

## Notice to attend Orc Software AB's (publ.) Annual General Meeting<sup>1</sup>

The shareholders of Orc Software AB (publ.), Org. No. 556313-4583, are hereby invited to attend the Annual General Meeting to be held on Wednesday April 14, 2010, at 4 p.m. (CET) at the offices of Orc Software, at Kungsgatan 36, 5th floor, Stockholm, Sweden.

### Registration

Shareholders who wish to participate at the Annual General Meeting must

- be registered in the shareholders' register maintained by Euroclear Sweden AB ("Euroclear") (formerly VPC AB) on Thursday 8 April, 2010, and
- notify the company at:

Orc Software AB (publ.), Årsstämman, P.O. Box 7832, SE-103 98 Stockholm, Sweden  
or by telephone at +46 8 506 478 10,  
or on the Company's webpage, [www.orcsoftware.com](http://www.orcsoftware.com).

no later than on Thursday, 8 April, 2010 at 4 p.m. (CET). The application shall include the shareholder's name, personal or corporate identity number, number of shares held, address, telephone number and information regarding assistants and, where applicable, representatives, wishing to attend the meeting.

### Authorised representatives etc.

A shareholder who will be represented by a proxy at the meeting shall issue a dated power of attorney for such proxy. A power of attorney issued by a legal entity shall be accompanied by a certified copy of a certificate of registration or similar document ("**Registration Certificate**") for such legal entity. Powers of attorney and Registration Certificates shall be issued within one year before the meeting. Original powers of attorney, Registration Certificates and other documents of authorization should be received by the company at the address mentioned above not later than on Thursday, 8 April, 2010.

Any personal record data from powers of attorney and the register of shareholders maintained by Euroclear Sweden AB will be used for necessary registration and preparation of the voting list for the Extraordinary General Meeting.

### Nominee-registered shares

Shareholders whose shares have been registered in the name of a nominee must, in order to be entitled to exercise voting rights at the Annual General Meeting, temporarily register their shares with Euroclear in their own name. A shareholder who wishes to be recorded in the share register in his/her own name, must notify his/her nominee thereof in due time before Thursday, 8 April, 2010, at which day such registration shall be effected.

### Number of shares and votes

Orc Software has at the time for this notice 15,461,882 issued shares. Each share represents one (1) vote.

### Proposed agenda

1. Opening of the meeting.
2. Election of Chairman of the meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two persons to approve the minutes.
6. Determination of whether the meeting has been duly convened.

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<sup>1</sup> This document is an in-house translation of the Swedish original. In case of discrepancies the Swedish version shall prevail.

7. Presentation of the annual report and the auditor's report and the consolidated financial statements and the auditor's report for the group, as well as a description of the work of the Board of Directors, the Remuneration Committee and the Audit Committee.
8. Resolutions regarding:
  - (a) Adoption of the profit and loss account and the balance sheet and the consolidated profit and loss account and consolidated balance sheet;
  - (b) Discharge from liability of the Board of Directors and the Managing Director;
  - (c) Allocation of the company's profit in accordance with the adopted balance sheet.
9. Determination of the number of members of the Board of Directors and Deputy Directors, if applicable.
10. Determination of the fees for the Board of Directors and the auditors.
11. Election of the Board of Directors.
12. Resolution regarding principles for appointment of the Nomination Committee.
13. Resolution concerning principles for remuneration of Group Management.
14. Resolution regarding authorization for the Board of Directors to acquire and transfer the Company's own shares.
15. Resolution regarding authorization for the Board of Directors to issue new shares.
16. Proposal regarding conditional amendment of the Articles of Association.
17. Other questions.
18. The meeting is declared closed.

**Proposed resolutions:**

**Item 2, Chairman of the meeting**

Due to the public offer that Orc Software has directed to the shareholders in Neonet AB (publ), the Nomination Committee<sup>2</sup> has decided to postpone the presentation of its proposals until further notice. The Nomination Committee's proposals will be presented on the day of the Annual General Meeting at the latest.

