

Resolutions proposed by the Board of Directors of Orc Software AB (publ) (the "Company") regarding (A.) the implementation of an option programme for employees of the Company and its subsidiaries (the "Orc Software Group") and (B.) a direct placement of warrants with the subsidiary, Orc Software Stockholm AB, for performance of obligations pursuant to the option programme, and as well as approval of the transfer of warrants and allocation to employees of the Orc Software Group of rights to acquire newly issued shares in the Company, etc.

A. Implementation of option programme for Orc Software's employees

The Board of Directors of the Company proposes that the 2009 Annual General Meeting of the Shareholders adopt a resolution to implement an option programme in accordance with the principal terms and guidelines set forth below ("Option Programme 2009").

A. 1. Background and description

Reasons for the proposal

The Board of Directors of the Company is convinced that Option Programme 2008 will benefit the employees covered by the Programme and the Company's shareholders and that it will contribute positively to the possibilities to recruit and maintain skilled personnel. An option programme which, in the long term, provides employees with a possibility to share in the Company's increase in value, maintains the Company's goodwill and creates sound conditions for increasing the value of the Company's shares. Option Programme 2009 is expected also to result in participants in the programme increasing their commitment and motivation and thereby to a strengthening of their ties to the Orc Software Group. Option Programme 2009 is intended to cover approximately 200 current and future senior personnel as well as other employees within the Orc Software Group in Sweden and in the following countries: Australia, Hong Kong, Italy, Netherlands, Russia, Great Britain, Germany, France, USA, Canada and Austria.

Issuance of warrants, transfer of warrants to employees in Sweden and allocation to employees outside Sweden of rights to acquire newly issued shares in the Company

In order to implement Option Programme 2009 in an efficient and flexible manner, the Board proposes that the annual general meeting adopt a resolution regarding a direct placement with the wholly owned Swedish subsidiary, Orc Software Stockholm AB, reg. no. 556510-5367 ("Orc Software Stockholm"), of not more than ~~253,500~~152,000 warrants carrying an entitlement to subscribe for a total of not more than ~~253,500~~152,000 new shares, subject to a right and obligation of Orc Software Stockholm to transfer or otherwise dispose of the warrants in performance of obligations

pursuant to Option Programme 2009. As described in greater detail below, it is proposed that employees in Sweden be invited to acquire issued warrants at market price. It is further proposed that employees outside Sweden be allocated, free of consideration, rights to acquire newly issued shares in the Company ("Options"), in accordance with the detailed provisions below.

Expenses for Option Programme 2009

The total effect on the income statement of Option Programme 2009 will vary depending upon the allocation of Options to employees abroad which are allocated free of consideration, the change in the price of the option, relevant tax rates with respect to social security contributions and the Company's corporate income tax rate. The warrants which are transferred at market price to employees in Sweden will have no cost effect on the income statement, nor will they have any negative impact on cash flow.

The main expense for Option Programme 2009 consists of salary expenses, including social security contributions, for employees outside Sweden and is estimated at approximately SEK ~~700~~420,000, based on estimated market value of the Option at the time for allocation. The actual cost will depend on the determined market value of the Option at the time of allocation as well as changes in value of the option premium during the option term.

The expense estimated above is due to salary expenses for accounting purposes pursuant to IFRS 2, and also due to social security contributions. Pursuant to IFRS 2, an expense equal to the market value of the Option at the time of allocation multiplied by the number of Options allocated free of consideration is to be reported as a salary expense. This expense shall be allocated evenly over the earning period. The social security contributions for Options allocated free of consideration are calculated at the time of allocation at the market value of the Option multiplied by the relevant social security contributions. This expense is also allocated evenly over the earning period. However, changes in estimated social security contributions in pace with changes in the price of the Option must be regularly booked as expenses during the option term. Consequently, the total expense may be allocated unevenly over the years 2009 – 2011 and the estimated total expense may deviate further due to the fact that the social security contributions may vary as a consequence of changes in the price of the Option.

The expenses for accounting purposes in accordance with IFRS 2 do not affect the Group's cash flow, whereas social security contributions will affect cash flow at the time of exercise of relevant Options.

In addition, there is an additional cost in relation to the proposed cash bonus for employees in Sweden, estimated to an amount of MSEK ~~4.6~~1.0. The actual cost will depend on the established market value of the Option, the number of Options subscribed for and to the extent employees will fulfil personal goals linked to the cash bonus.

The expenses are to be seen in relation to the group's total salary expenses in 2008 of approximately MSEK 261,2 including social security contributions.

Regular administrative expenses going forward for Option Programme 2009 are estimated at approximately SEK 300,000.

