

OPEN TEXT

C O R P O R A T I O N

**Annual and Special
Meeting
of
Shareholders**

**To Be Held on
December 9, 2008**

OPEN TEXT CORPORATION
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
DECEMBER 9, 2008

The annual and special meeting (the “Meeting”) of the holders of common shares (the “Common Shares”) of Open Text Corporation (“we”, “our”, “us”, “Open Text” or the “Company”) will be held at the Company’s head office, 275 Frank Tompa Drive, Waterloo, Ontario, Canada, N2L 0A1, on December 9, 2008 at 10:00 a.m. (Eastern Standard time) for the following purposes:

1. to receive the financial statements of the Company for the year ended June 30, 2008, together with the report of the auditors thereon;
2. to elect directors;
3. to re-appoint auditors and authorize the directors to fix their remuneration;
4. to consider and, if thought advisable, approve, a resolution authorizing amendments to the Company’s 2004 Stock Option Plan to (a) further restrict the grant of options that may be made under the 2004 Stock Option Plan to, and other share compensation arrangements of the Company that may be entered into with, non-executive directors of the Company; (b) reserve for issuance an additional 1,000,000 Common Shares under the 2004 Stock Option Plan; and (c) specify that amendments to the provisions governing amendment of the 2004 Stock Option Plan must be approved by the holders of Common Shares; and
5. to transact such other business as may properly come before the meeting or any adjournment thereof.

A holder of Common Shares of record at the close of business on November 3, 2008, will be entitled to vote at the Meeting.

All shareholders are cordially invited to attend the Meeting. Shareholders who are unable to attend the Meeting in person are urged to vote (i) by mail by sending the enclosed form of proxy to the Company’s transfer agent in the enclosed envelope; by facsimile to (416) 263-9524 or toll free (within North America) at (866) 249-7775; (iii) toll free by telephone at 1-866-734-VOTE (8683); or (iv) over the Internet at www.investorvote.com. To be effective, the completed form of proxy must be received by the Company’s transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 before 5:00 p.m. (Eastern Standard time) on December 5, 2008. The return of the form of proxy will not affect your right to vote in person if you attend the Meeting.

The Company’s financial statements for the year ended June 30, 2008, together with the report of the auditors thereon, the management proxy circular, the form of proxy and the supplemental mailing card accompany this notice. The management proxy circular is deemed to form part of this notice.

November 7, 2008

By order of the Board of Directors

John Trent (signed)
Secretary

OPEN TEXT CORPORATION
MANAGEMENT PROXY CIRCULAR
FOR THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
DECEMBER 9, 2008

SOLICITATION OF PROXIES

This management proxy circular (the “Circular”) and accompanying form of proxy are furnished in connection with the solicitation, by management of Open Text Corporation (“Open Text” or the “Company”), of proxies to be used at the Company’s annual and special meeting (the “Meeting”) of holders of common shares of the Company (the “Common Shares”) to be held at 10:00 a.m. (Eastern Standard time) on December 9, 2008 or at any adjournment thereof.

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Company without special compensation, or by the Company’s transfer agent, Computershare Investor Services Inc., at nominal cost. The cost of solicitation will be borne by the Company.

APPOINTMENT OF PROXYHOLDER

The persons specified in the enclosed form of proxy are officers of the Company. **Each shareholder has the right to appoint as proxyholder a person (who need not be a shareholder of the Company) other than the persons designated by management of the Company in the enclosed form of proxy to attend and act on the shareholder’s behalf at the Meeting or at any adjournment thereof.** Such right may be exercised by inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another form of proxy.

A person or company whose name appears on the books and records of the Company as a holder of Common Shares is a registered shareholder. A non-registered shareholder is a beneficial owner of Common Shares whose shares are registered in the name of an intermediary (such as a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates).

Registered Shareholders

A registered shareholder can vote Common Shares owned by it at the Meeting in one of two ways – either in person at the Meeting or by proxy. A registered shareholder who wishes to vote in person at the Meeting should not complete or return the form of proxy included with this Circular. Those registered shareholders choosing to attend the Meeting will have their votes taken and counted at the Meeting. A registered shareholder who does not wish to attend the Meeting or does not wish to vote in person should properly submit the enclosed form of proxy, and the Common Shares represented by the shareholder’s proxy will be voted or withheld from voting in accordance with the instructions indicated on the form of proxy, or any ballot that may be called at the Meeting or any adjournment thereof.

A registered shareholder may submit his or her form of proxy by mail, by facsimile, by telephone or over the Internet in accordance with the instructions below.

Voting by Mail. A registered shareholder may submit his or her proxy by mail by completing, dating and signing the enclosed form of proxy and returning it using the envelope provided or otherwise to the attention of the Proxy Department of Computershare Investor Services Inc. at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.

Voting by Facsimile. A registered shareholder may submit his or her proxy vote by facsimile by completing, dating and signing the enclosed form of proxy and returning it by facsimile to Computershare Investor Services Inc. at (416) 263-9524 or toll free (within North America) at (866) 249-7775.

Voting by Telephone. A registered shareholder may submit his or her proxy by telephone by calling toll free 1-866-734-VOTE (8683) and following the instructions provided. Such shareholder will require an account number, proxy access number and control number (in each case located on the front of the form of proxy) to identify themselves to the system.

Voting by Internet. A registered shareholder may submit his or her proxy over the Internet by going to www.investorvote.com and following the instructions. Such shareholder will require an account number, proxy access number and control number (in each case located on the front of the form of proxy) to identify themselves to the system.

To be effective, a proxy must be received by Computershare Investor Services Inc. no later than 5:00 p.m. (Eastern Standard time) on December 5, 2008 or, if the Meeting is adjourned, 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of holding of the Meeting or any adjournment thereof.

Non-Registered Shareholders

The Company has distributed copies of this Circular and accompanying Notice of Meeting to intermediaries for distribution to non-registered shareholders. Unless the non-registered shareholder has waived his or her rights to receive these materials, an intermediary is required to deliver them to the non-registered shareholder and to seek instructions on how to vote the Common Shares beneficially owned by the non-registered shareholder. In many cases, intermediaries will have used a service company to forward these Meeting materials to non-registered shareholders.

Non-registered shareholders who receive these Meeting materials will typically be given the ability to provide voting instructions in one of two ways.

Usually a non-registered shareholder will be given a voting instruction form which must be completed and signed by the non-registered shareholder in accordance with the instructions provided by the intermediary. In this case, a non-registered shareholder *cannot* use the mechanisms described above for registered shareholders and *must* follow the instructions provided by the intermediary (which in some cases may allow the completion of the voting instruction form by telephone or the Internet).

Occasionally, however, a non-registered shareholder may be given a form of proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares beneficially owned by the non-registered shareholder but is otherwise not completed. This form of proxy does not need to be signed by the non-registered shareholder. In this case, the non-registered shareholder can complete the form of proxy and vote by mail or facsimile only, as described above for registered shareholders.

These procedures are designed to enable non-registered shareholders to direct the voting of their Common Shares. Any non-registered shareholder receiving either a form of proxy or a voting instruction form who wishes to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), should strike out the names of the persons identified in the form of proxy as the proxyholder and insert the non-registered shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, following the corresponding instructions provided by the intermediary. **In either case, the non-registered shareholder should carefully follow the instructions provided by the intermediary.**

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the shareholder or by the shareholder's attorney, who is authorized in writing, to the attention of the Secretary of the Company at 275 Frank Tompa Drive, Waterloo, Ontario N2L 0A1 or by facsimile to (519) 888-0254, at any time up to 10:00 a.m. (Eastern Standard time) on December 9, 2008, or in the case of any adjournment of the Meeting, 10:00 a.m. (Eastern Standard time) on the second business day preceding the date of the adjournment, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A shareholder may also revoke a proxy in any other manner permitted by law.

VOTING OF PROXIES

On any ballot that may be called for, Common Shares represented by properly submitted proxies in favour of the persons designated by management of the Company in the enclosed form of proxy will be voted for or against or withheld from voting in accordance with the instructions given thereon. **If a specification is not made with respect to any matter, the Common Shares will be voted on such matter as stated therein.**

The enclosed form of proxy confers discretionary authority upon the person specified therein with respect to amendments to matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Company is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting, or any other matters that are not now known to management, should properly come before the Meeting or any adjournment thereof, the Common Shares represented by properly submitted proxies given in favour of the persons designated by management of the Company in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

INTERPRETATION

Unless otherwise specified herein, all references to dollar amounts shall be to U.S. dollars.

VOTING SHARES

Voting Shares

As at October 31, 2008, the Company had 51,865,268 Common Shares outstanding.

Under normal conditions, confidentiality of voting is maintained by virtue of the fact that proxies and votes are tabulated by the Company's transfer agent. However, such confidentiality may be lost as to

any proxy or ballot if a question arises as to its validity or revocation or any other like matter. Loss of confidentiality may also occur if the board of directors of the Company (the “Board” or “Board of Directors”) determines that disclosure is in the interest of the Company or its shareholders.

At least two persons present at the Meeting and holding or representing by proxy not less than 33 1/3 percent of the issued and outstanding Common Shares entitled to voting rights at the Meeting will constitute a quorum. Each Common Share is entitled to one vote, without cumulation, on each matter to be voted upon at the Meeting. A simple majority of votes cast at the Meeting, whether in person or by proxy, will constitute approval of any matter submitted to a vote.

Record Date

The Board has fixed November 3, 2008 as the record date (the “Record Date”) for the Meeting. Any holder of Common Shares of record at the close of business on the Record Date is entitled to vote the Common Shares registered in such shareholder’s name at that date on each matter to be acted upon at the Meeting.