**Item 8 (c), Proposal concerning distribution of dividends**

The Board of Directors has proposed the Annual General Meeting to decide on a payment of dividends in the amount of SEK 10.00 per share and to set the record date for purposes of the payment of dividends on 19 April 2010. Should the Annual General Meeting adopt a resolution in accordance with the proposal, it is estimated that dividends will be distributed by Euroclear on 22 April 2010.

**Item 9, Number of Board members and auditors**

Please see item 2, above.

**Item 10, Remuneration to the Board of Directors and auditors**

Please see item 2, above.

**Item 11, Election of Board members**

Please see item 2, above.

**Item 12, Resolution regarding principles for appointment of the Nomination Committee**

Please see item 2, above.

**Item 13, The Board of Directors' proposal concerning principles for remuneration and other terms of employment for the Executive Management Team**

The Board of Directors has prepared a proposal for principles for remuneration and other terms of employment for the Executive Management Team. Orc Software considers global remuneration practice as well as the practice of the home country of each individual in the Executive Management Team. The Board of Directors shall have the right to deviate from the principles decided at the Annual General Meeting if there are specific reasons for this in an individual case.

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<sup>2</sup> The Nomination Committee represents approx. 39,9 % of the votes and consists of Kerstin Stenberg (Swedbank Robur Fonder), Peter Rudman (Nordea Fonder), Stefan Roos (SEB Asset Management S.A.), Peter Larsson (Monterro Holdings Ltd) and Frank Larsson (Handelsbanken Fonder). Stefan Roos has been Chairman of the Nominating Committee. The criteria for the appointment and convention of the Nomination Committee are available at the company's homepage [www.orcsoftware.com](http://www.orcsoftware.com).

The proposal is mainly in conformity with the Board of Directors' proposal for 2009 and that, as resolved by the AGM, has been applied during the year.

The basic principles for the remuneration structure for 2010 are:

- To promote consensus between employees and shareholders regarding their long-term view of the operations.
- To ensure that employees receive remuneration that is competitive and in line with the market to make it possible to retain and recruit personnel.
- To offer salary levels based on the results achieved, duties, competence, experience and position.

Orc Software's remuneration and benefits for the Executive Management Team comprise: base salary, annual variable salary, pension benefits corresponding to a premium of 15-20 percent of the base salary, health insurance, health care insurance, parking benefit and the possibility to participate in Orc Software's long term incentive programme in accordance with the terms and conditions of such programme. Severance pay for members of the Executive Management Team amounts to a maximum of 12 monthly base salaries.

The annual variable salary may, *inter alia*, be based on the development of the entire company or the part of the company where the employee is employed. The development shall relate to the achievement of various targets. Such targets shall be determined by the Board of Directors and may, for example, be related to the financial results or the company's sales results. The annual variable salary may amount to a maximum of 10-60 percent of the base salary (except in respect of senior executives with sales responsibility, for which no cap applies). In addition, variable remuneration may be paid out as a part of the long term incentive programs that have been resolved by General Meetings in Orc Software.\*

A salary review is made every year for members of the Executive Management Team. The review takes into account market salary trends, employee performance, changes in areas of responsibility and the development of the company.

In addition, previously resolved remunerations are presented in a note to the financial statements under "Salaries, other remunerations and social costs".

\*) With respect to 2010, this may amount to a maximum of SEK 2.5 million, based on the long term incentive program as resolved in 2008.

#### **Item 14, Resolution regarding authorisation for the Board of Directors to repurchase and transfer the Company's own shares**

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to acquire the company's own shares in accordance with the following conditions:

1. The repurchase of the company's own shares shall take place on the NASDAQ OMX Stockholm in accordance with the rules regarding purchase and sale of the company's own shares as set out in NASDAQ OMX Stockholm's Rulebook for issuers.
2. The repurchase of the company's own shares may be made on one or several occasions for the period up until the next Annual General Meeting.
3. The company's own shares may be re-purchased up to an amount where the company's holding of its own shares does not at any time exceed 10 percent of the total number of shares in the company.
4. A repurchase of the company's own shares on the NASDAQ OMX Stockholm may only be made at a price per share that falls within the registered price interval for the share at any given time.
5. Payment for the shares shall be made in cash.

