

Hat Trick Software Limited

SPECIAL RESOLUTION

At a general meeting of the members of the Hat Trick Software Limited, company number 528856 (the Company) duly convened and held at ODL Securities Ltd, 10 Lower Thames Street, LONDON EC3R 6AD. on the 7th day of September, 2006, the following special resolution was duly passed:

THAT the Company duly adopts the Articles of Association dated 7th September 2006

Certified a true copy this 7th day of September 2006 .



Michael Paull

Chief Executive Office



Hat Trick Software Limited

Articles of Association

Company Number: 05278856

Date of Incorporation: 5th November 2004

Articles Adopted: 7th September 2006

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1. **Definitions**

1.1 In these Articles unless the context otherwise requires:

"Act" means the Companies Act 1985 and every statutory modification or re-enactment of it for the time being in force.

"Adoption Date" means the date on which these Articles were adopted.

"Bad Leaver" means a Departing Employee Member where such cessation:

- (a) occurs within 12 months of the Adoption Date; or
- (b) occurs in circumstances where the Employee Member is guilty of any fraud or dishonesty or gross negligence.

"Board" means the board of directors of the Company from time to time.

"Connected Persons" is as defined by Section 839, ICTA and **"Connected Person"** shall be construed accordingly.

"Controlling Interest" means an interest in shares (as defined in Schedule 13 Part 1 and section 324 of the Act) in a company conferring in the aggregate 50% or more of the total voting rights conferred by all the issued shares in that company.

"Departing Employee Member" means an Employee Member who ceases to be a director or employee of the Company and ceases to continue in either capacity.

"Employee Member" means a Member who is or has been a director and/or an employee of the Company.

"Founders" means, for so long as they are Members, each of Michael Paull, Stephen Ross-Talbot, Gary Brown, Neil Forrester, Martin Redington, Said Tabet and Alex Wilkinson and each a **"Founder"**.

"Good Leaver" means a Departing Employee Member where such cessation occurs due to death, illness or disablement.

"ICTA" means Income and Corporation Taxes Act 1988.

"Investment Agreement" means the agreement dated on or around the Adoption Date between (1) the Founders (as defined in the agreement) (2) the Investors (as defined in the agreement) and (3) the Company.

"IPO" means the becoming effective of a listing of any share capital of the Company on the Official List of London Stock Exchange plc or the granting of permission for any of the share capital of the 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" means a holder of Ordinary Shares in the Company.

"Ordinary Shares" means the ordinary shares of £0.01 each in the capital of the Company.

"Relevant Securities" means all shares, rights to subscribe for shares or to receive them for no consideration and all securities convertible into shares.

"Relevant Shares" means in relation to an Employee Member, all Ordinary Shares in the Company held by the Employee Member in question.

"Restricted Member" means a Departing Employee Member that is a Bad Leaver.

"Restricted Shares" is as defined in Article 7.3.

"Sale Shares" means the Ordinary Shares specified or deemed to be specified for sale in a Transfer Notice or Deemed Transfer Notice.

"Seller" means the transferor of Ordinary Shares pursuant to a Transfer Notice or Deemed Transfer Notice.

"Table A" means 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.

"Termination Date" means:

- (a) where employment ceases by virtue of notice given by the employer to the employee, the date on which such notice expires;
- (b) where a contract of employment is terminated by the employer and a payment is made in lieu of notice, the date on which notice of termination was served;
- (c) where an Employee Member dies, the date of his death;
- (d) where the Employee Member concerned is a director or consultant but not an employee, the date on which his contract for services with the Company is terminated; and
- (e) in any other case, the date on which the contract of employment is terminated.

"Transfer Notice" means a notice given by any Member where such Member desires or is required by these Articles to transfer any Ordinary Shares and where such notice is deemed to have been served it shall be referred to as a **"Deemed Transfer Notice"**.

- 1.2 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.

2. Application of Table A

- 2.1 The regulations contained in or incorporated in Table A shall apply to the Company except 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.
- 2.2 Regulations 54, 73-80 (inclusive), 85, 86, 89, 94-98 (inclusive) and 118 of Table A shall not apply to the Company.

3. Share capital

The authorised share capital of the Company at the date of adoption of these Articles is £5,000 divided into 500,000 ordinary shares of £0.01 each.

4. Dividends

Every dividend shall be distributed to the shareholders of the Company pro rata according to the numbers of Ordinary Shares held by them respectively.

5. Further issues of shares

- 5.1 The Board is generally and unconditionally authorised for the purposes of Section 80 of the Act to exercise any power of the Company to allot Relevant Securities to such persons, on such terms and in such manner as it thinks fit at any time or times during the period of five years from the Adoption Date.
- 5.2 The authority contained in Article 5.1 above shall enable the Board to allot Relevant Securities after the expiry of the said period of five years pursuant to an offer or agreement made by the Company before the expiry of the said period.
- 5.3 All unissued shares or securities of the Company not comprising Relevant Securities shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as it thinks proper.
- 5.4 Pursuant to Section 91 of the Act, sub-section (1) of Section 89 and sub-sections (1) to (6) inclusive of Section 90 of the Act shall be excluded from applying to the Company.