Principal Shareholders

To the knowledge of the directors and executive officers of the Company, as at October 31, 2008 no person beneficially owned, directly or indirectly, or controlled or directed, more than 10% of the voting rights attached to the outstanding Common Shares, except as stated below.

Name of Beneficial Owner	Number of Commons Shares Beneficially Owned	Percent of Common Shares Outstanding
FMR LLC.....	9,161,500	18.00%

MATTERS TO BE ACTED UPON AT THE MEETING

1. Election of Directors

The number of directors to be elected at the Meeting is nine. Each director will hold office, subject to the provisions of the Company’s by-laws, until the next annual meeting of shareholders or until the successor of such director is duly elected or appointed.

The Board of Directors recommends a vote “for” the election of each of its proposed nominees to serve on the Company’s Board of Directors until the next annual meeting of shareholders. **In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the election of directors of the proposed nominees whose names are set forth below.** The nominees set forth below have consented to being named in this Circular and to serve if elected. Management does not contemplate that any of the proposed nominees will be unable or unwilling to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly submitted proxies given in favour of such proposed nominee(s) may be voted by the persons designated by management of the Company in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associate or affiliate as at October 31, 2008. The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, has been furnished by the respective proposed nominees individually.

Name	Principal Occupation	Director Since	Number of Common Shares Owned
P. Thomas Jenkins Ontario, Canada	Executive Chairman and Chief Strategy Officer	December 1994	1,011,840
John Shackleton Illinois, U.S.A.	President and Chief Executive Officer	January 1999	81,222
H. Garfield Emerson Ontario, Canada	Principal, Emerson Advisory and Corporate Director	August 2008	0
Randy Fowlie ⁽²⁾⁽³⁾ Ontario, Canada	Private Consultant	March 1998	57,000
Gail Hamilton ⁽¹⁾ Texas, U.S.A.	Former Executive Vice President, Symantec	December 2007	0
Brian Jackman ⁽²⁾⁽³⁾ Illinois, U.S.A.	President, the Jackman Group, Inc.	December 2002	12,000
Stephen J. Sadler Ontario, Canada	Chairman and Chief Executive Officer, Enghouse Systems Limited	September 1997	377,900
Michael Slaunwhite ⁽²⁾ Ontario, Canada	Executive Chairman, Halogen Software Inc.	March 1998	14,400
Katharine B. Stevenson Ontario, Canada	Private Consultant	N/A	0

Notes:

- (1) Member of the Compensation Committee.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance and Nominating Committee.

The following sets out the principal occupation, business or employment of each director and other biographical information.

P. Thomas Jenkins is Executive Chairman and Chief Strategy Officer of Open Text Corporation based in Waterloo, Ontario, Canada. He has served as a director of the Company since December 1994, as its Chairman since June 30, 1998, and most recently as its Executive Chairman since June 30, 2005.

From July 1994 to July 1997 Mr. Jenkins was President of Open Text and from July 1997 until July 2005, Mr. Jenkins served as Chief Executive Officer of Open Text. Mr. Jenkins was appointed Chief Strategy Officer of the Company in August 2005 and currently serves in that capacity. From December 1986 until June 1994, Mr. Jenkins held several executive positions with DALSA Inc., an electronic imaging manufacturer based in Waterloo, Ontario, Canada. Prior to these positions, Mr. Jenkins was employed in a variety of technical and managerial capacities at a variety of information technology based companies in Canada. In addition to his Open Text responsibilities, Mr. Jenkins is currently a member of the board of BMC Software, Inc. a software corporation based in Houston, Texas. He is also an appointed member of the Government of Canada's Competition Policy Review Panel and an appointed member of the Social Sciences and Humanities Research Council of Canada. Mr. Jenkins received an M.B.A. in entrepreneurship & technology management from Schulich School of Business at York University, an M.A.Sc. in electrical engineering from the University of Toronto and a B.Eng. & Mgt. in Engineering Physics and Commerce from McMaster University.

John Shackleton has served as a director of the Company since January 1999 and as the President and Chief Executive Officer of the Company since July 2005. Mr. Shackleton has more than thirty years of software and services management experience, which includes IT, consulting, product development and sales management roles. Mr. Shackleton joined Open Text from Platinum Technologies, Inc., where he was President of the Platinum Solutions Division from July 1996 to July 1998. This division provided consulting services to Global 2000 customers. Prior to that he served as Vice President of Professional Services for the Central U.S. and South America at Sybase Inc., and served as Vice President of Worldwide Consulting at View Star Corporation, a document management imaging company.

H. Garfield (Gar) Emerson, Q.C. has served as a director of the Company since August 2008. Mr. Emerson is the Principal of Emerson Advisory, an independent business and financial advisory company. Mr. Emerson served as the National Chair of Fasken Martineau DuMoulin LLP, a national Canadian law firm with overseas offices, from July 1, 2001 to June 30, 2006. Prior to that, Mr. Emerson was the President and CEO of NM Rothschild & Sons Canada Limited, an investment banking firm affiliated with NM Rothschild & Sons Limited, London, England from February 1, 1990 to July 31, 2001. Prior to that, Mr. Emerson was a senior partner of the law firm, Davies, Ward & Beck where he practiced from January 1, 1970 to January 31, 1990. Mr. Emerson is a certified director of the Institute of Corporate Directors and a member of the Directors in Residence faculty of The Directors College sponsored by the DeGroote School of Business (McMaster University) and the Conference Board of Canada. Mr. Emerson is a graduate of the University of Toronto, and holds an LL.B. and an undergraduate honours degree in history.

Randy Fowlie has served as a director of the Company since March 1998. Mr. Fowlie has been a private consultant since July 2006. From January 2005 until July 2006, Mr. Fowlie held the position of Vice President and General Manager, Digital Media of Leitch Business Unit (of Harris Broadcast Communications Division), a public software and hardware company, which acquired Inscrubber Technology Corporation in January 2005. From June 1999 to January 2005, Mr. Fowlie held the position of Chief Operating Officer and Chief Financial Officer of Inscrubber Technology Corporation, a computer software company, and from February 1998 to June 1999, Mr. Fowlie was the Chief Financial Officer thereof. Prior thereto, Mr. Fowlie was a partner with KPMG Chartered Accountants where he worked from 1984. Mr. Fowlie received a B.B.A. (Honours) from Wilfrid Laurier University and he is a Chartered Accountant.

Brian Jackman has served as a director of the Company since December 2002. Mr. Jackman is the President of the Jackman Group, Inc., a private consulting firm he founded in 2005. Mr. Jackman also serves as a director of PC-TEL, Inc. and Keithley Instruments. From 1982 until his retirement in September 2001, Mr. Jackman held various positions with Tellabs, Inc., a U.S. based manufacturer of telecommunications equipment, most recently as Executive Vice-President, President, Global Systems and Technologies and as a member of the board of directors of the company. Mr. Jackman received a B.A. from Gannon University and an M.B.A. from The Pennsylvania State University.

Stephen J. Sadler has served as a director of the Company since September 1997. From April 2000 to present, Mr. Sadler has served as the Chairman and CEO of Enghouse Systems Limited, a public software engineering company that develops geographic information systems as well as interactive voice response systems. Mr. Sadler was previously the Executive Vice President and Chief Financial Officer of GEAC Computer Corp Ltd (“GEAC”) from 1987 to 1990, President and Chief Executive Officer of GEAC from 1990 to 1996, Vice Chairman thereof from 1996 to 1998, and was a Senior Advisor to GEAC on acquisitions until May 1999. Prior to Mr. Sadler’s involvement with GEAC, he held executive positions with Phillips Electronics Limited and Loblaw Companies Limited. Mr. Sadler is Chairman of Helix Investments (Canada) Inc., a position he has held since early 1998. Mr. Sadler is also currently a director of Enghouse Systems Limited and Belzberg Technologies Inc. Mr. Sadler holds a B.A. Sc. (Honours) in industrial engineering and an M.B.A. (Dean’s List) and he is a Chartered Accountant.

Michael Slaunwhite has served as a director of the Company since March 1998. Mr. Slaunwhite is presently Executive Chairman of Halogen Software Inc. Mr. Slaunwhite had served as CEO and Chairman of Halogen Software Inc., a private provider of employee performance management software, from 2000 to August 2006, and as President and Chairman from 1995 to 2000. From 1994 to 1995, Mr. Slaunwhite was an independent consultant to a number of companies assisting them with strategic and financing plans. Mr. Slaunwhite was Chief Financial Officer of Corel Corporation from 1988 to 1993. Mr. Slaunwhite holds a B.A. Commerce (Honours) from Carleton University.

Gail Hamilton has served as a director of the Company since December 2006. For the five years prior thereto, Ms. Hamilton led a team of over 2,000 employees worldwide as Executive Vice President at Symantec Corp (“Symantec”), an infrastructure software company, and most recently had “P&L” responsibility for their global services and support business. During her five years at Symantec, Ms. Hamilton helped steer the company through an aggressive acquisition strategy. In 2003 Information Security magazine recognized Ms. Hamilton as one of the “20 Women Luminaries” shaping the security industry. Ms. Hamilton has over 20 years of experience growing leading technology and services businesses in the enterprise market. She has extensive management experience at Compaq and Hewlett Packard, as well as Microtec Research. Ms. Hamilton is a member of the board of directors of Ixia, (a provider of IP network testing solutions), Arrow Electronics (a distributor of components and computer systems), and Surgient, (a supplier of virtualization technology). Ms. Hamilton received both a BSEE from the University of Colorado and an MSEE from Stanford University.