Effects on certain key ratios

Pursuant to IAS 33, both earnings per share prior to dilution and earnings per share after dilution must be calculated and reported. Options give rise to a dilution effect only when the average price of the share during the option term exceeds the exercise price for the Options. Accordingly, the key ratio of earnings per share after dilution will vary from time to time depending on changes in the share price.

Based on the assumption that the proposed Option Programme 2009 had been implemented in 2008, earnings per share after dilution for the current financial year would have declined by not more than from SEK 4.25 to SEK 4.184.21.

Other share-related incentive programmes

The Company currently has two outstanding share related incentive programmes approved by the Extraordinary General Meeting of the Shareholders held on December 11, 2006, initially comprising 400,000 warrants of which presently 244 500 warrants can be exercised to subscribe for shares ("the Option Plan 2006"), and share related incentive programme approved by the Annual General Meeting of the Shareholders held on April 24, 2008, comprising a maximum of 300,000 warrants of which presently 255,075 can be exercised to subscribe for shares ("the Option Plan 2008"). The Board of Directors' intention is that an option plan shall be a recurring issue and that it will be dealt with at the Annual General Meeting of the Shareholders in 2010 next time.

Dilution

Option Programme 2009 covers not more than 253,500152,000 warrants equal to not more than the same number of shares. Based on the existing number of shares, dilution as a consequence of the proposed Option Programme 2009 will not exceed approximately 4.71.0 per cent of the shares and votes in the Company.

As a consequence of Option Programme 2006, Option Programme 2008 and Option Programme 2009, the total dilution cannot exceed approximately 5.04.3 per cent of the shares and votes in the Company.

Based on the assumption that the Annual General Meeting in 2010 resolves on a further share-related option programme covering a total of 253,500152,000 shares, the maximum dilution may be approximately 5.03.7 per cent, taking into consideration that the Option Programme 2006 will cease on December 31, 2009.

Preparation of the proposals

The proposals have been prepared together with external advisors and have been addressed by the remuneration committee and the Board at ~~two~~three meetings. The Board adopted the proposals in ~~March~~April 2009.

Future option programmes

The Board stated in Option Programme 2008 that the programme would be recurrent. The Board repeats its intention that the programme shall be recurrent and that the issue will be addressed the next time at the 2010 Annual General Meeting.

A. 2. Principal terms and guidelines for Option Programme 2008

Employees in Sweden

- a) An offer to acquire warrants shall cover current and future employees in Sweden. An offer to acquire warrants shall be decided upon in accordance with the following. The CEO, management group and employees with specialist expertise in the group may be offered a total of not more than 30,000 warrants per person. Other employees may be offered a total of not more than 10,000 warrants per person. There shall be no minimum guaranteed allocation of warrants. In conjunction with offers to acquire warrants, consideration shall be given to the employee's performance, position within and contribution to the Orc Software Group. Warrants are not linked to employment and do not lapse if the warrant holder leaves his employment in the Orc Software Group.
- b) Acquisition of warrants by employees shall take place at market value. According to a valuation carried out by KPMG, the market value of each warrant as per 18 March 2009 amounts to SEK 6.2. The value has been calculated applying a customary valuation model (Black & Scholes) based on the share price and other market conditions prevailing on 18 March 2009. The valuation has also taken into account an estimated discount on the options considering the limited liquidity in the underlying share and the options. A corresponding valuation will be carried out in connection with the acquisition of warrants.
- c) Offers to acquire warrants shall be made before the 2010 Annual General Meeting.
- d) The warrants may be exercised to subscribe for newly issued shares in the Company on the last business day of each calendar month¹ during the term of the entire programme, commencing from

¹ Due to the policy adopted by the Company regarding trading restrictions in connection with quarterly reporting, in practice this means that warrants may be exercised to subscribe for shares twice per quarter. These occasions are the last business day in the months of May, July, August, October and November 2009 as well as January, February, April, May, July, August, October and November 2010 and 2011.

registration of the new issue at the Swedish Companies Registration Authority up to and including 31 December 2011.

- e) Each warrant shall entitle the holder to subscribe for one share in the Company at a subscription price of 120% of the volume-weighted average transaction price for the Company's shares on the NASDAQ OMX Stockholm Stock Exchange during the ten (10) consecutive business days immediately prior to the date of subscription by Orc Software Stockholm. Where no transaction price is listed on any day, the bid price listed as closing price shall instead be included in the calculation. Days on which no transaction price or bid price is listed shall not be included in the calculation. The subscription price thereby calculated shall be rounded off to the nearest full fifty öre, whereupon 24 and 75 öre shall each be rounded downwards and 25 and 75 öre shall be rounded upwards.
- f) The number of shares which may be subscribed for pursuant to warrants and the subscription price to be paid for each such share shall be recalculated in the event of any bonus issue, new issue, issue of warrants or convertible debentures and in certain other cases in accordance with customary terms and conditions on the market.
- g) The Board of Directors of the Company shall be responsible for the detailed structure and administration of Option Programme 2009 within the scope of the above-stated principal terms and guidelines.

