

# Sopheon plc

Registered in England No: 3217859.

Registered Office: Dorna House One, Guildford Road, West End, Surrey GU24 9PW, UK

## NOTICE OF ANNUAL GENERAL MEETING

This document is the formal notification to shareholders of the Annual General Meeting, its date, time and place and the matters to be considered (numbered 1 to 6 below). It is an important document. If you are in any doubt about the contents of this document or about what action you should take, you should consult your stockbroker, accountant or other independent professional advisor authorised under the Financial Services and Markets Act 2000 (as amended). Separate notes on the proxy form attached explain the arrangements for shareholders to exercise their voting rights. If you have sold or transferred all of your Sopheon plc ordinary shares, please pass these documents to either the purchaser or transferee or the person through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. As further described on the back page of this notice, we now distribute certain Shareholder Documents through the Company's website. Pursuant to the above, we hereby notify you that the Annual Report for the year ended 31 December 2015 is available on our website at [www.sopheon.com](http://www.sopheon.com). Unless you have previously elected to do so, to receive a hard copy of the Annual Report free of charge, please write to the Company's registered office.

NOTICE is hereby given that the Annual General Meeting of the Company for 2016 will be held at the offices of Squire Patton Boggs (UK) LLP, 7 Devonshire Square, London EC2M 4YH on 9 June 2016 at 11:00am for the following purposes:

### ORDINARY BUSINESS (all Ordinary Resolutions)

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 2015.
2. To re-appoint Barry Mence as a director of the Company.
3. To re-appoint BDO 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

Resolution 4 is proposed to extend the existing share option pool to a level which represents 12.5% of the Company's issued share capital, which the board believes is required to properly incentivise our predominately US-based senior staff. Resolutions 5 and 6 are proposed in order to provide respectively for (i) Directors' general authority to allot shares and other equity securities and (ii) authority to be given to the Directors to issue shares for cash. As was the case for resolutions passed at the Company's 2015 Annual General Meeting, the authorities referred to at (i) and (ii) above will not expire until after five years, but in accordance with good practice, the directors intend to update and renew such authorities at subsequent Annual General Meetings.

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

4. 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 UK Unapproved Share Option Scheme 1997, the Sopheon Share Option Scheme 2016, and the Sopheon plc 2009 (USA) Stock Option Plan shall be increased to 910,000 and that each of the relevant scheme rules shall be amended accordingly (subject where appropriate to approval of the relevant fiscal authorities).
5. That the Directors be and are hereby generally and unconditionally authorised, pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot equity securities (within the meaning of that Section) up to a maximum aggregate nominal amount of £1,044,200, but so that such authority (unless previously renewed, revoked or varied) is to expire on 8 June 2021, 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. This authority is in substitution for all previous authorities conferred upon the Directors pursuant to Section 80 of the Companies Act 1985 or Section 551 of the Act, but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

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## To consider and, if thought fit, pass the following resolution as a Special Resolution:

6. That the Directors be and are hereby empowered pursuant to Section 570 of the Act to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred by resolution 5 above, as if Section 561 (1) of the 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 issue to holders of equity securities in proportion (as nearly as may be practicable) to the respective numbers of equity securities 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;
  - (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to a maximum aggregate nominal amount of £523,000 in connection with allotments arising from conversion of the Company's £2,000,000 issued 8% Convertible Loan Stock 2019; and
  - (c) the allotment (otherwise than pursuant to paragraphs (a) and (b) above) of equity securities up to a maximum aggregate nominal amount of £145,580.

provided that the power hereby conferred shall operate in substitution for and to the exclusion of any previous power given to the directors pursuant to Section 570 of the Act or pursuant to Section 95 of the Companies Act 1985 (as amended) and that such authority is to expire on 8 June 2021, 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

13 May 2016

### Notes:

1. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, speak and vote at the meeting. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes thereto.
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 6.00pm on 7 June 2016.
3. A form of proxy is enclosed. To be effective, it must be deposited at the Company's Registered Office 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 Company's registered office during normal business hours on any weekday from the date of this notice until the AGM and at the AGM for a period of 15 minutes before the commencement until the conclusion of the AGM:
  - (a) the executive directors' service agreements and non executive directors' letters of appointment with the Company;
  - (b) register of interests of the directors and their families in the share capital of the Company;
  - (c) documents constituting the £2,000,000 8% Convertible Loan Stock 2019; and
  - (d) Memorandum and Articles of Association.