Katharine B. Stevenson has over 20 years of corporate finance experience. Ms. Stevenson currently is a consultant and serves on a variety of public and not-for-profit boards. Previously, Ms. Stevenson held the position of Treasurer of Nortel Networks Corporation from 1999 to 2007, and from 1995 to 1998, was Assistant Treasurer and VP, Corporate Finance thereof. From 1984-1995, Ms. Stevenson held a variety of positions in corporate and investment banking at JP Morgan Chase & Co. From 1989-1995, Ms. Stevenson was Vice President, Corporate Finance where she provided financial advice to major multinational companies in North America. Ms. Stevenson is Chair of the Board of

Governors of The Bishop Strachan School, a leading independent school for girls. Ms. Stevenson holds a B.A. (*Magna Cum Laude*) from Harvard University.

2. Re-Appointment of Independent Auditors and Authorization of Directors to Fix their Remuneration

KPMG LLP are the current auditors of the Company. At the Meeting, holders of the Common Shares will be requested to re-appoint KPMG LLP, Chartered Accountants, as the independent auditors of the Company to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board of Directors to fix the auditors' remuneration. KPMG LLP were first appointed as auditors of the Company on April 5, 2001.

During the Company's fiscal year beginning on July 1, 2007 and ending on June 30, 2008 ("Fiscal 2008") and the Company's fiscal year beginning on July 1, 2006 and ending on June 30, 2007 ("Fiscal 2007"), the Company paid the following fees to KPMG LLP for audit services and non-audit services:

Audit Fees

Audit fees were \$2,225,843 for Fiscal 2008 and \$2,526,773 for Fiscal 2007. Such fees were for professional services rendered for (a) the annual audits of the Company's consolidated financial statements and the accompanying attestation report regarding the Company's internal control over financial reporting contained in the Company's Annual Report on Form 10-K and (b) the review of quarterly financial information included in the Company's Quarterly Reports on Form 10-Q.

Audit-Related Fees

Audit-related fees were approximately \$319,382 for Fiscal 2008 and \$306,053 for Fiscal 2007. Audit-related fees include (a) services related to statutory audits, and (b) review of filings with the Securities and Exchange Commission.

Tax Fees

The total fees for tax services were approximately \$124,387 for Fiscal 2008 and \$31,361 for Fiscal 2007. The fees were for services related to tax compliance, including the preparation of tax returns, tax planning and tax advice.

All Other Fees

There were no fees for other services for Fiscal 2008 and Fiscal 2007.

The Board of Directors recommends a vote "for" the re-appointment of KPMG LLP as independent auditors for the Company until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board of Directors to fix the auditors' remuneration. **In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the re-appointment of KPMG LLP as auditors of the Company to hold office until the next annual meeting of shareholders or until a successor is appointed and the authorization of the Board of Directors to fix the remuneration of the auditors.**

3. Amendments to the 2004 Stock Option Plan

Pursuant to the Company's 2004 Stock Option Plan, options to purchase Common Shares may be granted by the Board to full-time employees, consultants or directors of the Company. At the Meeting, the holders of Common Shares will be asked to consider, and if deemed advisable, to approve, with or without variation, a resolution authorizing amendments to the Company's 2004 Stock Option Plan to (a) further restrict the grant of options that may be made under the 2004 Stock Option Plan to, and other share compensation arrangements of the Company that may be entered into with, Non-Executive Directors; (b) reserve an additional 1,000,000 Common Shares for issuance under the 2004 Stock Option Plan; and (c) specify that amendments to the provisions governing amendment of the 2004 Stock Option Plan must be approved by the holders of Common Shares (the "Option Resolution"). The text of the Option Resolution is attached as Schedule "A" and the full text of the proposed amended 2004 Stock Option Plan is attached as Schedule "C".

Amendment to Limits on Non-Executive Director Participation

The Company has proposed, subject to approval of the Toronto Stock Exchange ("TSX") and approval of the holders of Common Shares, an amendment to the 2004 Stock Option Plan to further restrict the grant of options to Non-Executive Directors that may be made under the 2004 Stock Option Plan. More specifically, no options would be permitted to be granted to any Non-Executive Director if the aggregate Value of options granted under the 2004 Stock Option Plan to, or any other share compensation arrangements of the Company entered into with, such Non-Executive Director during any fiscal year of the Company, would exceed \$100,000. For the purposes of the 2004 Stock Option Plan, "Value" will be defined to mean, on any date, the amount of the expense associated with the grant of an option or share compensation arrangement, as applicable, as determined in accordance with United States generally accepted accounting principles (as determined in accordance with the Black-Scholes option pricing model) and reflected in the financial statements of the Company.

Issuance of Additional Options

The Company has proposed, subject to approval of the TSX and approval of the holders of Common Shares, to increase the number of Common Shares reserved for issuance under the 2004 Stock Option Plan by 1,000,000 so that the maximum number of options that may be granted under the 2004 Stock Option Plan will increase from 2,800,000 to 3,800,000.

The Board of Directors believes that the 2004 Stock Option Plan furthers the Company's ability to attract, motivate and retain key personnel given the competitive market for individuals with superior talent and experience in which the Company operates. The Company intends to continue using option awards as a component of the Company's long-term compensation strategy of (i) attracting and retaining highly qualified full-time employees, consultants and directors, and (ii) aligning the interests of executive officers with those of shareholders and with the execution of the Company's business strategy. The Board of Directors believes that the 2004 Stock Option Plan is an important element of its compensation program for eligible employees, consultants and directors of the Company, and accordingly considers the proposed amendment to the 2004 Stock Option Plan to be in the Company's best interest.

The total number of Common Shares issuable in connection with outstanding, unexercised option grants under the 2004 Stock Option Plan as at November 1, 2008 is 1,977,875 and, if the TSX and shareholders approve the Option Resolution, options to acquire 1,604,375 Common Shares will be available to be granted under the 2004 Stock Option Plan, comprising options to acquire 604,375 Common Shares which are currently available to be granted and options to acquire 1,000,000 Common

Shares represented by the proposed increase. The total number of Common Shares issuable under the 2004 Stock Option Plan pursuant to unexercised grant options and options available to be granted will be 3,800,000, representing 7.3% of the Company's total number of Common Shares as at the date of the Circular. Of the 1,977,875 outstanding unexercised options, options to purchase 670,625 Common Shares are fully vested, with 1,307,250 remaining unvested. The maximum number of Common Shares reserved for issuance to any one person upon the exercise of options or under any other share compensation arrangement is limited to 5% of the total number of Common Shares outstanding at the date of grant.

Amendment to Require Shareholder Approval to Amend the Provisions Governing Amendment of the 2004 Stock Option Plan

The Company has proposed, subject to approval of the TSX and the approval of holders of Common Shares, an amendment to the 2004 Stock Option Plan that specifies that any amendment to the provisions governing amendment of the 2004 Stock Option Plan must be approved by the holders of Common Shares.

The Board of Directors has determined that the proposed amendments to the 2004 Stock Option Plan are advisable as it believes that (i) in the case of the amendment to further limit Non-Executive Director participation, such amendment is consistent with the Corporation's option grant practices and is appropriate to codify in the 2004 Stock Option Plan; (ii) in the case of the amendment to reserve for issuance additional Common Shares under the 2004 Stock Option Plan, such amendment will facilitate the future grant of options that it believes will enhance the Company's ability to attract, motivate and retain key personnel given the competitive market for individuals with superior talent and experience in which the Company operates, and accordingly is in the best interest of shareholders; and (iii) in the case of the amendment of the provisions governing amendment of the 2004 Stock Option Plan, such amendment will ensure that any amendment to the provisions of the 2004 Stock Option Plan which prescribe the types of amendments that would require approval of the holders of Common Shares, must also be approved by the holders of Common Shares.

A copy of the 2004 Stock Option Plan, including the amendments referred to above, is available from the Corporate Secretary.

Pursuant to the policies of the TSX, approval of the Option Resolution by a majority of the votes cast at the Meeting is required and, as a result, the shareholders will be asked at the Meeting to approve these amendments.

For further details on the terms of the 2004 Stock Option Plan, please see "*Executive Compensation – Stock Option Plans*" below.

In the absence of a contrary instruction, the person(s) designated by management of the Company in the enclosed form of proxy intend to vote FOR the Option Resolution set out in Schedule "A" approving the proposed amendments to the 2004 Stock Option Plan, which resolution will be passed if approved by a majority of the votes cast at the Meeting.

4. Other Matters

The Company knows of no other matters to be submitted to the shareholders at the Meeting. If any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Common Shares they represent in accordance with their judgement on such matters.

EXECUTIVE COMPENSATION

Stock Option Plans

2004 Stock Option Plan. On October 26, 2004, the Board of Directors adopted the Company's 2004 Stock Option Plan and on December 7, 2006 shareholders approved certain amendments to the 2004 Stock Option Plan. The 2004 Stock Option Plan complies both with the applicable rules of TSX and NASDAQ. Under the 2004 Stock Option Plan, options to purchase Common Shares may be granted to full-time employees, consultants or directors of the Company. The exercise price of any option to be granted under the 2004 Stock Option Plan is determined by the Board of Directors, but shall not be less than the closing price of the Common Shares on the day immediately preceding the date of grant on the quotation system or stock exchange which had the greatest volume of trading of Common Shares on the applicable trading day. There are currently 2,800,000 Common Shares reserved for issuance under the 2004 Stock Option Plan, of which 604,375 remain available for issuance. If the Option Resolution is approved by shareholders at the Meeting, the number of Common Shares reserved for issuance under the 2004 Stock Option Plan will increase to 3,800,000 and there will be 1,604,375 Common Shares available for issuance.

