shares and shall invite each Member to apply in writing to the Company for as many of the Sale Shares (if any) as that Member would like to purchase.

Basis of allocation to Members

- 10.7 The Sale Shares shall be allocated by the directors in satisfaction of the applications received in accordance with the procedure set out in this article.
- 10.8 If the total number of Sale Shares applied for by the Members is equal to or less than the number of Sale Shares available, the Sale Shares shall be allocated in satisfaction of the applications received.
- (a) If the total number of Sale Shares applied for is more than the number of Sale Shares available, the directors shall allocate Sale Shares in satisfaction of each Member's application for Sale Shares in accordance with the following formula. This formula shall be applied repeatedly until such time as there are no Sale Shares remaining to be allocated. Each application of the formula is herein referred to as an "iteration".

$$A = \frac{B}{C} \times D$$

- A** is the number of Sale Shares to be allocated to the relevant Member in the iteration.
- B** is the number of Equity Shares held by the Member.
- C** is the number of Equity Shares held by all Members to whom the iteration is being applied.
- D** is the number of Sale Shares or, after the first iteration, the number of Sale Shares remaining unallocated by previous iterations.

If, in any iteration, a Member would be allocated all or more than all of the Sale Shares for which he applied (including allocations from previous iterations) then any excess will not be allocated to that Member. That Member will cease to take part in any further iterations and the excess Sale Shares will be available for allocation in the next iteration.

- (b) The Company shall notify the Seller and each Member who applied for Sale Shares of the number of Sale Shares that have been allocated and the persons to whom they have been allocated. The notification shall include the place and time (being not later than 14 days after the date by which applications had to be received) at which the sale of the Sale Shares shall be completed.

Transfer procedure for pre-emptive offers

- 10.9 If the Company finds a purchaser or purchasers for all or any of the Sale Shares under the terms of this article the Seller shall be bound, upon receipt of the Sale Price, to transfer the Sale Shares (or such of the same for which the Company shall have found a purchaser or purchasers) to such persons. If the Seller defaults in transferring Sale Shares the Company shall, if so required by the

person or persons willing to purchase such Sale Shares, receive and give a good discharge for the purchase money on behalf of the Seller and shall authorise some person to execute transfers of the Sale Shares in favour of the purchasers and shall enter the names of the purchasers in the Register of Members as the holder of such of the Sale Shares as have been transferred to them.

Transfers free of pre-emption

- 10.10 Where the Company does not find purchasers for all of the Sale Shares under the terms of this article 10 then the Seller shall at any time within six months after the date of the last offer by the Company to its Members be free to sell and transfer such of the Sale Shares as have not been sold to any person at a price which is no less than the Sale Price. If the Sale Shares were the subject of a Total Transfer Condition such a sale may only be made of all the Sale Shares and not part only.

Effect of non-compliance

- 10.11 Any purported transfer of shares otherwise than in accordance with the provisions of these articles shall be void and have no effect.

11 Tag along and drag along rights

Tag along

- 11.1 No sale or transfer of the legal or beneficial interest in any Equity Shares in the Company may be made or validly registered without the consent in writing of a majority of the Members having the right to attend and vote at a general meeting of the Company if, as a result of such sale or transfer and registration thereof, a Controlling Interest would be obtained in the Company by any person or group of persons acting in concert unless the proposed transferee or transferees or his or their nominees:
- (a) are independent third parties acting in good faith; and
 - (b) has or have offered to purchase all the Equity Shares at the same price per share.

Drag along

- 11.2 If shareholders constituting a majority of the Members having the right to attend and vote at a general meeting of the Company (the **"Selling Shareholders"**) wish to transfer all their interest in Equity Shares (the **"Sellers' Shares"**) to a bona fide arms length purchaser (the **"Third Party Purchaser"**) the Selling Shareholders shall have the option (the **"Drag Along Option"**) to require all the other holders of Equity Shares (the **"Called Shareholders"**) to sell and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this article.
- 11.3 The Selling Shareholders may exercise the Drag Along Option by giving a written notice to that effect (a **"Drag Along Notice"**) at any time before the transfer of the

Sellers' Shares to the Third Party Purchaser. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their Equity Shares (the "**Called Shares**") pursuant to this article, the person to whom they are to be transferred, the consideration for which the Called Shares are to be transferred (calculated in accordance with this article) and the proposed date of transfer.