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to transfer the Company's own shares in accordance with the following conditions:

1. The transfer of the company's own shares shall take place on the NASDAQ OMX Stockholm in accordance with the rules regarding purchase and sale of the company's own shares as set out

- in NASDAQ OMX Stockholm's Rulebook for issuers; or (ii) in conjunction with an acquisition of a company or business on market terms.
2. The transfer of the company's own shares may be made on one or several occasions for the period up until the next Annual General Meeting.
  3. Shares may be transferred to a maximum of what is authorised by the Annual General Meeting for the Board of Directors to resolve on repurchases of the company's own in accordance with the above.
  4. A transfer of the company's own shares on the NASDAQ OMX Stockholm may only be made at a price per share that falls within the registered price interval for the share at any given time.
  5. The authorisation comprises a right to resolve on divergences from the shareholders' preferential rights and an authorisation for payment to be made in other consideration than cash.

The purpose of the authorisations described above is to ensure that the company is continually able to adapt its capital requirements and thereby increase shareholder value, and to ensure that the company is able to transfer shares as payment for or to finance any future acquisitions.

In order to be valid, a proposal for resolution by the Board of Directors in accordance with this item must be supported by shareholders with at least two thirds of both the votes cast and shares represented at the meeting.

#### **Item 15, Resolution regarding authorisation for the Board of Directors to issue new shares**

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors, during the period until the next Annual General Meeting, to issue new shares:

- (i) where the shareholders shall enjoy preferential rights to subscribe for the new shares; and
- (ii) where the company's shareholders shall not enjoy preferential rights to subscribe for the new shares in connection with an acquisition of a company.

An issue of new shares may be made with or without payment in kind, subject to a right of set-off or in accordance with other terms set out in Chapter 13, Section 5, item 6, of the Swedish Companies Act (2005:551).

The authorization may be utilized upon one or several occasions. The Board of Directors' utilization of such authorisation may not imply that the total increase in share capital exceeds 10 percent of the registered share capital at the time of the authorization. The basis for the assessment of the issue price shall be the market value at the time for utilization.

The purpose of the authorisation described above is to increase the company's financial flexibility and to give the Board of Directors the opportunity to finance acquisitions, whereupon newly issued shares may be utilized as consideration for such acquisitions or where the new shares are issued to institutional investors against cash consideration in order to finance the acquisition in whole or in part.

In order to be valid, a resolution by the Board of Directors in accordance with this item must be supported by shareholders representing at least two thirds of both votes cast and shares represented at the meeting.

#### **Item 16, Proposal concerning conditional amendment of the Articles of Association**

In order to enable implementation as soon as practically possible of the more cost-effective procedures for convening general meetings, expected to enter into force in January 2011 the Board of Directors proposes that the first sentence § 11 in the Articles of Association shall be as follows:

*Present wording:* "Notice to a general meeting shall be announced in the Swedish Official Gazette (Post- och Inrikes Tidningar) and in Svenska Dagbladet."

*Proposed wording:* "Notice to a general meeting shall be announced in the Swedish Official Gazette (Post- och Inrikes Tidningar) and on the company's website. It shall be announced in Svenska Dagbladet that a notice to a general meeting has been made."

The Board of Directors proposes that the resolution of the Annual General Meeting to amend the Articles of Association shall be conditional upon that an amendment of the procedures for convening

general meetings in the Swedish Companies Act (SFS 2005:551) has entered into force and that the above proposed wording is consistent with the new wording of the Swedish Companies Act.

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The annual report, the auditor's report and complete proposals and other documentation in accordance with the Companies Act will be available at the company's head office no later than on Wednesday 31 March, 2010 and in electronic format at the company's web page, [www.orcsoftware.com](http://www.orcsoftware.com). The documentation will also be sent free of charge to the shareholder who so requests.

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**Stockholm, March 2010**  
**Orc Software AB (publ)**  
**The Board of Directors**