No options can be granted to any participant if the total number of Common Shares issuable to such participant under the 2004 Stock Option Plan, together with any Common Shares reserved for issuance to such participant under options for services or any other stock option plans, would exceed 5% of the then issued and outstanding Common Shares. In addition, no options can be granted to any participant if such grant could result, at any time, in: (a) the aggregate number of Common Shares issuable to insiders at any time and issued to insiders within the one-year period prior to such time pursuant to options or other share compensation arrangements exceeding 10% of the then issued and outstanding Common Shares; (b) the aggregate number of Common Shares reserved for issuance subsequent to the date of the Meeting pursuant to all of the Company's share compensation arrangements to directors who are not employees or officers of the Company exceeding 0.75% of the issued and outstanding Common Shares; or (c) the issuance to any one insider and such insider's associates, within a one-year period, pursuant to options or other share compensation arrangements of an aggregate number of Common Shares exceeding 5% of the then issued and outstanding Common Shares.

The 2004 Stock Option Plan is administered by the Compensation Committee of the Board of Directors (the "Compensation Committee"), which has the authority, subject to the terms of the 2004 Stock Option Plan, to make recommendations to the Board of Directors regarding the approval of the persons to whom options may be granted, the exercise price, the number of Common Shares subject to each option, the time or times at which all or a portion of each option may be exercised and certain other provisions relating to each option, including vesting provisions.

Under the 2004 Stock Option Plan, options vest over a four year period unless otherwise specified by the Board of Directors at the time of grant.

Each option, unless terminated pursuant to the 2004 Stock Option Plan, will expire on a date to be designated by the Company at the time of the grant of the option, however, such date can be no later than the date that is seven years after the date on which the option was granted.

The 2004 Stock Option Plan provides for an extension of options where there is a trading black-out imposed by the Company's insider trading policy (the "Insider Trading Policy"). Pursuant to the Insider Trading Policy, directors and certain officers and employees of the Company are prohibited from trading in securities of the Company during a regularly scheduled period that commences at the close of

business on the fifteenth day of the last month of the fiscal quarter and ends at the opening of the market on the second trading day on NASDAQ following the date on which a press release has been issued in respect of the Company's interim or annual financial results. The period during which directors and certain officers and employees of the Company are prohibited from trading under the Insider Trading Policy is referred to as a "trading black-out". In addition, the Insider Trading Policy provides for the imposition of exceptional trading black-outs on individuals with knowledge of pending material developments that have not been disclosed to the public. The 2004 Stock Option Plan permits any option granted under the 2004 Stock Option Plan that would expire within, or within the 10 business days that follow, a trading black-out to be exercised within 10 business days following such trading black-out.

If an option holder resigns or ceases to be an employee of the Company or ceases to be engaged by the Company, vested options held by such holder may be exercised prior to the earlier of the 90th day following such occurrence and the expiry of the period during which the options are otherwise exercisable. If an option holder ceases to be an employee or director of the Company or ceases to be engaged by the Company for cause or breach of duty, no options held by such holder may be exercised, and the option holder shall have no rights to any Common Shares in respect of such options following the date of notice of such cessation or termination, except in accordance with a written agreement with the Company.

In the event of the death of an option holder and the circumstances specified in the preceding paragraph have not occurred in relation to the option holder, any unexpired option held by such option holder at the time of his or her death will expire and terminate on the earlier of (i) the 180th day following the date of death, unless the Company receives a notice from the legal representatives of the deceased stating that they wish to exercise the option in respect of up to the number of Common Shares that the deceased could have exercised at the date of his or her death, in which case the option as it relates to such Common Shares will not expire and the Company will issue to the estate of the deceased that number of Common Shares as were specified in the notice of exercise, and (ii) the expiry of the period during which the Option is exercisable, or such later date within one year following the date of death of the option holder as the Company may in its discretion designate.

The following types of amendments to the 2004 Stock Option Plan require shareholder approval: (i) any increase in the maximum number of Common Shares in respect of which options may be granted under the 2004 Stock Option Plan; (ii) any amendment that would reduce the option exercise price at which options may be granted below the minimum price currently provided for in the 2004 Stock Option Plan; (iii) any amendment that would increase the limits on the total number of Common Shares issuable to any one individual under the 2004 Stock Option Plan or to any one insider of the Company and the insider's associates; (iv) any amendment that would increase the limits on the total number of Common Shares reserved for issuance pursuant to options granted to insiders of the Company or for issuance to insiders or Non-Executive Directors within a one-year period; (v) any amendment that would increase the maximum term of an option granted under the 2004 Stock Option Plan; (vi) any amendment that would extend the term of any outstanding option to a date beyond the latest exercise date currently stipulated in the 2004 Stock Option Plan; (vii) any amendment that would reduce the exercise price of an outstanding option (other than as may result from general anti-dilution adjustments provided for in the 2004 Stock Option Plan); (viii) any amendment that would allow an option to be cancelled and re-issued to the same person at a lower exercise price; (vii) any amendment that would reduce the exercise price of an outstanding option; (viii) any amendment that would permit assignments to persons not currently permitted under the 2004 Stock Option Plan; and (ix) any amendment that would expand the scope of those persons eligible to participate in the 2004 Stock Option Plan, including Non-Executive Directors.

Amendments to the 2004 Stock Option Plan or options that are not subject to shareholder approval may be implemented by the Company without shareholder approval, but are subject to any approval required by the rules of any stock exchange on which the Common Shares are listed and other requirements of applicable law.

The Company may, in its sole discretion, make loans or provide guarantees for loans by financial institutions to assist Participants to purchase Common Shares upon the exercise of the options so granted. The practice of the Company is not to make any such loans or guarantees and there are no such loans or guarantees currently outstanding. The interest of any option holder under the 2004 Stock Option Plan or in any option is not transferable. In the event of, among other things, an amalgamation, arrangement or take-over bid affecting the Company, the Board of Directors of the Company will make an equitable adjustment to any options then outstanding and in the exercise price in respect of such options.

It is proposed that certain provisions of the 2004 Stock Option Plan be amended; see “*Matters to be Acted Upon at Meeting – Amendment of the 2004 Stock Option Plan*”. The full text of the proposed amended 2004 Stock Option Plan is attached as Schedule “C”.

Other Stock Option Plans. The terms of the other stock option plans of the Company are substantially identical to those of the 2004 Stock Option Plan outlined above except to the extent noted below: (i) in the case of the Hummingbird Stock Option Plan, IXOS Stock Option Plan, the Gauss Stock Option Plan, the Vista Stock Option Plan and the Artesia Stock Option Plan, other than a restriction of the grant of options to employees, directors or consultants who were formerly employees of IXOS Software AG, Gauss Interprises AG, Quest Software, Inc. or Artesia Technologies, Inc., respectively or one of that corporation’s subsidiaries; (ii) in the case of the Odesta Supplementary Stock Option Plan, the 1995 Flexible Stock Incentive Plan and the 1998 Stock Option Plan, other than the provisions permitting the grant of options for a term of up to 10 years and the grant of options to being limited to employees; and (iii) in the case of the 1995 Directors Stock Option Plan, other than being limited to the grant of options to directors.

With the approval of the 2004 Stock Option Plan on October 26, 2004 by the Board of Directors, no further options have been or will be granted under any option plan of the Company other than the 2004 Stock Option Plan, and the 1998 Stock Option Plan which the Company currently intends will be limited to grants of options to non-employee directors of the Company. See the chart under the heading “*Stock Options – Equity Compensation Plan Information*” for information relating to the number of Common Shares available for issuance and other information concerning the option plans of the Company.

Summary of Outstanding Stock Options and Potential Issuances. As of November 1, 2008, options to purchase an aggregate of 3,526,156 (6.8% of outstanding Common Shares) Common Shares had been previously granted and are outstanding under all of the Company’s stock option plans exercisable at prices ranging from \$6.09 to \$37.22. Of these, options to purchase 2,120,094 (4.1% of outstanding Common Shares) Common Shares were fully vested and the remaining options vest over the next 4 years.

Stock Purchase Plan

On May 3, 2005, the Board of Directors adopted the Company’s Stock Purchase Plan, which has subsequently been amended. There are 1,000,000 Common Shares reserved for issuance under the Stock Purchase Plan. The Stock Purchase Plan is designed to encourage eligible employees to remain in the employ of the Company and its participating subsidiaries. All employees of the Company or any of its participating subsidiaries whose regular employment is more than 20 hours per week are eligible to

receive options under the plan to purchase Common Shares. However, no employee may be granted an option if such grant would entitle the employee to 5% or more of the total combined voting power or value of all classes of shares of the Company or of any parent corporation or subsidiary. No employee will be granted an option which permits the employee's right to purchase shares under the plan to accrue at a rate which exceeds \$25,000 of the fair market value of such shares.

An option granted under the Stock Purchase Plan may not be pledged, assigned, encumbered or otherwise transferred except by will or by the laws of descent and distribution. If a participant ceases to be an eligible employee, the Company will refund to the participant, without interest, the entire balance of his or her payroll deduction account under the Stock Purchase Plan. An employee can sell Common Shares purchased under the Stock Purchase Plan at any time, subject to compliance with any applicable federal, state and provincial securities laws and regulations.

Unless terminated sooner, the Stock Purchase Plan will terminate on January 1, 2015. The Stock Purchase Plan may be terminated at any time by the Company's Board of Directors, but in any case will terminate when all or substantially all of the unissued Common Shares reserved under the plan have been purchased. Upon such termination, all payroll deductions not used to purchase Common Shares will be refunded without interest. The Compensation Committee administers the Stock Purchase Plan.