- 11.4 Drag Along Notices shall be irrevocable but will lapse if for any reason there is not a sale of the Sellers' Shares by the Selling Shareholders to the Third Party Purchaser within 60 days after the date of service of the Drag Along Notice. The Selling Shareholders shall be entitled to serve further Drag Along Notices following the lapse of any particular Drag Along Notice.
- 11.5 The consideration (in cash or otherwise) for which the Called Shareholders shall be obliged to sell each of the Called Shares shall be the same price per share paid to the Selling Shareholders.
- 11.6 No Drag Along Notice may require a Called Shareholder to agree to any terms save those specifically provided for in this article.
- 11.7 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Sellers' Shares unless:
 - (a) all of the Called Shareholders and the Selling Shareholders agree otherwise; or
 - (b) that date is less than 3 days after the Drag Along Notice where it shall be deferred until the third day after the Drag Along Notice.
- 11.8 The rights of pre-emption set out in these articles shall not arise on any transfer of shares to a Third Party Purchaser (or as they may direct) pursuant to a sale in respect of which a Drag Along Notice has been duly served.
- 11.9 If any holder of Equity Shares does not on completion of the sale of Called Shares execute transfer(s) in respect of all the Called Shares held by them the defaulting holder shall be deemed to have irrevocably appointed any person nominated for the purpose by the Selling Shareholders to be their agent and attorney to execute all necessary transfer(s) on his behalf against receipt by the Company (on trust for such holder) of the purchase monies or any other consideration payable for the Called Shares deliver such transfer(s) to the Third Party Purchaser (or as they may direct) and the directors shall forthwith register the Third Party Purchaser (or as they may direct) as the holder thereof. After the Third Party Purchaser (or their nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person. It shall be no impediment to registration of shares under this sub-article that no share certificate has been produced.
- 11.10 Upon any person, following the issue of a Drag Along Notice, becoming a member of the Company pursuant to the exercise of a pre-existing option to acquire shares in the Company (a "**New Member**"), a Drag Along Notice shall be deemed to have been served upon the New Member on the same terms as the previous Drag Along Notice who shall thereupon be bound to sell and transfer all

such shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this article shall apply mutatis mutandis to the New Member save that completion of the sale of such shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member.

12 Appointment and removal of directors

- 12.1 The directors with the consent of a majority of the Members having the right to attend and vote at a general meeting of the Company shall be entitled to appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director and shall be entitled to remove from office any person so appointed and to appoint another person in his place.
- 12.2 The board of the Company shall be entitled to appoint as a director of the Company an independent non-executive chairman of the board any person and an additional non-executive director and to remove from office any person so appointed and to appoint another person in his place.
- 12.3 Any appointment, nomination, removal or termination under this article 12.1 takes effect where applicable on the later of:
- (a) the date notice of that action was personally delivered to the Company's registered office or deemed given (if posted) under Table A;
 - (b) the date (if any) specified in the notice; and
 - (c) (in the case of a nomination of an existing director) the date the director accepts the nomination by giving notice in writing to that effect to the Members appointing him.
- 12.4 The remuneration and reasonable expenses to be paid to an appointee under this article 12.1 shall be payable by the Company and shall be such sum agreed between him and the Company.

13 Meetings and powers of directors

- 13.1 Notice of every meeting of the directors shall be given to each director and any observer at any address supplied by him to the Company for that purpose whether or not he be present in the United Kingdom provided that any director may waive notice of any meeting either prospectively or retrospectively and if he shall do so it shall be no objection to the validity of such meeting that notice was not given to him. Meetings of the directors may, be held by conference telephone or similar equipment, so long as all the participants can hear each other. Such meetings shall be as effective as if the directors had met in person.
- 13.2 In accordance with the provisions of section 77(b) Companies Act 2006, from the date on which section 77 Companies Act 2006 comes into force, the directors may change the name of the Company by resolution of the board.

