

Orc Software Nomination Committee Report for the AGM 2008

The Annual General Meeting 2007 resolved that the Company should have a Nomination Committee consisting of representatives of five of the largest shareholders. In December the Chairman of the Board of Directors convened the Nomination Committee in order to prepare proposals for the Annual General Meeting 2007.

The Nomination Committee is composed of Markus Gerdien (OMX), Ulf Strömsten (Catella Fonder), Staffan Knafve (Swedbank Robur), Peter Rudman (Nordea Fonder) and Henrik Orre (Orre & Nyberg Capital AB).

The assignment of the Nomination Committee included preparation of proposals in respect of:

- Chairman at the Annual General Meeting
- Board members and Chairman of the Board
- fees to the Board of Directors, allocated between the Chairman and other Board members
- fees for committee work
- fees to the Company's auditors
- principles for the appointment of the Nomination Committee

The Nomination Committee has held three meetings at which minutes were taken. At one meeting the Managing Director presented his view on the Company's business and the market perspectives. In addition there have been informal contacts between members and at several occasions the Nomination Committee met with current members of the Board of Directors.

The Nomination Committee has in its proposal regarding the appointment of members of the Board of Directors, which means that two new members will be added to the Board since two members have declined re-election, considered the requirements for skill and experience that the Board will be confronted with during the coming year.

On the company's web site the shareholders have had the opportunity to submit proposals to the Nomination Committee. No proposals have been received.

The Nomination Committee Proposes

1. that Markus Gerdien shall be elected chairman of the Annual General Meeting.
2. that seven Board members shall be elected by the Annual General Meeting;
3. that Lars Bertmar, Katarina Bonde, Patrik Enbald, Carl Rosvall and Markus Gerdien shall be re-elected as members of the Board of Directors and that Eva Redhe Ridderstad and Lars Granlöf are elected as new members of the Board of Directors.

4. that remuneration to the Board of Directors are paid in the amount of SEK 350,000 to the Chairman and SEK 175,000 to the other members of the Board of Directors (the Nomination Committee recommends that the a member of the Board of Directors owns shares in the Company);
5. that SEK 100,000 is allocated for committee work and that the allocation is to be made in accordance with the Chairman's sole discretion.
6. that auditors' fees are paid in accordance with approved account.
7. that the company shall have a Nomination Committee in accordance with the following principles:

The five largest shareholders, in accordance with VPC's registers of registered shareholders on 31 August 2008, who wish to participate, shall appoint one representative each to the Nomination Committee no later than six months prior to the Annual General Meeting of the Shareholders, with the Chairman of the Board of Directors included and as convener. In the event that one or more shareholders decline from their right hereof, the next largest shareholder shall be entitled to a corresponding right. The names of the five members shall be made public as soon as the members have been appointed. The majority of the members of the Nomination Committee are not to be members of the Board of Directors and the Managing Director or other persons within Company's management are not to be members of the Nomination Committee. The Chairman of the Nomination Committee shall, unless the members otherwise agree, be the member that represents the shareholder with the largest voting power. The Chairman of the Board of Directors or any other member of the Board of Directors is, however, not to be the Chairman of the Nomination Committee. The Nomination Committee shall hold its mandate until a new Nomination Committee is appointed. A member shall resign from the Nomination Committee if that member represents a shareholder who is no longer one of the five largest shareholders. In the event that more than one member resign from the Nomination Committee due to reasons mentioned above, the five largest shareholders shall be entitled to appoint five representatives to the Nomination Committee. Unless there are special reasons, however, no changes in the composition of the Nomination Committee shall occur if only marginal changes in voting power have taken place or if the change occurs later than two months before the Annual General Meeting of Shareholders. Shareholders that have appointed a representative to the Nomination Committee shall be entitled to dismiss such a member and appoint a new representative as a member of the Nomination Committee. Changes in the composition of the Nomination Committee shall be publicly announced as soon as such changes have occurred. The Nomination Committee shall prepare a proposal to be presented for approval at the Annual General Meeting of Shareholders (and extra general meeting if applicable) regarding the appointment of Chairman of the meeting, members of the Board of Directors, Chairman of the Board of Directors, remuneration to the Board of Directors,

principles for the appointment of the Nomination Committee and, if applicable, the appointment of auditors as well as remuneration to the auditors. The Company shall upon request from the Nomination Committee, provide administrative resources in order to facilitate the Nomination Committee's work. If required, the Company shall be responsible for reasonable expenses related to external consultants that the Nomination Committee deems necessary in order to fulfil its duties.