The following types of amendments to the Stock Purchase Plan require shareholder approval: (i) any amendment to the maximum aggregate number of Common Shares that may be purchased pursuant to the Stock Purchase Plan (other than as may result from general anti-dilution adjustments provided for in the Stock Purchase Plan); (ii) any amendment that would increase the amount of the cash contribution that may be made by the Company to the purchase of Common Shares by any employee participating in the Stock Purchase Plan; (iii) any amendment that would increase the maximum percentage of base salary during any pay period or the maximum dollar amount in any one calendar year that any eligible participant may direct be made, pursuant to the Stock Purchase Plan, toward the purchase of Common Shares on his behalf through payroll deductions; (iv) any amendment that would increase the limits on the total number of Common Shares that may be acquired by any one individual under the Stock Purchase Plan or to any one insider of the Company and the insider's associates; (v) any change to the eligible participants that would have the potential for broadening or increasing insider participation in the Stock Purchase Plan; and (vi) any amendment that would increase the limit on the total number of Common Shares that may be acquired by insiders of the Company and acquired by insiders within a one-year period.

Amendments to the Stock Purchase Plan that are not subject to shareholder approval may be implemented by the Company without shareholder approval, subject to any approval required by the rules of any stock exchange on which the Common Shares are listed and any other requirements of applicable law.

In the event of, among other things, a consolidation, acquisition or merger, or a sale of all or substantially all of the Company's assets, the Compensation Committee will adjust a participant's rights under options granted under the Stock Purchase Plan.

Equity Compensation Plan Information

The following table sets out the number of securities authorized for issuance under the Company's equity compensation plans.

Plan Category	Total Number of Common Shares Issued Pursuant to Exercise of Options	Number of Common Shares to be Issued upon Exercise of Outstanding Options		Weighted – Average Exercise Price of Outstanding Options		Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans (excluding Common Shares reflected in column (b))	
	(a)	(b)		(c)		(d)	
	As at November 1, 2008 (#/% ⁽¹⁾)	As at June 30, 2008(#)	As at November 1, 2008 (#/% ⁽¹⁾)	As at June 30, 2008 (\$)	As at November 1, 2008 (\$)	As at June 30, 2008 (#)	As at November 1, 2008 (#/% ⁽¹⁾)
Equity Compensation Plans Approved by Shareholders							
2004 Stock Option Plan	217,750/0.4	1,542,625	1,977,875/3.8	17.96	21.86	1,067,500	604,375/1.2
1998 Stock Option Plan	3,975,060/7.7	2,056,982	1,386,620/2.7	12.49	15.11	-	-/-
Odesta Supplementary Stock Option Plan	522,250/1.0	-/-	-/-	-	-	-	-/-
1995 Directors Stock Option Plan	762,000/1.5	-/-	-/-	-	-	-	-/-
Equity Compensation Plans Not Approved by Shareholders⁽²⁾							
Hummingbird Stock Option Plan	5,944/0.0	37,231	35,834/0.1	23.15	23.03	-	-/-
Centrinity Stock Option Plan	395,641/0.8	5,827	5,827/0.0	13.50	13.50	-	-/-
IXOS Stock Option Plan	5,500/0.0	60,000	59,750/0.1	26.24	26.24	-	-/-
Gauss Stock Option Plan	3,000/0.0	35,000	35,000/0.1	26.24	26.24	-	-/-
1995 Flexible Stock Incentive Plan	8,655,025/16.7	-/-	-/-	-	-	-	-/-
Vista Stock Option Plan	10,625/0.0	16,000	15,250/0.0	17.99	17.99	-	-/-
Artesia Stock Option Plan	-/-	10,000	10,000/0.0	17.99	17.99	-	-/-
Total	14,552,795/28.1 ⁽³⁾	3,763,665	3,526,156/6.8	15.22	19.29	1,067,500	604,375/1.2

Notes:

- (1) As a percentage of total outstanding Common Shares as at November 1, 2008.
- (2) The equity compensation plans not approved by shareholders, described in more detail under “Stock Option Plans – Other Stock Option Plans” above, consist of option grants and option plans assumed by the Company in connection with acquisition transactions in prior fiscal periods. The Company has agreed to issue Common Shares upon the exercise of options under such plans, but no post-acquisition grants under such plans have been or will be made.
- (3) The weighted average remaining life of the outstanding options is 4.49 years.

Compensation Committee Report

Our Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis. Based on this review and discussion, our Compensation Committee has recommended to the Board that the following Compensation Discussion and Analysis be included in this Circular.

This report is provided by the following independent directors, who comprise our Compensation Committee:

Ken Olisa and Gail Hamilton

Compensation Discussion and Analysis

Overview of Compensation Program

The Compensation Committee of the Board of Directors (the “Compensation Committee”) is responsible for making recommendations to the Board with respect to the compensation of our principal executive officer, principal financial officer and our three most highly compensated executives, other than our principal executive officer and principal financial officer (collectively, the “Named Executive Officers”). Our Compensation Committee ensures that total compensation paid to our Named Executive Officers is fair and reasonable and consistent with our compensation philosophy. The Named Executive Officers who are the subject of this Compensation Discussion and Analysis are:

- John Shackleton — President and Chief Executive Officer;
- P. Thomas Jenkins — Executive Chairman and Chief Strategy Officer;
- Paul McFeeters — Chief Financial Officer;
- Kirk Roberts — Executive Vice President and President Livelink Enterprise Content Management Division; and
- John Wilkerson — Executive Vice President, Global Sales, Services and Support.

Compensation Oversight Process

Our Compensation Committee has responsibility for the oversight of executive compensation and makes compensation recommendations to the Board for final approval.

We seek the advice of outside compensation consultants to provide assistance and guidance on compensation issues. Consultants are screened and chosen by our Compensation Committee in discussion with our management. The consultants provide our Compensation Committee with relevant information

pertaining to market compensation levels, alternative compensation plan designs, market trends and best practices. The consultants assist our Compensation Committee with respect to determining the appropriate benchmarks for each Named Executive Officer's compensation. The Compensation Committee has engaged Mercer LLC ("Mercer"), a human resources consulting services provider, to provide compensation analysis and advice on an ongoing basis throughout Fiscal 2008.

During Fiscal 2008 our Compensation Committee instructed Mercer to provide the Compensation Committee with analysis and advice regarding current executive compensation practices. Such analysis and advice included:

- **Executive Compensation Review**—Mercer benchmarked our compensation practices and policies with respect to our seven most senior positions against similar-sized Canadian and U.S. technology companies in order to allow us to place our compensation practices for these seven positions in a market context. This benchmarking included a review of base salary, short-term incentives, total cash compensation levels, long-term incentives and total direct compensation.
- **Long-Term Incentive Plan**—Mercer provided assistance in reviewing our existing Long-Term Incentive Plan ("LTIP"). In particular, Mercer was asked to review our granting practices under the LTIP and compare these granting practices to the grants which are made under other long-term incentive plans implemented by comparable companies throughout North America.

In reaching its decisions, the Compensation Committee has considered Mercer's analysis and advice, as well as any other factors the Committee considers appropriate. Decisions made by the Compensation Committee, however, are the responsibility of the Committee and may reflect factors and considerations other than the information and recommendations provided by Mercer.

Our Compensation Committee considers the impact of tax and accounting treatment for the different types of compensation programs it approves and ensures that compensation programs comply with tax, regulatory and accounting requirements in both the United States and in Canada, as well as with all applicable securities laws in the United States and in Canada.

Our Compensation Committee met five times during Fiscal 2008; Mercer attended two of these five meetings. Management assists in the coordination and preparation of the meeting agenda and materials for each meeting, which are reviewed and approved by the Chairman of our Compensation Committee. Following the approval of the Chairman of our Compensation Committee, meeting materials are generally mailed to the other Committee members and invitees, if any, for review approximately one week in advance of each meeting.

Role of Executive Officers in the Compensation Process

Our Compensation Committee recommends all compensation decisions with respect to our executive officers to the Board for the Board's final approval. While our Compensation Committee alone makes all recommendations with respect to Mr. Shackleton's and Mr. Jenkins' compensation, our Compensation Committee does consider the recommendations of Mr. Shackleton when making compensation decisions regarding all other Named Executive Officers (other than Mr. Jenkins). Our Board conducts the initial discussions and makes the initial decisions with respect to the compensation of Mr. Shackleton and Mr. Jenkins in a special session from which management is absent. Then our

Independent Lead Director communicates its decisions and provides further discussion in an executive session in which management is allowed to attend.

Management works with the outside compensation consultants by providing internal information as necessary to facilitate comparisons of our compensation programs to those programs of our peers and competitors.

Compensation Philosophy

We believe that compensation plays an important role in achieving short and long-term business objectives that ultimately drives business success in alignment with long-term shareholder goals.

Our compensation philosophy is based on three fundamental principles:

- **Strong link to business strategy** — Open Text's short and long-term goals should be reflected in our overall compensation program;
- **Performance sensitive** — compensation should be linked to operating and market performance of our organization and fluctuate with performance; and
- **Market relevant** — our compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new recruits of the highest calibre.

Our reward package is based primarily on results achieved by the Company as a whole. In addition, the Named Executive Officers also have a minority element of their reward package determined by their fulfillment of personal strategic goals (or Personal Targets).

Compensation Objectives

The objectives of our compensation program are:

- To attract and retain highly qualified executive officers with a history of proven success;
- To align the interests of executive officers with our shareholders' interests and with the execution of our business strategy;
- To evaluate executive performance on the basis of key financial measurements which we believe closely correlate to long-term shareholder value such as world-wide revenue, world-wide adjusted net income and relative total shareholder return; and
- To tie compensation directly to those measurements and rewards based on achieving and overachieving predetermined objectives.

