
MINUTES

of the
3rd Ordinary Annual General Meeting of Shareholders
of
TEMENOS Group AG
Glarus

held on June 25, 2004, at 2:10 p.m.,
at the SWX Swiss Exchange (ConventionPoint), Selnaustrasse 30, 8021 Zurich

Board of Directors present: **George Koukis**, President of the Board and Chairman of this Meeting,
Andreas Andreades, Member,
Chris Pavlou, Member,
Paul Selway-Swift, Member,

Board of Directors excused: **Kim Warren Goodall**, Vice-President
Lewis Polk Rutherford, Member,

Auditor's Representative: **Mike Foley** and **Travis Randolph**
(PricewaterhouseCoopers SA, Geneva)

Independent Proxy Holder **Esther Wüthrich**, Attorney-at-Law, Zurich,

Shareholders present or represented: according to the Chairman's declaration hereinafter

Agenda:

1. 2003 Annual Report, 2003 Annual Financial Statements, 2003 Consolidated Financial Statement and Auditor' Reports
2. Allocation of the Balance Sheet result
3. Discharge of the Members of the Board of Directors
4. Election of the Members of the Board of Directors
5. Election of the Statutory Auditors and Group Auditors
6. Conditional Capital
7. Authorized Capital

Opening of the Meeting

Mr. George Koukis, President of the Board of Directors, takes the chair for this meeting, welcomes the shareholders, the representatives of the Auditors and the Independent Proxy Holder and declares the 3rd Ordinary Annual General Meeting of Shareholders of Temenos Group AG as formally opened at 2.00 pm.

The Chairman states for the record what follows:

The Company is represented by the President of the Board, Mr. George Koukis, as well as by Messrs. Andreas Andreades, Paul Selway-Swift and Chris Pavlou, all members of the Board of Directors; excused are Messrs. Kim Goodall and Lewis Polk Rutherford.

The Auditors of the Company, PricewaterhouseCoopers SA, Geneva, are represented by Mr. Mike Foley and Mr. Travis Randolph. Furthermore are present Ms. Esther Wüthrich, Attorney-at-law, Zurich, as Independent Proxy Holder of voting rights and Mr. Urs Neuenschwander, public notary in Zurich.

The Chairman states that the Board of Directors has made the following appointments for this Meeting: as recording secretary, Mr. Ariel Boussiba, Company Secretary, and as vote counters and scrutineers, Mr. Andreas Bihrer, Attorney-at-law, Zurich, and Ms. Guylaine Gaudreau, TEMENOS Compensation & Benefits Director. No objections with regard to these appointments are raised.

The shareholders have been convened and invited with publication of the agenda in the Swiss Official Gazette of Commerce on June 2nd, 2004. With such publication this General Meeting of Shareholders has been convened in compliance with the Articles of Association and the provisions of the Swiss Code of Obligations. In addition, invitations have been sent by mail directly to all shareholders recorded in the Company's shareholder's register as of May 26, 2004. The annual business report, the financial statements and the audit report have been deposited with the Company's registered office and have been sent to the shareholders upon their request. Furthermore, these documents have also been made available on the Company's website and the hard copy of the 2003 Annual Report was at disposal at the entrance to this Meeting. No objections against these statements, place and time of the Meeting and the convocation to this Meeting are raised.

Furthermore, the Chairman states for the record, that a total of 26'070'846 registered shares are represented at this Ordinary Annual General Meeting of Shareholders, whereas a total of 8'263'771 registered shares are represented by institutional proxy holders and thereof:

- 7'411'784 shares are represented by Mr. George Koukis, in his function as a member of the corporate body of the Company;
- 851'987 shares are represented by the Independent Proxy Holder of voting rights; and
- 0 shares are represented by proxy holders for deposited shares.

The Chairman states that the simple majority of votes during the Meeting is reached with 13'035'423 votes and that the qualified majority needed to resolve on items 6.1, 6.2 and 7 of the agenda (pursuant to article 704 I of the Swiss Code of Obligations; "CO") is reached with 17'380'564 votes combined with the aggregate sum of the nominal values of these votes in the amount of CHF 65'177'115. Having stated so, the Chairman declares that a quorum is constituted for the resolutions set forth on the agenda.

No objections with regard to these statements are raised.