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## DISTRIBUTION MECHANISM FOR SHAREHOLDER DOCUMENTS

In recent years a growing number of shareholders have been taking advantage of improvements in technology and accessing the wealth of information on corporate websites. Sopheon's Articles permit the distribution of copies of Shareholder Documents through the Company website. Shareholder Documents include:

- Notices of annual general meetings and other general meetings;
- Any directors' reports or auditors' reports;
- Balance sheets (including every document required by law to be annexed thereto) which are to be laid before the Company in general meeting; and
- Summary financial statements.

One benefit of website communications is that you will be able to access the Shareholder Documents online, which will deliver savings to the Company in terms of administration, printing and postage costs, as well as having environmental benefits. In addition, our website [www.sopheon.com](http://www.sopheon.com) provides other useful information, including up-to-date news about the Company's activities.

However, some shareholders will find it convenient to continue to receive hard copies of such documents. Accordingly, you have the following options:

- **OPTION 1 - Receive the Shareholder Documents through website communication.** If you wish to receive the Shareholder Documents by website communication, no further action needs to be taken. Each time new Shareholder Documents are to be made available, we will send you a letter by post telling you that new documents are, or will be, available to view on the website. From the [www.sopheon.com](http://www.sopheon.com) home page, click on "Investors" and you will be taken to the investor home page which will contain a link to the document; **OR**
- **OPTION 2 – Receive the Shareholder Documents in hard copy.** If you wish to receive the Shareholder Documents in hard copy, please write to us stating this. Your letter should state your name and address and be signed by you as the shareholder or in the case of joint shareholders, by each shareholder, and should be sent to the Company's Registered Office to arrive by 2 June 2016. As an alternative to writing to the Company's Registered Office in the UK, residents of the USA may write to Sopheon Corporation, 3001 Metro Drive, Bloomington, MN 55425, and residents of the Netherlands may write to Sopheon NV, Kantoorgebouw OFFICIA 1, De Boelelaan 7,1083 HJ Amsterdam. **If a letter is not received from you by this date you will be taken to have agreed to receive future Shareholder Documents via the website. If you have previously sent us a letter advising us that you wish to continue to receive hard copies, then you do not need to write again unless you ceased to be a shareholder during the period since the last AGM, and have now become one again.**

You should note that there may be particular circumstances where the Company will need to send documents or other information to you in hard copy, rather than by the use of the website. In such cases, the Company reserves the right to send hard copies.

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## FORM OF PROXY FOR 2016 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 Squire Patton Boggs (UK) LLP, 7 Devonshire Square, London EC2M 4YH on 9 June 2016 at 11:00am (including in respect of 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 13 May 2016 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 and adopt the report of the directors and the audited accounts for the year ended 31 December 2015.				
2. To re-appoint Barry Mence as a director of the Company.				
3. To re-appoint BDO LLP as auditors and to authorise the directors to determine their remuneration.				
4. To increase the aggregate number of ordinary shares of the Company over which employee share options may be granted				
5. To give the directors authority to allot relevant securities pursuant to Section 551 of the Companies Act 2006.				
6. To give the directors authority to allot equity securities for cash pursuant to Section 570 of the Companies Act 2006.				

Signed this ..... day of ..... 2016

Signature(s) .....

Name(s) in Block Capitals .....

### Notes:

- 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.
- You may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please return a separate form in relation to each proxy, clearly indicating next to the name of each proxy the number and class of shares in respect of which he is appointed. If you submit more than one valid proxy appointment in respect of the same shares, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 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 duly appointed director or another duly authorised officer.
- 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.
- If you want your proxy to vote in a certain way on the resolutions specified please place an "X" in one of the relevant boxes for each of the resolutions. If you select "discretionary" or fail to select any of the given options your proxy can vote as he or she chooses 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 any particular 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 the votes "For" and "Against" a resolution.
- 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 Registered Office no later than 11.00am on 7 June 2016.
- Completion of this form of proxy will not preclude you from attending and voting at the Meeting if you so wish.