6. Transfer of shares

The directors shall refuse to register any transfer of Ordinary 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 Ordinary Shares. For the purpose of ensuring that a particular transfer of Ordinary 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.

7. Prohibited and mandatory transfers

7.1 *Transfers prohibited absolutely*

No sale or transfer of the legal or beneficial interest in any Ordinary 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, partnership or other corporate entity in which one or more of the Members (or persons acting in concert with them) has a Controlling Interest.

7.2 *Mandatory transfer on bankruptcy and cessation of employment*

If a Member becomes bankrupt or a Member who is an Employee Member becomes a Departing Employee Member in circumstances where they are not a Good Leaver, Transfer Notice(s) shall be deemed to have been served on the date on which such Member is declared bankrupt or on the relevant Termination Date (as the case may be).

Transfers under this Article 7.2 are in these Articles referred to as "**Compulsory Employee Transfers**".

7.3 *Restriction of voting rights*

- (a) All voting rights attached to Relevant Shares held by an Employee Member shall at the time he becomes a Restricted Member forthwith be suspended.
- (b) Such Relevant Shares whose voting rights are suspended pursuant to Article 7.3(a) ("**Restricted Shares**") shall confer on the holders the right to receive notice of and attend all general meetings of the Company but shall have no right to vote either in person or by proxy. When a Restricted Member transfers any Restricted Shares in the Company in accordance with these Articles, all voting rights attached to Restricted Shares so transferred shall upon completion of the transfer (as evidenced by the transferee's name being entered in the Company's register of Members) automatically be restored and such shares shall cease to be Restricted Shares.

8. Pre-emption rights

8.1 *Transfer Notices and Sale Price*

Except where otherwise provided in these Articles, every Member who desires to transfer any interest in Ordinary Shares must serve a Transfer Notice and any Member who is required by these Articles to transfer any interest in Ordinary Shares will be deemed to have served a Deemed Transfer Notice. 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 a price equal to:

- (a) in the case of Compulsory Employee Transfers where the Departing Employee Member is a Bad Leaver, at the original subscription price that the Sale Shares were subscribed for; or

- (b) in any other case, at the subscription price paid for Ordinary Shares by a Member in the last round of funding where the aggregate proceeds from such round of funding were equal to or in excess of £100,000,

in each case being the "Sale Price".

8.2 ***Right of Seller to reject partial sales***

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 8 none shall be sold. Any such provision shall be binding on the Company.

8.3 ***Pre-emptive offers-general***

Once a Transfer Notice or Deemed Transfer Notice has been served or deemed served (as the case may be) the Sale Shares shall be offered for sale in accordance with the following provisions of this Article 8.

8.4 ***Transfers to be offered to the Company***

Sale Shares being sold shall first be offered to the Company or at the request of the Company, to any trust (the "Employee Trust") established by the Board to encourage or facilitate the holding of shares in the Company by bona fide employees of the Company. Any Sale Shares not purchased by the Company or the Employee Trust (as the case may be) under this Article within 14 days of being offered to the Company or the Employee Trust (as the case may be) will be available for sale to the Founders as set out below.

8.5 ***Offer to Founders***

Any Sale Shares not purchased by the Company or the Employee Trust shall forthwith be offered for sale by the Company giving notice in writing to that effect to all Founders (other than the Seller (if the Seller is a Founder) and Restricted Members). 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 Founder to apply in writing to the Company for as many of the Sale Shares (if any) as that Founder would like to purchase.

8.6 Basis of allocation to Founders

- (a) 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.
- (b) If the total number of Sale Shares applied for by the Founders is equal to or less than the number of Sale Shares available, the Sale Shares shall be allocated in satisfaction of the applications received.
- (c) 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 Founder's application for Sale Shares in accordance with the formula set out below. 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 Founder in the iteration.

B is the number of Ordinary Shares held by the Founder.

C is the number of Ordinary Shares held by all Founders to whom the iteration is being applied.

D is the number of Ordinary Shares or, after the first iteration, the number of Sale Shares remaining unallocated by previous iterations.

If, in any iteration, a Founder 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 Founder. That Founder will cease to take part in any further iterations and the excess Sale Shares will be available for allocation in the next iteration.

- 8.7** The Company shall notify the Seller and each Founder 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.

8.8 Transfer procedure for pre-emptive offers

If the Company finds a purchaser or purchasers for all or any of the Sale Shares under the terms of this Article 8 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.

8.9 *Transfers free of pre-emption*

If the Company does not find purchasers for all of the Sale Shares under the terms of this Article 8, the Seller shall at any time within six months after the date of the offer by the Company to the Founders be free to sell and transfer such of the Sale Shares as have not been so 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.