Attracting and Retaining Highly Qualified Executive Officers

We seek to attract and retain high performing executives by offering:

- Competitive compensation; and

- An appropriate mix and level of short-term and long-term financial incentives.

Competitive Compensation

Aggregate compensation for each Named Executive Officer is designed to be competitive. We research and refer to the compensation practices of similarly situated companies in determining our compensation policy. Although we review each element of compensation for market competitiveness, and we may weigh a particular element more heavily based on the Named Executive Officer's role within the Company, we are primarily focused on remaining competitive in the market with respect to total compensation.

Our Compensation Committee reviews data related to compensation levels and programs of companies that are similar in size to Open Text and operate within the technology industry (collectively, our "peer group"), prior to making its decisions. Each year, the consultant hired by our Compensation Committee performs an assessment of the compensation of our executives. The consultant uses a benchmarking process that compares all material elements of our compensation programs to our peer group. The purpose of this process is to:

- Understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- Identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- Serve as a basis for developing salary adjustments and short-term and long-term incentive awards for our Compensation Committee's approval.

Our research indicated that the total targeted compensation for each Named Executive Officer was positioned between the 50th and 75th market percentile of our relative peer companies, in Fiscal 2008. The weighting of the base and the variable portion was market comparable.

In this research, we worked with the consultant to perform a benchmark analysis with respect to all material elements of compensation. During Fiscal 2008, the peer group against which Open Text benchmarked its compensation practices was as follows:

Acxiom Corporation	Mentor Graphics Corp.
Akamai Technologies	MPS Group Inc.
Broadridge Financial Solutions Inc.	Parametric Technology Corp.
Cadence Design Systems Inc.	Resinetworks Inc.
CMGI Inc.	Savvis Inc.
Cognos Inc.	Softchoice Corp.
Fair Isaac Corp.	SRA International Inc.

Gartner Inc.	Sybase Inc.
Global Payments Inc.	Synopsys Inc.
Henry (Jack) & Associates	United Online Inc.
MacDonald Dettwiler & Associates	Valueclick Inc.

Short-Term and Long-Term Financial Incentives

To motivate our executives to achieve our short-term corporate goals, all of our Named Executive Officers are able to participate in our variable short-term incentive plan. Awards made under the short-term incentive plan are made by way of cash payments only.

Our practice in the past has been to provide long-term incentive compensation to our Named Executive Officers in the form of a periodic grant of stock options which generally vest over a service period of 4 years and do not have any other conditions attached to them. This grant of options was in addition to the grant of options made upon the hiring of the Named Executive Officer. In addition, during Fiscal 2008, our Board approved the implementation of the LTIP. Our goal in designing the LTIP is to more closely align our executives' rewards with an increase in shareholder value, over the long term. The LTIP endeavours to encourage and reward superior performance by aligning an increase in the Named Executive Officer's compensation with improvements in our corporate performance and with an increase in the value of our shareholders' investment.

Further information regarding the determination and the mechanics of our short-term and long-term incentives is detailed in the following section which discusses the alignment of the Named Executive Officer's interests with our interests.

Aligning the Interests of the Named Executive Officers with the Interests of Open Text's Shareholders

We believe that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for our Named Executive Officers. Our objective is to facilitate an increase in shareholder value through the achievement of these corporate goals under the leadership of the Named Executive Officers working in conjunction with all of our valued employees.

We use a combination of fixed and variable compensation to motivate our executives to achieve our corporate goals. For Fiscal 2008, the three basic components of our executive officer compensation program were:

- Fixed salary and benefits;
- Variable short-term incentives; and
- The LTIP.

Fixed salary and benefits comprise a portion of the total cash-based compensation; however, variable short-term incentives and the LTIP represent a significant component of total cash-based compensation. Compensation that is at risk means compensation that may or may not be paid to the respective officer depending on whether the executive officer is able to meet or exceed his or her

applicable performance targets. Although the LTIP is compensation that is “at risk”, it is an additional incentive used to promote long-term value, and does not represent compensation that is “at risk” in the short-term. The greater the Named Executive Officer’s impact is upon driving the business results, the higher the risk/reward portion of the compensation. The chart below provides the approximate composition of the total short-term cash-based compensation provided to each Named Executive Officer for Fiscal 2008:

Named Executive Officer	Fixed Salary and Benefits Percentage (“Not At Risk”)	Short-Term Incentive Percentage (“At Risk”)⁽¹⁾
John Shackleton	48%	52%
Tom Jenkins	48%	52%
Paul McFeeters.....	74%	26%
Kirk Roberts.....	53%	47%
John Wilkerson	52%	48%

(1) For amounts relating to our LTIP, please see the detailed discussion regarding the LTIP below.

Our Compensation Committee annually reviews the percentage of the Named Executive Officer’s compensation that is at risk depending on the Named Executive Officer’s responsibilities and objectives.

Fixed Salary and Benefits

Fixed salary and benefits include:

- Base salary;
- Perquisites; and
- Other benefits.

Base Salary

Base salary for our Named Executive Officers, other than for Mr. Jenkins and for Mr. Shackleton, is reviewed annually by the relevant Named Executive Officer’s reporting manager and by Mr. Shackleton, and then approved by our Compensation Committee as delegated by the Board of Directors. Base salary for Mr. Jenkins and for Mr. Shackleton is recommended annually by our Compensation Committee and approved by our Board. The base salary review for each Named Executive Officer takes into consideration factors such as current competitive market conditions and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. Our Compensation Committee obtains information regarding competitive market conditions through the assistance of our management and of the outside compensation consultants.

The performance of each of the Named Executive Officers other than Mr. Shackleton and Mr. Jenkins is assessed by Mr. Shackleton, in his capacity as the direct supervisor of the three other

Named Executive Officers. Our Board assesses the performance of each of Mr. Shackleton and Mr. Jenkins. Our Board conducts the initial discussions and makes the initial decisions with respect to the performance of each of Mr. Shackleton and Mr. Jenkins in a special session from which management is absent. Then our Board communicates its decisions and provides further discussion in an executive session in which management is allowed to attend. Each Named Executive Officer also performs a self-assessment. During Fiscal 2008, we awarded increases to base salary and did so in response to market analyses.

Perquisites

Named Executive Officers receive a minimal amount of non-cash compensation in the form of executive perquisites. Our executive officers are entitled to benefits that are not otherwise available to all of our employees. Each Named Executive Officer receives a base allowance per year for primarily the purposes of:

- Participating in an annual executive medical physical examination;
- Maintaining membership in a health club; and
- Purchasing financial advice and related services.

For descriptions of other perquisites that we provide, please see the “All Other Compensation” column in our Summary Compensation table below.

Other Benefits

We provide various employee benefit programs to all our employees, such as, but not limited to:

- Medical health insurance;
- Dental insurance;
- Life insurance;
- Tuition reimbursement programs; and
- Tax based retirement savings plans matching contributions.

Variable Short-Term Incentives

The amount of the variable short-term incentive payable to each Named Executive Officer is based on the ability of each Named Executive Officer to meet pre-established, company-wide qualitative and quantitative corporate objectives related to improving shareholder value, which are approved by our Board, such as worldwide revenue, adjusted net income and worldwide divisional revenue targets.

We calculate worldwide revenue by comparing actual world-wide revenue generated to target world-wide revenue set at the beginning of the fiscal year. World-wide revenue is derived from the “Total Revenues” line of our audited income statement with no adjustments or other alterations made to this figure. World-wide revenue is an important variable that helps us to assess the Named Executive Officer’s role in helping us to grow and manage our business.

Adjusted net income, which is intended to reflect the operational effectiveness of the Company's leadership, is calculated as net income excluding, where applicable, the amortization of acquired intangible assets, other income (expense), share-based compensation, and restructuring, all net of tax.

We calculate worldwide divisional revenue by comparing actual worldwide divisional revenue generated to target world-wide divisional revenue set at the beginning of the fiscal year. Worldwide divisional revenue is that revenue which can be attributed to the respective divisions of responsibility of the Named Executive Officer. World-wide divisional revenue is an important variable that helps us to assess the contributions of the Named Executive Officer in helping us to grow and manage our business.

The expected and threshold targets assigned to each Named Executive Officer are provided in the table within the section entitled "Tying Compensation to Measurements of Performance" included later in this document. Included in Fiscal 2009 is an upside accelerator that will reward the Named Executive Officer for attainment above 100%. The maximum attainment would be rewarded at 1.5 times the variable compensation if 110% of targets are achieved.

Variable Long-Term Incentives

With respect to stock option grants, our Board, subject to the recommendation of our Compensation Committee, makes the following determinations:

- The Named Executive Officers and others who are entitled to participate in the stock option plan;
- The number of options to be granted under the plan in general and to each recipient in particular;
- The exercise price for each stock option granted;
- The date on which each option is granted;
- The exercise period for each stock option; and
- The other material terms and conditions of each stock option grant.

Our Board makes this determination subject to the provisions of our currently existing stock option plans, and is guided by a table of annual ranges for grants of our stock options. Gains from prior option grants are not considered when setting the amount of long term incentive awards, or any other compensation elements, to any Named Executive Officer.

We periodically grant options to our Named Executive Officers and to our other employees and new-hires. During each quarter, our Board conducts meetings in which it reviews and approves grants of options. The grant dates for these options abide by the provisions of our Insider Trading Policy, which states, in part, that stock options may not be granted while a "trading window" is closed. Generally, the "trading window" is closed during the period beginning on the fifteenth day of the last month of each quarter and ending at the beginning of the second trading day following the date on which our quarterly or annual financial results, as applicable, have been publicly released. If our Board approves the issuance of stock options while a trading window is closed, these stock options are not granted until the trading window reopens.