The Chairman refrains from reading the agenda items, as the items were published and sent to all shareholders together with the invitation. No objections are raised.

As there are no questions and comments, the Chairman moves to the items on the agenda.

ITEM 1	2003 Annual Report, 2003 Financial Statements, 2003 Consolidated Financial Statements and Auditor Reports
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MOTION The Board of Directors recommends approval of the 2003 Annual Report, the financial statements for the year ended 31 December 2003, including the consolidated financial statements.

As there are no comments and no other motions, the Chairman proceeds with the ballot.

According to the ballot on item 1 of the agenda, the General Meeting of Shareholders resolves as follows:

RESOLUTION **The General Meeting of Shareholders approves the 2003 Annual Report, and the Financial Statements for the year ended December 31, 2003.**

ITEM 2	Allocation of the Balance Sheet Result
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MOTION: The Board of Directors recommends to compensate the profit of CHF 340'974'000 with the 2002 balance sheet result and to pass resolution to carry forward the remaining profit of CHF 51'000 to new account.

As there are no comments and no other motions, the Chairman proceeds with the ballot.

According to the ballot on item 2 of the agenda, the General Meeting of Shareholders resolves as follows:

RESOLUTION **The General Meeting of Shareholders approves to compensate the profit of CHF 340'974'000 with the 2002 balance sheet result and to carry forward the remaining profit of CHF 51'000 to new account.**

ITEM 3	Discharge of the Members of the Board of Directors
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MOTION: The Board of Directors recommends to grant discharge of liability to all members of the Board of Directors for their activities during the business year ended December 31, 2003.

Proceedings: To facilitate proceedings, the Board of Directors proposes that the ballot should be held on a discharge *in globo* for all members of the Board of Directors.

No other motions are presented. Therefore, the Chairman proceeds with the ballot and reminds all members of the Board of Directors to refrain from voting.

According to the ballot on item 3 of the agenda, the General Meeting of Shareholders resolves as follows:

RESOLUTION **The Directors have been granted discharge of liability *in globo* for their activities during the business year ended December 31, 2003.**

ITEM 4	Elections of the Members of the Board of Directors
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The Chairman mentions that the Board of Directors has taken notice of Mr. Ioannis Protopapadakis' resignation from the Board of Directors as of 4 May 2004. The Chairman regrets such resignation and thanks Mr. Protopapadakis for his services rendered to the Board of Directors.

The Chairman informs that the Board of Directors has decided not to replace Mr. Protopapadakis for the time being.

In continuing the set up of the staggered board, the Chairman informs that Mr. Andreas Andreades, member of the executive body as Chief Executive Officer is due for re-election of a term of office of three years during this General Meeting of Shareholders.

MOTION The Board of Directors recommends the re-election for a term of office of three years of Mr. Andreas Andreades, as member of the Board of Directors.

As there are no comments or other motions with regard to the election of the Board of Directors, the Chairman proceeds with the ballot.

According to the ballot on item 4 of the agenda, the General Meeting of Shareholders resolves as follows:

RESOLUTION **The General Meeting of Shareholders has re-elected Mr. Andreas Andreades as a member of the Board of Directors for a term of office of three years:**

Mr. Andreas Andreades declares acceptance of his mandate.

ITEM 5	Election of the Auditors
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MOTION The Board of Directors recommends the re-election for a new term of office of one year of PricewaterhouseCoopers SA as statutory auditors of the Company and group auditors.

As there are no comments or motions with regard to the election of the auditors, the Chairman proceeds with the ballot.

According to the ballot on item 5 of the agenda, the General Meeting of Shareholders resolves as follows:

RESOLUTION **The General Meeting of Shareholders appoints as statutory auditors and group auditors PricewaterhouseCoopers SA, Geneva, for a period of one year.**

On behalf of PricewaterhouseCoopers SA, Geneva, Mike Foley, thanks the shareholders for the election and declares acceptance of the mandate.

