



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 9 below). It is an important document. If, having read it you are in any doubt as to the action you should take, you should consult an appropriate professional adviser. 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 the person through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

NOTICE is hereby given that the Annual General Meeting of the Company for 2007 will be held at the offices of Hammonds, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH on 11 June 2007 at 11:00am 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 2006.
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 BDO Stoy Hayward 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 provide for (i) the Directors' general authority to allot shares and other relevant securities (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) authority to the Directors to issue to shares for cash to include the €10,000,000 Equity Line of Credit Facility with GEM Global Yield Fund Limited. As was the case for resolutions passed at the Company's 2005 Annual General Meeting, the authorities granted as referred to at (i) and (iii) 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.

In addition, since November 1999 when the Company's Memorandum & Articles of Association (the "Articles") were last adopted there have been a number of legislative, regulatory and best practice developments which the Board believes should be reflected in the Articles. Rather than seeking approval for numerous individual amendments to the Articles, the Directors consider it more appropriate and practical to seek to adopt a new set of Articles. Details of the principal proposed changes are set out in the Appendix to this notice. These changes aside, most of the differences between the existing and new sets of Articles are of a minor and technical nature and these have not been summarised.

Ordinary Resolutions

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

6. 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 £2,071,048.65 but so that such authority (unless previously renewed, revoked or varied) is to expire on 11 June 2012, but so that the Company may, before such expiry, make an offer or agreement

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(Registered in England No: 3217859)

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.

7. 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 13,000,000 and that each of the relevant scheme rules shall be amended accordingly (subject where appropriate to the approval of the Inland Revenue).

Special Resolutions

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

8. 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 5 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;
 - (b) the allotment (otherwise than pursuant to paragraph (a) 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 11 June 2012, 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.

9. That the Memorandum of Association be amended by the insertion of a new objects paragraph 4(X) as follows: "To provide any current or former director, secretary or other officer of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings connected to his or her office with the Company or in connection with any application under those provisions of the Companies Act referred to in section 337A(2) of that Act and to do anything to enable such persons to avoid incurring such expenditure" and that the Articles of Association in the form produced to the meeting and initialed by the Chairman for the purposes of identification be and are hereby adopted as the new Articles of Association in substitution for and to the entire exclusion of the existing Articles of Association of the Company.

BY ORDER OF THE BOARD

A. Karimjee
Secretary

Dated: 10 May 2007

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 11.00am on 8 June 2007.
3. A form of proxy is enclosed. To be effective, it must be deposited at the Company's Registered Office, or the office of the Company's registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester, OX26 4LD 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;
 - (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 €10,000,000 Equity Line of Credit Facility with GEM Global Yield Fund Limited.
 - (e) existing Memorandum and Articles of Association and new Memorandum and Articles of Association proposed to be adopted pursuant to Resolution 9.

FORM OF PROXY FOR 2007 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 11 June 2007 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 10 May 2007 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 2006				
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 BDO Stoy Hayward LLP as auditors and to authorise the directors to determine their remuneration				
6. To give the directors' authority to allot shares pursuant to Section 80 of the Companies Act 1985				
7. To increase the aggregate number of ordinary shares of the Company over which options may be granted				
8. To give the directors' authority to allot equity securities for cash pursuant to Section 95 of the Companies Act 1985.				
9. To authorise the amendment to the Memorandum of Association and to adopt new Articles of Association in the form produced to the meeting				

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 thisday of2007

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 Registered Office, or the office of the Company's registrars, Capita Registrars, Proxy Processing Centre, Telford Road, Bicester, OX26 4LD by no later than 11.00am on 8 June 2007.
5. Completion of this form of proxy will not preclude you from attending and voting at the Meeting if you so wish.

APPENDIX – SUMMARY OF PRINCIPAL DIFFERENCES BETWEEN THE EXISTING AND NEW ARTICLES OF ASSOCIATION LISTED BY NEW ARTICLE REGULATION NUMBER

1. **Article 47A – Treasury Shares.** This new article has been included to reflect changes brought about pursuant to the Companies (Acquisition of Own Shares) (Treasury Shares) Articles 2003. It clarifies that the Directors have the authority, subject to shareholders' statutory pre-emption rights and certain other conditions, to resell or cancel shares repurchased by the Company and held in treasury.
2. **Articles 68 & 69 – Disclosure of Interests in Shares.** The existing provisions in relation to disenfranchisement have been changed to specifically exclude treasury shares from the calculation of the 0.25% threshold beyond which the Company may withhold dividend payments and other rights from a disenfranchised shareholder.
3. **Article 75A – Electronic submission of proxy forms.** The existing provisions in relation to proxy forms did not allow for the submission of electronic proxy forms. This article has been inserted to reflect the possibility that the Directors may permit forms of proxy to be submitted by means of an electronic communication.
4. **Article 12A – Certification of Shares.** This new article is included to update the provisions relating to uncertificated shares and the Articles now cater generally for shares to be held and transferred without the need for any corresponding certificate. This follows the introduction of the Uncertificated Securities Articles 2001 which amended the 1995 articles applicable to the existing Articles.
5. **Article 125(h) – Directors' interests.** A new provision has been added to provide that a Director shall be entitled to vote (and be counted in the quorum) at a meeting of the Directors in respect of any resolution concerning any provision to him of funds to meet expenditure incurred by him in defending any legal proceedings which relate to his activities as an officer of the Company.
6. **Article 159 – Capitalisation.** The provision in relation to the capitalisation of profits and reserves has been amended to clarify that where it is resolved to utilise certain sums in paying up the amounts if any for the time being unpaid on any shares held by members or paying up in full unissued shares, the Company will also be entitled to participate in the relevant distribution in relation to any shares of the relevant class held by the Company as treasury shares.
7. **Article 155A – Dividends.** This new article empowers the Directors to determine a specific mechanism for a member to elect not to receive payment of dividends in respect of uncertificated shares through CREST.
8. **Article 175 – Directors' indemnifications.** This article allows the Company to provide Directors with funds to cover the costs of defending legal proceedings brought against him or her as they are incurred, pursuant to changes brought about by the Companies (Audit, Investigations and Community Enterprise) Act 2004. This change also requires the insertion of a new sub-paragraph 4(X) in the Company's Memorandum of Association including within the objects of the Company the ability to provide such funds. Previously, a company has only been able to fund a director's defence costs once final judgement in his or her favour had been reached with the consequent risk of placing such directors under significant financial strain. Individual Directors are still liable to pay any damages awarded to the Company in an action against them, and to repay defence costs funded by the Company if their defence is unsuccessful.
9. **Articles 141A and 161A – Website communications.** These new articles will permit the Company to use its corporate website as a primary means of communication with its shareholders, in accordance with the Companies Act 2006. This change recognises that there are benefits to both shareholders and the Company from using web-based communication rather than paper. Under the new legislation Shareholders would remain entitled to elect to receive notices and certain other documents and information in hard copy.