8.10 *Effect of non-compliance*

Any purported transfer of Shares otherwise than in accordance with the provisions of these Articles shall be void and have no effect.

9. **Tag along and drag along rights**

9.1 *Tag along*

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 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 Ordinary Shares at the same price per Ordinary Share.

9.2 *Drag along*

- (a) If the holders of 52% or more of the Ordinary Shares in issue for the time being (the "**Selling Shareholders**") wish to transfer all their interest in Ordinary 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:

- (i) the other holders of Ordinary Shares; and
- (ii) persons to whom the Company might issue any Ordinary Shares (whether pursuant to a share option, warrant or otherwise),

(together, the "**Called Shareholders**") to sell and transfer all their Ordinary Shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with the provisions of this Article.

- (b) 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:
- (i) that the Called Shareholders are required to transfer all those Ordinary Shares which they own at the date of the Drag Along Notice and (if applicable) any Ordinary Shares that may be issued to them after the date of the Drag Along Notice (together, the **"Called Shares"**) pursuant to this Article;
 - (ii) the person to whom they are to be transferred;
 - (iii) the consideration for which the Called Shares are to be transferred (calculated in accordance with this Article); and
 - (iv) and the proposed date of transfer.
- (c) 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.
- (d) 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 as the Third Party Purchaser has offered to purchase the Sellers' Shares.
- (e) No Drag Along Notice may require a Called Shareholder to agree to any terms save those specifically provided for in this Article 9.2.
- (f) 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:
- (i) all of the Called Shareholders and the Selling Shareholders agree otherwise; or
 - (ii) that date is less than 3 days after the Drag Along Notice in which case it shall be deferred until the third day after the Drag Along Notice.
- If any of the Called Shares are allotted after the date determined for Completion under this sub-article (f) (each a **"Late Issued Share"**) then the sale of each Late Issued Share shall complete on the date specified by the Third Party Purchaser provided that such date is within 14 days of the date on which the Late Issued Share the subject of the sale is allotted.
- (g) The rights of pre-emption set out in these Articles shall not arise on any transfer of Ordinary 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.

- (h) If any holder of Ordinary 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 Ordinary Shares under this Article 9.2 that no share certificate has been produced.
- (i) Upon any person, following the issue of a Drag Along Notice, becoming a Member pursuant to the exercise of a pre-existing option to acquire Ordinary 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 Ordinary Shares acquired by them to the Third Party Purchaser or as the Third Party Purchaser may direct and the provisions of this Article 9.2 shall apply *mutatis mutandis* to the New Member save that completion of the sale of such Ordinary Shares shall take place forthwith upon the Drag Along Notice being deemed served on the New Member.

10. **Appointment of directors**

The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director. In addition, the holders of Ordinary Shares representing more than half of the Ordinary Shares which carry the right to attend and vote at general meetings of the Company may by notice to the Company together appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

11. **Meetings of directors and quorum**

- 11.1 Notice of every meeting of the directors shall be given to each director 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.
- 11.2 A quorum throughout any meeting of the Board shall consist of at least two Directors whether present in person or participating by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other.

11.3 In the event of a quorum not being present or ceasing to be present, the meeting shall be adjourned to the same day in the next week at the same time and place and those Directors as may be present at the adjourned meeting shall constitute a quorum.

11.4 The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit provided that all meetings of the directors shall be held within the United Kingdom. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. Unless a majority of the directors or their duly appointed alternates present in the United Kingdom shall agree to the holding of a meeting by shorter notice, at least 72 hours' notice of every meeting of directors shall be given either in writing or by cable or telex or other means of visible communication to each director, unless absent from the United Kingdom. Regulation 98 of Table A shall be amended accordingly.

12. Directors' conflicts of interest

12.1 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 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;
- (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; and
- (e) shall be entitled to vote and be counted in the quorum on any matter referred to in the foregoing paragraphs of this Article.

12.2 For the purposes of this Article 12:

- (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.

13. Proceedings at general meetings

- 13.1 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.
- 13.2 A resolution in writing executed by or on behalf of the holders of all the issued Ordinary Shares shall be as valid and effectual as if the same had been duly passed at a general meeting and may consist of several documents in the like form, each executed or approved by or on behalf of one or more persons. In the case of a corporation, the resolution may be signed or approved on its behalf by a director or the Secretary of such corporation or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be modified accordingly.

14. Lien

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

15. Partly paid shares

- 15.1 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".
- 15.2 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.

16. 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.

17. Notices

Notices shall be given to a member whose registered address is outside the United Kingdom. Regulation 112 shall be modified accordingly.

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 Regulation 118 shall not apply to 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 Ordinary Shares (or other investment or security) in the Company. Subject to any confidentiality undertakings given to them by a Recipient, 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.