Our stock options are granted:

- On the second trading day for the NASDAQ market following the date on which our quarterly or annual financial results, as applicable, are released; and
- At a price that is not less than the closing price of our Common Shares on the trading day for the NASDAQ market immediately preceding the applicable grant date.

The Open Text stock option plan and the insider trading policy govern the timing of the grants of options to employees (including all of the Named Executive Officers).

There were no grants of stock options to Named Executive Officers during Fiscal 2008.

In August 2008, the following grants of stock options were made to the following Named Executive Officers:

Named Executive Officer	Options Granted (#)
John Shackleton	100,000
Tom Jenkins	100,000
Paul McFeeters.....	50,000
Kirk Roberts.....	35,000
John Wilkerson	50,000

The accounting expense relating to these options will be recorded in the first quarter of Fiscal 2009 and onwards, over the vesting period of the grants.

Long-Term Incentive Plan ("LTIP")

On September 10, 2007, our Board approved the implementation of the LTIP, which went into effect during Fiscal 2008. Our goal in designing the LTIP is to provide our executives with an opportunity to make a performance investment in Open Text and to have a stake in our future. Accordingly, the LTIP represents a significant component of the total cash-based compensation. The LTIP is a rolling three-year program, which means that assessment of a plan-member's performance is made continuously over the period, but payments are only made at the end of the three-year term. Grants made in Fiscal 2008 were set using a percentage of the Named Executive Officer's total on-target compensation. The payouts were determined by an individual's ability to influence the overall outcome as well as the overall compensation. Three performance criteria are used to measure performance over the relevant three-year period. For the Fiscal 2008 LTIP plan, the criteria and targets are:

- **Absolute share price**—if our Common Shares appreciate to a \$40.00 USD price per share and that price is maintained for a minimum of 22 consecutive NASDAQ trading days over the three-year period, the absolute share price target will be achieved;
- **Relative total shareholder return**—if, over the three year period, our Common Shares appreciate at a rate which exceeds the rate of appreciation for the Standard & Poor's Mid Cap 400—Software and Services Index by 500 basis points, the relative total shareholder return target will be achieved; and,

- **Average adjusted earnings per share**—if the average of the adjusted earnings per share over the latter two years of the three-year period reaches \$2.25, the average adjusted earnings per share target will be met (adjusted earnings per share means adjusted net income divided by the total number of Common Shares outstanding on a diluted basis).

The three performance criteria carry the following weightings:

- Absolute share price = 37.5%;
- Relative total shareholder return = 37.5%; and
- Average adjusted earnings per share = 25.0%.

The weightings were assigned by the Compensation Committee with the intention to align what we believe are our shareholders' interests. Awards may equal either 100% or 150% of target for each criterion independently, based on the Named Executive Officer's accomplishments over the three year period. The most that a Named Executive Officer may receive with regard to any single performance criterion is 1.5 times the target award for that criterion. For example, if a Named Executive Officer were to exceed the maximum established for absolute share price and if he/she met the targets established for the other two performance criteria, he/she would receive a weighting in that performance criterion of 56.25% and a total award equal to 118.75% times the Named Executive Officer's target LTIP award. If the Named Executive Officer does not meet the target set for a particular performance criterion, he/she would not receive any award with respect to that criterion. Attainment of each criterion is independent of the attainment of the other two. For example, if a Named Executive Officer failed to meet the target set for relative total shareholder return, exceeded the maximum set for absolute share price, and met the target set for average adjusted earnings per share, the Named Executive Officer would receive a total reward equal to 81.25% times the Named Executive Officer's target LTIP award.

The maximum LTIP awards for 100% threshold or 150% cap achievement of the initial targets over the initial three-year period are as follows:

Named Executive Officer	Long Term Incentive Plan 100% Achievement at June 30, 2010	Long Term Incentive Plan 150% Achievement at June 30, 2010
John Shackleton	\$ 2,000,000	\$ 3,000,000
Tom Jenkins	\$ 1,938,117	\$ 2,907,175
Paul McFeeters.....	\$ 630,877	\$ 946,315
Kirk Roberts.....	\$ 573,524	\$ 860,286
John Wilkerson	\$ 975,000	\$ 1,462,500

The payouts are determined by an individual's ability to influence the overall outcome as well as the Named Executive Officer's overall compensation. The greater the Named Executive Officer's impact is upon driving the business results, the higher the risk/reward portion of the compensation.

The LTIP awards will be paid in cash and there have been no payments made under the LTIP during Fiscal 2008.

Evaluating Executive Performance

Our Board, our Compensation Committee and our management have instituted a set of detailed procedures to evaluate the performance of each of our Named Executive Officers to help determine the amount of the variable short-term incentives and long-term incentives to award to each Named Executive Officer.

Our Board, along with the CEO and CFO, presents a budget during our Board's fourth quarter meeting. Mr. Shackleton sets the annual corporate financial targets for each of our Named Executive Officers, other than for himself and Mr. Jenkins, that are in some instances specific to the performance of the particular division or area of responsibility for which the Named Executive Officer is accountable. The Board sets the corporate financial targets for Mr. Shackleton and Mr. Jenkins. Our Board conducts the initial discussions and makes the initial decisions with respect to the corporate financial targets for Mr. Shackleton and Mr. Jenkins in a special session from which management is absent. Then our Board communicates its decisions and provides further discussion in an executive session in which management is allowed to attend.

Tying Compensation to Measurements of Performance

We determine targeted amounts of short-term incentives for each Named Executive Officer at the beginning of the fiscal year. The targeted amounts are calculated as a percentage of the Named Executive Officer's annual salary based on market review and by an individual's ability to influence the overall outcome. In addition, we establish minimum and expected targets at the beginning of each fiscal year. The targets and the targeted amount of short-term incentives are correlated. Achieving the minimum target will trigger the award of the minimum incentive payment to the Named Executive Officer and achieving the expected target will trigger the award of the on-target incentive payment. The Named Executive Officer will receive no incentive payment if he or she does not meet the minimum target. The determination as to whether a target has been met is strictly formulaic, although the Board reserves the right to make positive or negative adjustments if they consider them to be appropriate. There is no maximum target set and no limit to what the Named Executive Officer may receive as a result of exceeding the expected target which is set at the beginning of the fiscal year.

We believe that each element of our compensation program requires strong performance from each of our Named Executive Officers in order for the relevant Named Executive Officer to receive the targeted short-term compensation awards. The following table shows the relative at-risk earnings of each Named Executive Officer by setting out the percentage of salary set aside in Fiscal 2008, for achieving the minimum and expected targets:

Named Executive Officer	Percentage of Salary Payable for Achievement of Minimum Target	Percentage of Salary Payable for Achievement of Expected Target
John Shackleton	9%	100%
Tom Jenkins	9%	100%
Paul McFeeters	3%	33%
Kirk Roberts	8%	66%
John Wilkerson	9%	75%

Conclusion

Each element of the total targeted compensation is reviewed on an annual basis by our Compensation Committee for each Named Executive Officer, to ensure that the incentives are designed and implemented to align compensation with:

- Short-term and long-term key corporate objectives; and
- Performance by the relevant Named Executive Officer.

We review base compensation relative to market peers, as well as overall total targeted compensation. The percentage split between base and variable compensation is influenced by market peer data as well as the amount of risk that each Named Executive Officer faces in delivering their targeted objectives. Our Compensation Committee uses budgetary guidelines and other internally generated planning and forecasting tools, combined with data provided by the outside compensation consultants, in the performance of our Compensation Committee's annual review of long-term and short-term incentives as well as of overall compensation.

Other Information With Respect to Our Compensation Program

Pension Plans

We do not provide pension benefits to our Named Executive Officers.

Share Ownership Guidelines

Open Text currently has equity ownership guidelines (or "Share Ownership Guidelines"), the objective of which is to encourage the CEO and the Executive Chairman to buy and hold stock in the Company which represents a meaningful investment in their portfolio. The Company believes that equity ownership by these Named Executive Officers helps to align the financial interests of the CEO and the Executive Chairman with the financial interests of the shareholders of the Company.

The investment target for these Named Executive Officers equals such person's base salary, exclusive of bonus and other incentive compensation. Pursuant to the Share Ownership Guidelines, the CEO and Executive Chairman shall each reach the investment target by investing a minimum of \$100,000 in Company common stock by the end of each fiscal year of employment (but is not required to invest more than the amount of any variable cash compensation paid to such person in such fiscal year), starting one year after such person commences employment, until the cumulative amount of Company stock held

by such person represents an investment at least equal to the his or her then current base salary. If base salary increases, the investment target increases by the amount of the salary increase.

Both the CEO and the Executive Chairman have met the Share Ownership Guidelines described herein.

Shares of Company stock issued and held pursuant to exercised stock options shall be counted towards compliance with the Share Ownership Guidelines. For this purpose, the CEO and the Executive Chairman, as applicable, shall be deemed to have invested an amount equal to the market price of the Company stock at the time of exercise. Shares of the Company stock issuable pursuant to the unexercised options shall not be counted towards compliance with the equity ownership target. For purposes of the Share Ownership Guidelines, each of the CEO and the Executive Chairman, as applicable, are deemed to hold all securities over which he or she is the registered or beneficial owner thereof through any contract, arrangement, understanding, relationship or otherwise has or shares:

- voting power which includes the power to vote, or to direct the voting of, such security; and/or
- investment power which includes the power to dispose, or to direct the disposition of, such security.

For greater certainty, “beneficial owner” shall include any person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement, or device whereby the CEO or the Executive Chairman, as applicable may be divested of beneficial ownership of a security.

