

Proposal of the Board of Directors of Orc Software AB (publ), reg. no. 556313-4583, regarding authorization for the Board of Directors to acquire and transfer own shares

Orc Software's Board of Directors proposes that the Annual General Meeting authorizes the Board to pass resolutions regarding the acquisition and transfer of Orc Software's own shares, in accordance with the following terms.

The share acquisitions shall take place on the Stockholmsbörsen and shall be made in accordance with the Recommendation Concerning the Purchase and Sale of a Company's Own Shares of Swedish Industry and Commerce Stock Exchange Committee.

1. Acquisitions may be made on one or several occasions before the next Annual General Meeting.
2. Acquisitions are limited by the Company's share holding not being allowed, at anytime, to exceed 10 percent of the total shares in the Company.
3. The market price at the time of acquisition shall be paid for the acquired shares.
4. Payment for the shares shall be made in cash.

The purpose of the acquisitions is to provide the Board with the possibility of creating additional value for the Company's shareholders by optimizing the capital structure of the Company during the period up until the next Annual General Meeting.

The Board of Directors further proposes that the Annual General Meeting authorizes the Board as follows: to resolve, by departure from the preferential rights of the shareholders, on the transfer of the Company's own shares as payment in connection with the acquisition of companies or businesses; as well as to resolve, by departure from the preferential rights of the shareholders, on the transfer of the Company's own shares in another manner than on the Stockholmsbörsen in order to finance acquisitions or expansion. The payment for the transferred shares shall correspond to their estimated market value and does not have to be made in cash. The following additional terms and conditions shall apply.

1. The authorization may be used on one or more occasions before the next Annual General Meeting.
2. The authorization comprises all of the Company's own shares that it has in its possession at the time of the Board's resolution.

Stockholm February, 2006
Orc Software AB
Board of Directors