



EXPLANATION OF THE NOMINATION COMMITTEE IN ORC SOFTWARE AB'S (PUBL) PROPOSALS FOR BOARD OF DIRECTORS, TO THE ANNUAL GENERAL MEETING APRIL 14 2010, AND AN ACCOUNT OF THE NOMINATION COMMITTEE'S WORK

The Nomination Committee's proposal for Board of Directors

The Nomination Committee propose the following:

- Re-election of the Board Members Markus Gerdien, Patrik Enblad, Lars Granlöv, Eva Redhe Ridderstad and Carl Rosvall
- New election of Staffan Persson
- Katarina Bonde has declined re-election
- Re-election of Markus Gerdien as Chairman

Explanation:

An important starting-point for the Nomination Committee has been that the composition of the Board of Directors shall reflect and emphasize the different competences and experiences that are required for Orc Software's business and future goals. As basis for the work, the Nomination Committee has *i.a.* had an evaluation of the Board of Directors and their work and a statement from the Chairman of the Board of Directors regarding the company's business, goals and strategies.

The Nomination Committee considers the proposed composition of the Board of Directors to have the versatility and spectrum with regard to competence, experience and background that is necessary considering Orc Software's business, development phase and other circumstances.

By the proposal to elect Staffan Persson as a new member of the Board of Directors, the Board of Directors is completed with a person who has thorough experience and knowledge of Neonet in his role as Chairman of the Board of Directors of Neonet, in addition to also having had an operational role in the company, and who also has an extensive holding of shares in the new Orc Software.

The proposed Board of Directors in Orc Software meets the requirements as set out in the Swedish Code on Corporate Governance regarding independent Board Members, and the Swedish Corporate Governance Board's directive 1-2009 regarding the Swedish Code's requirements on independence.

Account of the Nomination Committee's work

At the Annual General Meeting 2009 in Orc Software it was decided that the Nomination Committee was going to be formed by representatives of the five largest shareholders in the company. The Nomination Committee has before the Annual General Meeting 2010 consisted of Kerstin Stenberg (Swedbank Robur fonder), Peter Rudman (Nordeas fonder), Stefan Roos (SEB Asset Management S.A.), Peter Larsson (Monterro Holdings Ltd) and

Frank Larsson (Handelsbanken Fonder). Stefan Roos has been the Chairman of the Nomination Committee.

The Nomination Committee has had a total of six formal meetings, and has in addition to this had on-going informal contacts by telephone and via e-mail. As basis for their work, the Nomination Committee has *i.a.* conducted a number of interviews with the Board of Directors and management of Orc Software. At the meetings, the Nomination Committee has dealt with the matters that a nomination committee shall deal with in accordance with the Swedish Code on Corporate Governance. The Nomination Committee has *i.a.* come up with proposals for (i) Chairman at the Annual General Meeting (ii) Board of Directors and Chairman of the Board of Directors (iii) remuneration for the Board of Directors, and (iv) principles for appointing the Nomination Committee, to be presented to the Annual General Meeting for decision. The Nomination Committee has also assisted the audit committee during the year.

The Nomination Committee has, before the annual general meeting 2010, decided to propose an increased remuneration to all members of the Board of Directors due to the increased work load and responsibility of the Board of Directors, based on *i.a.* Orc Software's acquisition of Neonet.

Stockholm in April 2010
Orc Software AB (publ)
The Nomination Committee