14 Directors' conflicts of interest

14.1 Subject to the provisions of the Act and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:

- (a) may, subject to the approval of the board, be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
- (b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;
- (c) may (and any firm or company of which he is a partner or Member or director may) act in a professional capacity for the Company or any body corporate in which the Company is in any way interested; and
- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

14.2 For the purposes of this article:

- (a) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his; and
- (c) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

14.3 Subject to and in accordance with the 2006 Act:

- (a) the directors may authorise any matter or situation arising in which a director (the "**Conflicted Director**") has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company (including, without limitation, in relation to the exploitation of any property, information or opportunity, whether or not the company could take

advantage of it) and for this purpose a conflict of interest includes a conflict of interest and duty and a conflict of duties (the "**Conflict Situation**");

- (b) any authorisation given in accordance with this Article 14.3 may be made on such terms and subject to such conditions and/or limitations as the directors may, in their absolute discretion, determine (including, without limitation, excluding the Conflicted Director and any other interested director from certain Board meetings, withholding from him or them certain Board or other papers and/or denying him or them access to certain confidential company information) and such terms, conditions and/or limitations may be imposed at the time of or after the authorisation and may be subsequently varied or terminated; and
- (c) in considering any request for authorisation in respect of a Conflict Situation, the directors shall be entitled to exclude the Conflicted Director from any meeting or other discussion (whether oral or written) concerning the authorisation of such Conflict Situation and they shall also be entitled to withhold from such Conflicted Director any Board or other papers concerning the authorisation of such Conflict Situation.

14.4 Without requiring authorisation under the provisions of Article 14.3, a director may be or become subject to one or more Conflict Situations as a result of him having a direct or indirect interest in any transaction or arrangement with, holding any office, employment or position with, or having any other direct or indirect interest (including, without limitation, any economic or commercial interest) in any Group Company. For the purpose of this Article 14.4 "Group Company" means any subsidiary and subsidiary undertaking of the company, any parent undertaking of the company and any of its subsidiaries or subsidiary undertakings (as such terms are defined in the 2006 Act). Regulation 85 is extended accordingly.

14.5 If any Conflict Situation is authorised or otherwise permitted under these Articles, the Conflicted Director (for as long as he reasonably believes such Conflict Situation subsists):

- (a) shall not be required to disclose to the company (including the Board or any committee of it) any confidential information relating to such Conflict Situation which he obtains or has obtained otherwise than in his capacity as a director of the company, if to make such disclosure would give rise to a breach of duty or breach of obligation of confidence owed by him to another person;
- (b) shall be entitled to attend or absent himself from all or any meetings of the Board (or any committee of it) at which anything relating to such Conflict Situation will or may be discussed; and
- (c) shall be entitled to make such arrangements as he thinks fit to receive or not to receive documents or information (including, without limitation, Board papers (or those of any committee of it)) relating to any such Conflict Situation and/or for such documents or information to be received and read by a professional adviser on his behalf,

and in so doing, such Conflicted Director shall not be in breach of any general duty he owes to the company pursuant to Sections 171 to 177 (inclusive), 2006 Act and the provisions of this Article shall be without prejudice to any equitable principle or rule of law which may excuse the Conflicted Director from disclosing information or attending meetings or receiving documents or information, in circumstances where such disclosure, attendance or receipt would otherwise be required under these Articles.

14.6 Where a Conflict Situation has been authorised or is otherwise permitted under these Articles:

- (a) the Conflicted Director shall not, by reason of his office, be liable to account to the Company for any dividend, profit, remuneration, superannuation payment or other benefit which he derives from any matter, office, employment or position which relates to such Conflict Situation;
- (b) no contract, arrangement, transaction or proposal shall be avoided on the grounds of the Conflicted Director having any interest in the Conflict Situation or receiving any such dividend, profit, remuneration, superannuation, payment or other benefit; and
- (c) the receipt of any such dividend, profit, remuneration, superannuation, payment or other benefit so authorised or permitted shall not constitute a breach of the duty not to accept benefits from third parties as set out in Section 176, 2006 Act,

provided the Conflicted Director has disclosed the nature and extent of his interest in the Conflict Situation to the other directors. Regulation 85 is extended accordingly.

