



## NOTICE OF ANNUAL GENERAL MEETING

*To the holders of Ordinary Shares*

NOTICE is hereby given that the Annual General Meeting of the Company for 2003 will be held at the offices of Hammonds, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH on 30 July 2003 at 10:30am for the following purposes:

### **Ordinary Business**

1. To receive the report of the directors and the auditors and the Company's accounts for the year ended 31 December 2002.
2. To re-appoint Daniel Metzger as a director of the Company.
3. To re-appoint Arif Karimjee as a director of the Company.
4. 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 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 proposed amendment to the terms of the Company's £2,600,000 issued 6% Convertible Loan Stock 2002 ("the Stock") in accordance with the provisions of the instrument governing the Stock and the proposed resolution of an Extraordinary General Meeting of the holders of the Stock to be held on 30 June 2003, which involves the extension of the loan stock maturity date by one year in return for a reset of the conversion price to 12p from a historic floor of 31p. The Directors do not propose an increase to the Company's authorised share capital.

### **Ordinary Resolutions**

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

5. 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 £1,877,183.75 but so that such authority (unless previously renewed, revoked or varied) is to expire at the conclusion of the Annual General Meeting of the Company to be held in 2004 or on 29 October 2004, whichever is earlier, 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.
6. 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 8,500,000 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:

7. 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 £1,452,183.75 to include allotments arising from conversion of the Company's £2,600,000 issued 6% Convertible Loan Stock 2002 to the extent such authority has not been authorised by the shareholders in a previous general meeting.

provided that such authority is to expire at the conclusion of the Annual General Meeting of the Company to be held in 2004 or on 29 October 2004, whichever is the earlier, 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: 30 June 2003

## 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 28 July 2003.
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 AGM. 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; and
  - (d) the £4,000,000 6% Convertible Loan Stock 2002. The Directors are interested in £535,000 of the Convertible Loan Stock, representing approximately 21% of the issued Convertible Loan Stock.

**Sopheon plc**

(Registered in England No: 3217859)

**FORM OF PROXY FOR 2003 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 30 July 2003 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 30 June 2003 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 2002				
2. To re-appoint Daniel Metzger as a director of the Company				
3. To re-appoint Arif Karimjee as a director of the Company				
4. To re-appoint Ernst & Young LLP as auditors and to authorise the directors to determine their remuneration				
5. To give the directors' authority to allot shares pursuant to Section 80 of the Companies Act 1985				
6. To increase the aggregate number of ordinary shares of the Company over which options may be granted				
7. 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 .....2003

Signature .....

Name in Block Capitals .....

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

**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 28 July 2003.
5. Completion of this form of proxy will not preclude you from attending and voting at the Meeting if you so wish.

**Sopheon plc**

(Registered in England No: 3217859)

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

(Convened pursuant to Section 142 Companies Act 1985)

To the holders of Ordinary Shares

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at the offices of Hammonds, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH on 30 July 2003 at 11:30am (or so soon thereafter as the Annual General Meeting convened for the same date shall have concluded or been adjourned) to consider the following statement made by the Directors:

The Directors are of the opinion that following the completion of the proposed sale of Sopheon’s US-based Information Management business and also taking into consideration the ongoing review of Sopheon’s German operations and the continued funding in 2003 by the Company of the losses of its subsidiaries, the net assets of the Company on an unconsolidated basis are anticipated to be less than half of its called-up share capital.

This Extraordinary General Meeting is convened pursuant to section 142 Companies Act 1985, which requires that, where the net assets of a public company are half or less of its called-up share capital, the Directors shall convene an Extraordinary General Meeting for the purpose of considering whether any, and if so what, steps should be taken to deal with the situation.

**BY ORDER OF THE BOARD**

A. Karimjee  
Secretary

Dated: 30 June 2003

**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 11.30am on 28 July 2003. 2.
3. A form of proxy is attached. To be effective, the proxy and any power of attorney or other written authority under which it is signed or an office or notorially 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 be deposited at the office of the Company’s registrars, Capita Registrars, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 11.30am on 28 July 2003. Completion of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish.

**FORM OF PROXY FOR EXTRAORDINARY 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 Extraordinary General Meeting of the Company to be held at the offices of Hammonds, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH on 30 July 2003 at 11:30am or so soon thereafter as the Annual General Meeting convened for the same date shall have concluded or been adjourned, (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 any resolution proposed at the Extraordinary General Meeting to be held on 30 July 2003 at 11:30am, as he or she thinks fit.

Signed this .....day of .....2003

Signature .....Name in Block Capitals.....

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

.....

**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.