Possible cash bonus for employees in the Orc Software group participating in Option Programme 2009

In order to stimulate participation in Option Programme 2009, the Board of Directors proposes that the Annual General Meeting of the Shareholders authorises the Board, or a person appointed by the Board, to decide on a cash bonus in accordance with the following. Bonus payments shall, after tax, not exceeding the paid option premium. Bonuses may only be paid to employees employed in the Orc Software group who participate in Option Programme 2009. Bonuses shall be paid as salary during the first quarter of 2011. Bonuses shall be paid only on condition that the warrant holder, from the date of acquisition of warrants and during a consecutive period thereafter, is still employed in the Orc Software group at the time of payment. Payment of bonuses is also conditional on the warrant holder being deemed to have fulfilled personal goals established by the CEO of the Company. Evaluation of personal goals shall be adopted no later than on the 31 December 2010. In the event bonuses are paid, the Board nevertheless believes that the Company is provided with full consideration for the warrants through the anticipated positive effects of Option Programme 2009.

The maximum cost for the cash bonus is estimated to approximately SEK 960,000.

Employees outside Sweden

- a) Offers regarding allocation of Options shall cover current and future employees of the Orc Software Group outside Sweden. Each Option shall entitle the holder to acquire one newly-issued share in the Company. Allocation of Options shall be decided upon in accordance with the following. Senior personnel and employees with specialist expertise may be offered and allocated a total of not more than 30,000 Options per person. Other employees may be offered and allocated a total of not more than 10,000 Options per person. There shall be no minimum guaranteed allocation of Options. In conjunction the allocation of Options, consideration shall be given to the employee's performance, position within and contribution to the Orc Software Group. Options are linked to employment and lapse if the employee leaves his employment in the Orc Software Group.
- b) Options shall be allocated free of consideration. According to a valuation performed by KPMG, the market value of each Option as per 18 March 2009 amounts to 6.2 kronor. The value has been calculated applying a customary valuation model (Black & Scholes) based on the share price and other prevailing market conditions on 18 March 2009, without taking into consideration restrictions on rights of disposition.
- c) Options shall be allocated before 2010 Annual General Meeting on condition that the current transaction price for the Company's share on the NASDAQ OMX Stockholm Stock Exchange not exceeds the strike price for the Options.
- d) During the exercise term, commencing on the 1 January 2011 and ending on the 31 December 2011, the Options entitle to acquire newly issued shares in the Company on the last business day of each calendar month². The Options are not transferable. The exercise right as regards Options is conditional upon an extant employment relationship at the end of the qualification term and that the Option holder being deemed to have fulfilled personal goals established by the CEO of the Company. Evaluation of personal goals shall be adopted no later than on the 31 December 2010. Special rules shall apply, *inter alia*, regarding mergers, public tender offers and other material changes in ownership structure, whereupon the Company shall ensure that holders of Options are treated fairly and, as far as possible, are placed in the same financial position as warrant holders.
- e) Each Option shall entitle the holder to subscribe for one newly-issued share in the Company, whereupon for each newly-issued share payment shall comprise 120% of the volume-weighted average transaction price for the Company's shares on the NASDAQ OMX Stockholm Stock Exchange during the ten (10) consecutive business days immediately prior to the date of subscription by Orc Software Stockholm. Where no transaction price is listed on any of the relevant

² Due to the policy adopted by the Company regarding trading restrictions in connection with quarterly reporting, in practice this means that warrants may be exercised to subscribe for shares twice per quarter. These occasions are the last business day in the months of January, February, April, May, July, August, October and November 2010.

days, the bid price listed as closing price shall instead be included in the calculation. Days on which no transaction price or bid price is listed shall not be included in the calculation. The exercise price thereby calculated shall be rounded off to the nearest full fifty öre, whereupon 24 and 75 öre shall each be rounded downwards and 25 and 75 öre shall be rounded upwards.