15 Lien

The lien conferred by regulation 8 of Table A shall apply to all shares of the Company whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole registered holder of the shares or one of several joint holders.

16 Partly paid shares

- 16.1 The liability of any Member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment."
- 16.2 If the subscription price of any share (including any premium) is partly paid, the rights to dividend and on a return of capital of any such share shall be abated in the same proportion as the unpaid amount bears to the total subscription price.

17 Seal

Regulation 6 of Table A shall be modified so as to remove the reference to the company seal and regulation 101 of Table A shall be modified by the insertion of the

words “, if the Company has one,” after the words “The seal” at the beginning of that regulation.

18 Indemnity

- 18.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution of his duties or in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part 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.
- 18.2 The Company may purchase and maintain insurance against any liability falling upon its directors or other officers or auditors which arises out of their respective duties to the Company or in relation to its affairs.

19 Data protection

Each of the shareholders and directors of the Company (from time to time) consent to the processing of their personal data by the Company, its shareholders and directors (each a “**Recipient**”) for the purpose of due diligence exercises, compliance with applicable laws, regulations and procedures and the exchange of information amongst themselves. A Recipient may process such personal data either electronically or manually. The personal data which may be processed for such purposes under this article shall include any information which may have a bearing on the prudence or commercial merits of investing, or disposing of any shares (or other investment or security) in the Company. Other than as required by law, court order or any regulatory authority, that personal data may not be disclosed by a Recipient or any other person except to its parent undertaking and to subsidiary undertakings of that parent undertaking (“**Recipient Group Companies**”) and to employees, directors and professional advisers of that Recipient or the Recipient Group Companies and funds managed by any of the Recipient Group Companies. Each of the Company’s shareholders and directors (from time to time) consent to the transfer of such personal data to persons acting on behalf of any Recipient and to the offices of any Recipient both within and outside the European Economic Area for the purposes stated above, where it is necessary or desirable to do so.

20 Definitions

- 20.1 In these articles the following words and phrases have the meanings set out opposite them below:

Act	the Companies Act 1985 and every statutory modification or re-enactment of it for the time being in force and any provisions of the Companies Act
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	2006 for the time being in force
Date of Adoption	the date on which these Articles were adopted
Deferred Shares	the Deferred Shares of £0.10 each in the capital of the Company
Equity Shares	the Ordinary Shares
Family Trust	<p>a trust which only permits the settled property or the income from the settled property to be applied for the benefit of:</p> <p>(a) the settlor and/or a Privileged Relation of that settlor; or</p> <p>(b) any charity or charities as default beneficiaries (meaning that such charity or charities have no immediate beneficial interest in any of the settled property or the income therefrom when the trust is created but may become so interested if there are no other beneficiaries from time to time except another such charity or charities)</p> <p>and under which no power of control is capable of being exercised over the votes of any shares which are the subject of the trust by any person other than the trustees or the settlor or the Privileged Relations of the settlor. For purposes of this definition "settlor" includes a testator or an intestate in relation to a Family Trust arising respectively under a testamentary disposition or an intestacy of a deceased Member</p>
Group	the Company, its subsidiaries, any holding company of the Company and any subsidiary of any such holding company from time to time and " Group Company " shall be construed accordingly
Independent Expert	an umpire (acting as an expert and not as an arbitrator) nominated by the parties concerned or in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales
IPO	the becoming effective of a listing of any share capital of any Group Company on the Official List of London Stock Exchange plc, the AIM market operated by the London Stock Exchange plc or the

