

***N.B. The English text is a translation of the Swedish text. In case of discrepancy between the Swedish and the English text the Swedish version shall prevail.***

## **THE BOARD OF DIRECTORS' PROPOSAL FOR ISSUE OF NEW SHARES**

The Board of Directors in Orc Software AB (publ) ("**Orc Software**", the "**Company**") propose that the Extraordinary General Meeting resolves to increase the Company's share capital with a maximum of SEK 813,326.40 by way of an issue of a maximum of 8,133,264 new shares on the terms as set out below.

### **1. Subscription rights**

On 25 January 2010, the Board of Directors announced a public offer aimed to the shareholders in Neonet AB (publ) ("**Neonet**") granting them rights to subscribe for new shares in Orc Software to be paid for with shares in Neonet (the "**Offer**").

Each share in Neonet entitles its holder to 0.125 new shares in Orc Software; this means that the shareholders in Neonet will receive one new share in Orc Software for every eight shares in Neonet. Shareholders whose holding can not be evenly divided by eight may accept the Offer for its entire holding, including any surplus shares. Fractions of shares will be sold on NASDAQ OMX whereby the shareholders so entitled will receive cash payment for their respective share of the total sales proceeds.

The Offer will be adjusted if Neonet should distribute profits or otherwise transfer value to its shareholders prior to the settlement date of the Offer.

If the issue is fully subscribed for; a total of 8,133,264 shares in Orc Software will be issued to the shareholders in Neonet. If the issue is fully subscribed for, the non-cash consideration is estimated to be valued at SEK 1,191,523,176 in Orc Software's balance sheet unless applicable accounting standards lead to a different valuation.

### **2. Acceptance period**

The acceptance period extend from 11 March 2010 to 1 April 2010. Notification on acceptance of the Offer shall be made on a specific acceptance form in the same period.

The settlement date is expected to 7 April 2010.

The Board of Directors is entitled to prolong the acceptance period and to postpone the settlement date.

### **3. Conditions**

The allotment of shares in the issue is conditioned on the conditions of the Offer being fulfilled or waived.

### **4. Distribution of dividends**

The new shares entitle the holders thereof to participate in the distribution of dividends for the first time for the financial year 2010.

The Managing Director, or whom the Managing Director appoints, is authorised to correct errors of form in the resolution for an issue of new shares that may prove necessary in connection to registration with the Companies Registration Office and Euroclear Sweden AB.

A copy of the annual report for the financial year 2008, with a notation of the general meeting's resolution regarding the company's profits and losses, the auditor's report for the year to which the annual report relates and the Board of Directors reports under chapter 13 sections 6 and 7 of the Swedish Companies Act, and the auditor's statements in relation thereto are attached in Appendix 1 – 6.