- f) The number of shares which may be acquired pursuant to Options and the price to be paid for each such share shall be recalculated in the event of any bonus issue, new issue, issues of warrants or convertible debentures and in certain other cases on essentially the same terms as for warrants which are proposed to be issued within the scope of Option Programme 2009.
- g) Allocation of Options is conditional on such allocation being legal and appropriate in the relevant countries and that, in the opinion of the Board of Directors, such may take place involving reasonable (i) administrative expenses, (ii) tax consequences for the Company, any other employer company or for the employees who may be covered by Option Programme 2009 and (iii) economic contributions. Deviations from, or adjustments to, the terms and conditions may also be made based on local rules and customs.
- h) The Board of Directors shall be responsible for the detailed structure and administration of Option Programme 2009 within the scope of the above-stated principal terms and guidelines.

B. Directed placement of warrants for performance of obligations pursuant to Option Programme 2009 and approval of the transfer of warrants and allocation of Options to employees in the Orc Software Group, etc.

In order to secure the performance of obligations pursuant to Option Programme 2009, the Board of Directors proposes that the Annual General Meeting adopt the following resolution.

The Board of Directors proposes that the Company, by way of derogation from the shareholders' pre-emption rights, issues a total of not more than 253,500152,000 warrants. Assuming that all warrants which secure Option Programme 2009 are exercised to subscribe for new shares, the Company's share capital may increase by not more than SEK 25,35015,200.

The issue shall otherwise be subject to the following terms and conditions.

- a) Each warrant shall entitle the holder to subscribe for one new share in the Company.
- b) By way of derogation from the shareholders' pre-emption rights, the party entitled to subscribe shall be Orc Software Stockholm AB, reg. no. 556510-5367.

- c) Subscription for the warrants shall take place not later than 30 June 2009. Subscription shall take place on a separate subscription list. Over-subscription may not take place.
- d) The warrants shall be issued free of consideration.
- e) During the term extending from the date of registration of the issue by the Swedish Companies Registration Authority up to and including 31 December 2011, the warrants may be exercised to subscribe for shares in the Company on the last business day of each calendar month, taking into consideration the Company's policy concerning trading restrictions in connection with quarterly reporting.
- f) Each warrant shall entitle the holder to subscribe for one share in the Company at a subscription price of 120% of the volume-weighted average transaction price for the Company's shares on the NASDAQ OMX Stockholm Stock Exchange during the ten (10) consecutive business days immediately prior to the date of subscription by Orc Software Stockholm. Where no transaction price is listed on any day, the bid price listed as closing price shall instead be included in the calculation. Days on which no transaction price or bid price is listed shall not be included in the calculation. The subscription price thereby calculated shall be rounded off to the nearest full fifty öre, whereupon 24 and 75 öre shall each be rounded downwards and 25 and 75 öre shall be rounded upwards.
- g) Shares issued following subscription shall carry an entitlement to dividends commencing from the record date for dividends or the day on which a shareholder is entered in the share register and thereby entitled to receive dividends which occurs immediately after subscription for shares has been executed.

The complete terms and conditions for the warrants are set forth in Appendix 1 A hereto. As stated therein, the subscription price and the number of shares to which warrants carry an entitlement to subscribe may be recalculated in the event of any bonus issue, new issue, issues of warrants or convertible debentures, and in certain other cases.

The Board of Directors further proposes that the Annual General Meeting resolves to grant Orc Software Stockholm the authority to transfer warrants to employees in Sweden, allocate Options to employees outside Sweden on the terms stated in item A. above, and otherwise to dispose of warrants in order to perform obligations pursuant to Option Programme 2009.

The Board of Directors wishes to state the following reasons for derogation from the shareholders' pre-emption rights.

The new issue constitutes an element in securing performance of the obligations which may arise as a consequence of Option Programme 2009. In light of that which is stated above, the Board of Directors believes that, among other things in order to recruit and maintain skilled employees, it is to the benefit of the Company and the shareholders that employees in the Orc

Software Group be afforded the opportunity, in this way, to participate in the Company's increase in value in the long term.

Special authorisation

Finally, the Board of Directors proposes that the annual general meeting authorise the Board, or a person appointed by the Board, to effect such minor adjustments to the resolutions proposed above as may prove to be necessary in connection with registration at the Swedish Companies Registration Authority and in connection with inclusion of the warrants in the Euroclear system.

Majority requirement

The resolutions proposed by the Board above constitute a package, since the various proposals are dependent on, and strongly linked to, each other. Accordingly, it is proposed that the general meeting adopt a single resolution taking into consideration the majority requirement rules set forth in Chapter 16, section 8 of the Swedish Companies Act. Accordingly, a valid resolution must be supported by shareholders representing not less than nine-tenths of the votes cast and the shares represented at the general meeting.

Stockholm ~~March~~April, 2009
Orc Software AB
The Board of Directors