	granting of permission for any of the share capital of the Group Company to be dealt in on any recognised investment exchange (as defined by section 285 Financial Services and Markets Act 2000) including NASDAQ and NASDAQ Europe
Member	a holder of shares in the Company
Ordinary Shares	the Ordinary Shares of £0.10 each in the capital of the Company
Privileged Relations	the spouse or widow or widower of a Member and the Member's children and grandchildren (including step and adopted children and their issue) and step and adopted children of the Member's children
Relevant Securities	all shares, rights to subscribe for shares or to receive them for no consideration and all securities convertible into shares, but excluding any shares which the Company is required to issue by reason of a right specifically attached to shares under these articles;
Relevant Shares	<p>in relation to an Employee Member means all Ordinary Shares in the Company held by:</p> <ul style="list-style-type: none"> (a) the Employee Member in question; and (b) by any persons who acquired the shares while they were the Employee Member's Privileged Relations and Family Trusts other than those shares held by those persons that a majority of Members having the right to attend and vote in a general meeting of the Company declares itself satisfied were not acquired directly or indirectly from the Employee Member or by reason of their relationship with the Employee Member
Sale	the sale or any merger that results in the transfer of more than 50% of the issued Equity Shares to a single purchaser or transferee (or to one or more purchasers or transferees as part of a single transaction)
Sale Shares	the shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice
Seller	the transferor of shares pursuant to a Transfer Notice

Table A

Table A in the Companies (Tables A – F) Regulations 1985 as amended by the Companies (Tables A - F) (Amendments) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000

Transfer Notice

a notice in writing given by any Member to the Company where such Member desires or is required by these articles to transfer (or enter into an agreement to transfer) any shares and where such notice is deemed to have been served it shall be referred to as a "**Deemed Transfer Notice**"

- 20.2 Whether or not persons are "**acting in concert**" will be determined by the then most recent edition of the City Code on Takeovers and Mergers, but the Members will not be considered to be acting in concert merely by reason of cooperating in a syndicate in the ordinary course of their businesses.

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF

ROYLESOFT LIMITED¹

- 1 The Company's name is Roylesoft Limited¹.
- 2 The Company's registered office is to be situate in England and Wales.
- 3 The Company's objects are:-
 - (A) (i) The object of the Company is to carry on business as a general commercial company.
 - (ii) Without prejudice to the generality of the object and powers of the Company derived from Section 3A of the Act the Company has the power to do all or any of the following things:-
- (B) To carry on any other trade or business of any description which may seem to the Company capable of being advantageously carried on in connection with or ancillary to the other objects of the Company.
- (C) To purchase, sell, exchange, improve, rent, let on lease, hire, surrender, license, accept surrenders of and otherwise acquire, deal with and hold any estate or interest in any lands, buildings, easements, rights, privileges, or other property, chattels and effects or any interest or right in relation thereto.
- (D) To erect, pull down, repair, alter, develop, construct, lay down, enlarge, maintain or otherwise deal with any buildings, factories, stores, shops, plant and machinery, roads, railways, tramways, sidings, bridges, reservoirs and works necessary or convenient for the Company's business and to contribute to the performance of any of the above.
- (E) To purchase or otherwise acquire all or any part of the business or assets of any person, firm or company, carrying on or formed to carry on any business which the Company is authorised to carry on or possessed of property of any description suitable to the purposes of the Company, and to pay cash or to issue shares, stocks, debentures, or debenture stock of the Company as the consideration for such purchase or acquisition and to undertake any liabilities or obligations relating to the business or property so purchased or acquired.
- (F) To apply for, purchase or otherwise acquire and hold or deal in any manner with any patents, licences, concessions, secret processes or other property which may seem to the Company capable of being dealt with by or to be of benefit or convenient to the pursuit of any trade or business of the Company and to grant rights and interests thereout.

¹ Name changed from Chronicle Solutions (UK) Limited to Roylesoft Limited pursuant to special resolution passed on 17 February 2009.

