



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Company for 2004 will be held at the offices of Hammonds, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH on 25 June 2004 at 10:30am for the following purposes:

### Ordinary Business

1. To receive and to adopt the report of the directors and the auditors and the Company's accounts for the year ended 31 December 2003.
2. To re-appoint Mr. Barry Mence, aged 51, as a director of the Company.
3. To re-appoint Mr. Andrew Michuda, aged 49, as a director of the Company.
4. To re-appoint Mr. Bernard Al, aged 59, as a director of the Company.
5. To re-appoint Ernst & Young LLP as auditors to hold office from the conclusion of the meeting to the conclusion of the next meeting at which the accounts are laid before the Company and to authorise the directors to determine their remuneration.

### Special Business

The following special business is proposed in order to increase the Company's share capital and accommodate (i) the Director's general authority to allot shares for cash, as in previous years (ii) the extension of the existing share option pool to a level which continues to represent less than 10% of the Company's issued share capital and (iii) the conversion rights attaching to the Company's remaining £2,534,000 issued 6% Convertible Loan Stock and (iv) the €10,000,000 Equity Line of Credit Facility with GEM Global Yield Fund Limited.

### Ordinary Resolutions

To consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

6. That the authorised share capital of the Company be and is hereby increased from £6,250,000 to £8,750,000 by the creation of 50,000,000 new ordinary shares of 5p each.
7. That pursuant to Section 80 of the Companies Act 1985, the Directors be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of that Section) up to a maximum aggregate nominal amount of £3,621,992.60 but so that such authority (unless previously renewed, revoked or varied) is to expire on 24 June 2009, but so that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if such authority had not expired.
8. That the aggregate maximum number of ordinary shares over which options may be granted to employees under all of the Company's employee share option schemes including the Sopheon Executive Share Option Scheme, the Sopheon Unapproved Share Option Scheme, the Sopheon plc 2000 (USA) Stock Option Plan and the Sopheon UK Unapproved Share Option Scheme shall be increased to 10,000,000 and that each of the relevant scheme rules shall be amended accordingly (subject where appropriate to the approval of the Inland Revenue).

# Sopheon plc

(Registered in England No: 3217859)

## Special Resolutions:

To consider and, if thought fit, pass the following resolutions as Special Resolutions:

9. That the Directors be and are hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (as defined in Section 94(2) of that Act) for cash pursuant to the authority conferred by resolution 7 above, as if Section 89 (1) of that Act did not apply to any such allotment provided that such power is limited to:
  - (a) the allotment of equity securities in connection with an issue or offering by way of open offer or rights to ordinary shareholders in proportion (as nearly as may be practicable) to the respective numbers of ordinary shares held by or deemed to be held by them on the record date of such allotment, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with any fractional entitlements or any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory authority or any stock exchange; and
  - (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to a maximum aggregate nominal amount of £1,055,834 in connection with allotments arising from conversion of the Company's remaining £2,534,000 issued 6% Convertible Loan Stock; and
  - (c) the allotment (otherwise than pursuant to paragraphs (a) and (b) above) of equity securities up to a maximum aggregate nominal amount of £1,400,000 to include allotments arising from the exercise of the Company's €10,000,000 Equity Line of Credit Facility with GEM Global Yield Fund Limited.

provided that such authority is to expire on 24 June 2009, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if such authority had not expired.

**BY ORDER OF THE BOARD**

A. Karimjee  
Secretary

Dated: 7 May 2004

## Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his place. A proxy need not also be a member of the Company.
2. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes they may cast) members must be entered on the Company's register by 10.30am on 23 June 2004.
3. A form of proxy is enclosed. To be effective, it must be deposited at the office of the Company's registrars, Capita Registrars, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received not later than 48 hours before the time appointed for holding the meeting. Completion of the form of proxy does not preclude a member from subsequently attending and voting at the meeting in person if he or she so wishes.
4. Copies of the following documents will be available for inspection at the registered office during normal business hours on any weekday from the date of this notice until the conclusion of the Annual General Meeting:
  - (a) the directors' service agreements with the Company not expiring or determinable without payment within one year;
  - (b) the Rules of the Company's share option schemes;
  - (c) register of interests of the directors and their families in the share capital of the Company;
  - (d) documents constituting the 6% Convertible Loan Stock of the Company. The Directors are interested in £560,000 of the Convertible Loan Stock, representing approximately 22% of the issued Convertible Loan Stock; and
  - (e) documents constituting the €10,000,000 Equity Line of Credit Facility with GEM Global Yield Fund Limited.

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**FORM OF PROXY FOR 2004 ANNUAL GENERAL MEETING**

I/We.....

of.....

being a member/members of the above-named Company, hereby appoint the Chairman of the meeting or .....

of.....

as my / our proxy to vote in my/our name(s) and on my/our behalf at the Annual General Meeting of the Company to be held at the offices of Hammonds, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH on 25 June 2004 at 10:30am (including in respect of the question whether to adjourn such meeting) and at any adjournment of such meeting.

I/We direct my/our proxy to vote on the Resolutions set out in the notice dated 7 May 2004 convening the Annual General Meeting as follows and, on any other resolutions, as he or she thinks fit:

Resolutions	For	Against	Vote Withheld	Discretionary
1. To receive the report of the directors and the audited accounts for the year ended 31 December 2003				
2. To re-appoint Barry Mence as a director of the Company				
3. To re-appoint Andrew Michuda as a director of the Company				
4. To re-appoint Bernard Al as a director of the Company				
5. To re-appoint Ernst & Young LLP as auditors and to authorise the directors to determine their remuneration				
6. To increase the authorised share capital of the Company				
7. To give the directors' authority to allot shares pursuant to Section 80 of the Companies Act 1985				
8. To increase the aggregate number of ordinary shares of the Company over which options may be granted				
9. To give the directors' authority to allot equity securities for cash pursuant to Section 95 of the Companies Act 1985.				

Please indicate with an "X" in **one only** of the appropriate boxes above in respect of each resolution how the proxy should vote and then sign in the space provided below. If you select "Discretionary" or fail to select any of the given options, the proxy may vote as he or she wishes or can decide not to vote at all. The proxy can also do this on any other resolution that is put to the meeting. The "Vote Withheld" option is provided to enable you to abstain on a resolution. However it should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes for and against a resolution.

Signed this .....day of .....2004

Signature .....

Name in Block Capitals.....

Initial and surnames of joint holders (if any) .....

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### **Notes:**

1. If it is desired to appoint any person other than the Chairman as proxy, delete the words “the Chairman of the meeting or” and insert his or her name and address and initial the alteration. The person appointed to act as proxy need not be a member of the Company.
2. In the case of a corporation, this form of proxy must be executed by the corporation and must be signed either under seal or under the hand of a director and the secretary or two directors or a duly authorised officer.
3. In the case of joint holders, the vote of the senior holder tendering a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority depends on the order in which the names stand in the register of members.
4. To be valid, this proxy and any power of attorney or other written authority under which it is signed or an office or notarially certified copy of such power or authority or a copy certified in accordance with the Powers of Attorney Act 1971 or the Enduring Powers of Attorney Act 1985 must reach the Company’s registrars, Capita Registrars, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 10.30am on 23 June 2004.
5. Completion of this form of proxy will not preclude you from attending and voting at the Meeting if you so wish.