ITEM 6.1	Conditional Capital: increase of the number of shares to be issued upon exercise of stock options to be granted to TEMENOS employees and respective amendment of the Articles of Association.
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MOTION The Board of Directors recommends increasing the power to issue shares out of conditional capital by increasing the number of shares to be issued through Temenos Holdings NV, as well as now directly through the Company, upon the exercise of option rights granted to employees of all levels of the Company and group companies, from currently 7,669,024 registered shares by 5,400,000 additional registered shares to 13,069,024 registered shares and therefore to amend Article 3quater n°1 of the Articles of Association as follows:

"The share capital may be increased by an amount not exceeding CHF 65'345'120 by issuing up to 13'069'024 new registered

shares to be fully paid-in with a nominal value of CHF 5 each through TEMENOS Holdings NV, a subsidiary of the Company (the "Subsidiary") or through the Company, to officers, directors and employees at all levels of the Company and group companies. The pre-emptive rights as well as the right for advance subscription of existing shareholders are precluded. The issue of shares or respective option rights through the Subsidiary or through the Company to officers, directors and employees of the Company and group companies, is subject to one or more regulations to be issued by the Board of Directors on the basis of the following general rules:

- new shares may only be issued to the Subsidiary or to the Company for purposes of distribution to directors, officers or employees of the Company and group companies
- new shares to be issued through the Subsidiary or through the Company to employees of the Company or group companies shall be issued against paying-in the nominal value of CHF 5 per each share in cash".

As there are no comments or other motions with regard to this increase of conditional capital related to employees stock options and respective amendment of the Articles of Association, the Chairman proceeds with the ballot.

RESOLUTION The General Meeting of Shareholder's approves the modification of Art. 3quater n°1. of the Articles of Association as recommended by the Board of Directors.

ITEM 6.2	Conditional Capital: increase of the number of shares to be issued upon exercise of convertible and/or option rights to be granted in connection with bonds or similar debt instruments and respective amendment of the Articles of Association.
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MOTION The Board of Directors recommends increasing the power to

issue shares out of conditional capital by increasing the number of shares to be issued upon the exercise of convertible and/or option rights granted in connection with bonds or similar debt instruments from currently 13,680 shares by 13,917,000 registered shares to 13,930,680 registered shares, and therefore to amend Article 3quater n°2 para. 1 of the Articles of Association as follows:

"The share capital may be increased by an amount not exceeding CHF 69'653'400 by issuing up to 13'930'680 new registered shares to be fully paid-in with a nominal value of CHF 5 each, through exercise of conversion and/or option rights, which are granted in connection with bonds or similar debt instruments of the Company or one of its group companies. The owners of option rights from time to time are entitled to the new shares."

There are no further alterations to conditions under which shares may be issued out of conditional capital.

As there are no comments or other motions with regard to this increase of conditional capital related to financial instruments and respective amendment of the Articles of Association, the Chairman proceeds with the ballot.

RESOLUTION The General Meeting of Shareholder's approves the modification of Art. 3quater n°2 para 1. of the Articles of Association as recommended by the Board of Directors.

ITEM 7	Increase of the number of shares to be issued and extension of the period to use authorized capital and respective amendment of the Articles of Association.
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MOTION The Board of Directors recommends to extend its authority to issue shares out of authorized capital by increasing the number of shares to be issued, from currently 9,451,327 registered shares by 17,500,000 registered shares to 26,951,327 and by

extending the authorization currently granted until June 27th 2005 by another year, i.e. until June 27th, 2006 and therefore to amend Article 3ter para.1 of the Articles of Association as follows:

"The Board of Directors is authorised to increase the share capital by no later than June 27, 2006, by an amount not exceeding CHF 134'756'635 ("*Authorised Capital*") by issuing up to 26'951'327 fully paid-in registered shares with a nominal value of CHF 5 each. An increase in partial amounts is permitted."

There are no further alterations to conditions under which shares may be issued out of authorized capital.

As there are no comments or other motions with regard to this increase and extension of the period to use the authorized capital and respective amendment of the Articles of Association, the Chairman proceeds with the ballot.

RESOLUTION The General Meeting of Shareholder's approves the modification of Art. 3ter para.1. of the Articles of Association as recommended by the Board of Directors.

As there are no further items to discuss and to resolve and no shareholder wishes to speak up, the Chairman declares this meeting as closed at 3:30 p.m. and thanks the shareholders for their attendance.

Chairman

Secretary

George Koukis

Ariel Boussiba

Appendices:

- 2003 Annual Report / 2003 Financial Statements / Auditors' Report
- Resignation letter from Mr. Ioannis Protopapadakis
- Declaration of Acceptance of Mr. Andreas Andreades