- (G) To sell, improve, let, licence, develop, manage, turn to account, exchange, grant royalty, share of profits or otherwise, grant easements and other rights in and over and in any other manner deal with or dispose of the undertaking or any part thereof and all or any of the property and assets for the time being of the Company on such terms and for such consideration as the Company may approve.
- (H) To invest and deal with the moneys of the Company not immediately required for the purposes of the Company in or upon such securities and subject to such conditions as may from time to time be determined.
- (I) To lend money to any person, firm or company upon such terms and with or without security and subject to such conditions as may from time to time be determined.
- (J) To give all kinds of indemnities either with or without the Company receiving any consideration or advantage and to guarantee the payment of the capital or principal (together with any premium) of any debentures, debenture stock, bonds, mortgages, charges, obligations, dividends, securities, moneys or shares or interest thereon, or the performance of any contracts or engagements of any other person, firm or company.
- (K) To borrow or raise or secure the payment of money in such manner as shall from time to time be determined for the purposes of or in connection with the Company's trade or business and in particular by the issue of debentures or debenture stock, charged upon all or any of the Company's undertaking or property and by reissuing any debentures at any time paid off, and by becoming a member of any building society.
- (L) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present and future, and all or any of the uncalled capital for the time being of the Company and to issue at par or at a premium or discount and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurances.
- (M) To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the Company or of its customers or other persons, firms or companies having dealings with the Company or in whose business or undertakings the Company is interested whether directly or indirectly.
- (N) To pay for any property or rights of any description acquired by the Company either in cash, by instalments, or otherwise, or fully or partly paid-up shares, either with or without preferred or deferred or other special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or any securities which the Company has power to issue, or partly in one way and partly in another, and generally on such terms as the Company may determine.
- (O) To accept payment for any property or rights of any description sold or otherwise disposed or dealt with by the Company either in cash, by instalments or otherwise, or in fully or partly paid up shares of any company, either with or without preferred or

deferred or other special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or debenture stock, mortgages or other securities of any company or companies, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.

- (P) To draw, make, accept, endorse, negotiate, discount, execute and issue promissory notes, bills of exchange, debentures, warrants and other negotiable instruments.
- (Q) To purchase, subscribe for, or otherwise acquire and hold shares, stocks, debentures, debenture stock or other interests in or obligations of any other company or corporation.
- (R) To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which the Company is authorised to carry on.
- (S) To establish or promote or join or assist in establishing or promoting any other company or companies for the purpose of acquiring all or any of the assets and liabilities of the Company or for any other purpose the promotion of which shall be in any manner calculated or appear to the Company to advance directly or indirectly the objects or interests of the Company.
- (T) To amalgamate with any other company or companies whose objects are or include objects similar to those of the Company or any of them, whether by sale or purchase (for fully or partly paid up shares or otherwise) of the undertaking, subject to the liabilities of this or any such other company or companies as aforesaid, with or without winding up or by sale or purchase (for fully or partly paid up shares or otherwise) of all or a controlling interest in the shares or stock of this or any such other company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.
- (U) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests, or co-operation with any person, firm or company whose objects are or include objects similar to those of the Company or any of them.
- (V) To establish, support and maintain and to aid and procure the establishment, support and maintenance of any non-contributory or contributory pension or superannuation funds or any other trusts or funds calculated to benefit, and give or procure the giving of donations, gratuities, pensions, allowances, or enrolments to any persons who are or were at any time employed by or in the service of the Company (including any Director holding a salaried office or employment in the Company) or of any other company which is for the time being the Company's holding company, or a subsidiary of the Company (as defined by s.736 of the Companies Act 1985) or the families and dependants of such persons, and to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other companies or persons as aforesaid, and to make payments for or towards the insurance of any such persons as aforesaid.

- (W) To subscribe or guarantee money for or organise, assist any national, local, charitable, benevolent, public, general or useful object, or for any exhibition of for any purpose which may appear to further, whether directly or indirectly, the objects of the Company or the interest of its members or employees.
- (X) To pay out of the funds of the Company all costs and expenses of and incidental to the formation and registration of the Company and the issue of its capital and debentures including brokerage and commission, and to remunerate any person, firm or company for services rendered or to be rendered in placing or assisting to place any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.
- (Y) To remunerate the Directors of the Company in any manner the Company may think fit and to pay or provide pensions for or make payments to or for the benefit of Directors and ex-Directors of the Company or their families, dependants and connections.
- (Z) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company.
- (AA) To do all or any of the things authorised by this Memorandum in any part of the world, and either as principals or as agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either by or through agents, trustees, sub-contractors or otherwise.
- (BB) To do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

And it is declared that the foregoing objects of the Company shall be separate and distinct objects of the Company, and none of the said objects shall be deemed to be subsidiary to or limited in any way by any other object or objects.

- 4. The liability of the members is limited.
- 5. The Company's share capital is £15,000,000 divided into 682,355 A Preferred Shares of £0.10 each and 149,317,645 Ordinary Shares of £0.10 each.