Tax Deductibility of Compensation

Under Section 162(m) of the United States Internal Revenue Code (“Section 162(m)”), publicly-held corporations cannot deduct compensation paid in excess of \$1,000,000 to certain executives in any taxable year. Certain compensation paid under plans that are “performance-based” (which means compensation paid only if the individual’s performance meets pre-established objective goals based upon performance criteria approved by shareholders) are not subject to the \$1,000,000 annual limit. Although our compensation policy is designed to link compensation to performance, payments in excess of \$1,000,000 made pursuant to any of our compensation plans may not be deductible. This is because none of our compensation plans (other than certain of our stock option plans) have been presented to our shareholders for their approval.

In the past no individuals have been paid non-performance based compensation in excess of the Internal Revenue Code Section 162(m) tax deduction limit. However, we have determined that it is not appropriate at this time to limit our discretion to design any of our compensation arrangements for our Named Executive Officers to qualify such compensation for exemption from the deduction limits of Section 162(m). Therefore, we reserve the right to use our judgment to authorize compensation payments that do not comply with the exemptions in Section 162(m) when we believe such payments are appropriate and in the best interests of the stockholders, after taking into consideration changing business conditions or the Named Executive Officer’s performance.

Although the tax and accounting implications are considered by our Compensation Committee in designing compensation programs with respect to our Named Executive Officers, these factors do not

comprise a material factor in the decisions made with respect to the compensation of our Named Executive Officers.

Composition of the Compensation Committee

The members of our Compensation Committee are Mr. Ken Olisa and Ms. Gail Hamilton. None of the members of the Compensation Committee has been or are an officer or employee of Open Text Corporation, or any of our subsidiaries, or had any relationship requiring disclosure herein. None of our executive officers served as a member of the compensation committee of another entity (or other committee of the board of directors performing equivalent functions, or in the absence of any such committee, the entire board) one of whose executive officers served as a director of ours.

Executive Compensation

Summary Compensation Table

The following table sets forth summary information concerning the annual compensation earned by the Company's Named Executive Officers. All numbers are rounded to the nearest dollar or whole share:

	Fiscal Year	Salary (\$) ⁽¹⁾	Bonus (\$)	Stock Awards (\$)	Option Awards (\$) ⁽²⁾	Non Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$) ⁽³⁾	Total (\$)
John Shackleton	2008	\$500,000	—	N/A	\$313,645	\$542,200	N/A	\$13,231 ⁽⁴⁾	\$1,368,876
Paul McFeeters	2008	\$373,432	—	N/A	\$305,713	\$130,950	N/A	\$ — ⁽⁵⁾	\$810,095
P. Thomas Jenkins	2008	\$497,910	—	N/A	\$327,888	\$539,734	N/A	\$19,072 ⁽⁶⁾	\$1,384,604
John Wilkerson	2008	\$400,000	—	N/A	\$522,018	\$364,920	N/A	\$ — ⁽⁵⁾	\$1,286,938
Kirk Roberts	2008	\$348,537	—	N/A	\$297,638	\$312,054	N/A	\$ — ⁽⁵⁾	\$958,229

Notes:

- (1) Any Canadian dollar payments included herein for Fiscal 2008 have been converted to the U.S. dollar at an average conversion rate of 0.995820 (Fiscal 2007 at an average rate of 0.888415).
- (2) Amounts set forth in this column represent the amount recognized as the accounting share-based payment expense in our consolidated financial statements for Fiscal 2008 and do not reflect whether the recipient has actually realized a financial benefit from the exercise of the awards. This amount has been calculated in accordance with SFAS 123R and is based upon the grant date valuation of the option award. For a discussion of the assumptions used in this valuation, see Note 11 "Share Capital, Option Plan and Share-based Payments" to our Notes to Consolidated Financial Statements under item 8 of the Annual Report on Form 10-K.
- (3) The amounts in "Other Annual Compensation" primarily include (i) health benefits, (ii) car allowances paid, (iii) club memberships reimbursed, (iv) tax preparation and financial advisory fees paid, (v) living expenses reimbursed, and (vi) gifts and entertainment expenses paid by the Company. "Other Annual Compensation" does not include benefits received by the Named Executive Officers which are available generally to all our salaried employees.
- (4) Represents amounts we paid or reimbursed for:
 - a. Car allowances (\$11,400); and
 - b. Health club membership fees (\$1,831).
- (5) The total value of all perquisite and personal benefits for Messrs. McFeeters, Wilkerson and Roberts were each less than \$10,000 and therefore excluded.
- (6) Represents amounts we paid or reimbursed for:
 - a. Car allowances (\$12,915);
 - b. Club membership fees (\$3,848); and
 - c. Other miscellaneous expenses or benefits that are less than 10% of the total amount of perquisites and personal benefits related to Mr. Jenkins.

Stock Options

Grants of Plan-based Awards in Fiscal 2008

The following table sets forth certain information concerning grants of awards made to each Named Executive Officer during the fiscal year ended June 30, 2008:

Name	Grant Date ⁽¹⁾	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		All Other Stock Awards: Number of Securities Underlying	Exercise or Base Price of Option Awards	Grant Date Fair Value of Stock and Option Awards
		Threshold (\$)	Target (\$) ⁽²⁾	Options (#)	(\$/Share) ⁽³⁾	Awards (\$) ⁽⁴⁾
John Shackleton	N/A	\$43,750	\$500,000	—	\$—	\$—
Paul McFeeters	N/A	\$11,742	\$123,604	—	\$—	\$—
P. Thomas Jenkins	N/A	\$43,261	\$494,417	—	\$—	\$—
John Wilkerson	N/A	\$36,750	\$300,000	—	\$—	\$—
Kirk Roberts	N/A	\$27,861	\$227,431	—	\$—	\$—

Notes:

- (1) No options or other equity awards were granted to any of our Named Executive Officers during Fiscal 2008.
- (2) Any Canadian dollar payments included herein for Fiscal 2008 have been converted to the U.S. dollar at a conversion rate of 0.988835.
- (3) The above estimated future payouts relate to our short-term incentive plan. For estimated future payouts related to our long-term incentive plan, please see the “*Long-Term Incentive Plan*” above.

Outstanding Equity Awards

The following table sets forth certain information regarding unexercised options for each Named Executive Officer as of June 30, 2008.

	Option Awards ⁽¹⁾			Option Expiration Date
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	
John Shackleton.....	602,862	-	\$ 6.88	November 2, 2008 ⁽²⁾
	80,000	-	\$ 17.04	August 19, 2013
	56,250	18,750	\$ 16.92	December 9, 2011
	12,500	37,500	\$ 22.80	February 12, 2014
Paul McFeeters.....	100,000	150,000	\$ 14.02	June 1, 2013
P. Thomas Jenkins.....	300,000	-	\$ 14.10	December 3, 2011
	200,000	-	\$ 10.39	August 7, 2012
	75,000	25,000	\$ 16.92	December 9, 2011
	12,500	37,500	\$ 22.80	February 12, 2014
John Wilkerson.....	75,000	225,000	\$ 17.01	September 5, 2013
Kirk Roberts.....	12,500	-	\$ 15.25	April 5, 2009
	20,000	-	\$ 17.04	August 19, 2013
	7,500	2,500	\$ 16.92	December 9, 2011
	25,000	25,000	\$ 14.94	November 7, 2012
	25,000	75,000	\$ 17.01	September 5, 2013

Note:

(1) We do not grant stock awards and therefore such information is not applicable herein.

(2) These stock options were exercised by Mr. Shackleton on September 9-11, 2008 due to the upcoming expiry of such stock options.

Aggregated Option Exercises in Last Fiscal Year

The following table sets forth options exercised for Fiscal 2008 for each of the Named Executive Officers indicated below:

Name	Option Awards ⁽¹⁾	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽²⁾
John Shackleton	10,000	\$253,075
Paul McFeeters	—	—
P. Thomas Jenkins	—	—
John Wilkerson	—	—
Kirk Roberts	27,500	\$571,182

Notes:

(1) We do not provide “stock awards” to either our Named Executive Officers or to any of our employees and therefore, information related to stock awards is not applicable herein.

(2) “Value realized upon exercise” is the difference between the market price at exercise of the shares underlying the options and the exercise price of the options. The market price of shares that are acquired upon exercise and sold immediately by the Named Executive Officer is based upon the actual price at which the shares are sold. The market price of shares that are acquired and being held by the Named Executive Officer is based upon the closing price of our Common Shares on the NASDAQ on the day immediately preceding the exercise.

Potential Payments Upon Termination or Change in Control

The employment contracts we have entered into with our Named Executive Officers may require us to make certain types of payments and provide certain types of benefits to the Named Executive Officers upon the occurrence of any of these events:

- If the Named Executive Officer is terminated without cause;
- A change of control in the ownership of Open Text; and
- A change in the relationship between Open Text and the Named Executive Officer.

When determining the amounts and the type of compensation and benefits to provide in the event of a termination or change in control described above, we considered available information with respect to amounts payable to similarly situated officers of our principal competitors that are listed in the section entitled “Competitive Compensation” which may be found above upon the occurrence of similar events. We believe it is in the best interest of the Company and its shareholders that the Named Executive Officers are encouraged to focus on the operations of Open Text. Differences in payment periods, if any, are driven by the position held by the Named Executive Officer and by the Named Executive Officer’s length of service with Open Text. The amounts payable upon termination or change in control represent the amounts proposed by the Company and were not the result of any individual negotiations between us and any of our Named Executive Officers.

Termination Without Cause

If the Named Executive Officer is terminated without cause, we may be obligated to make payments or provide benefits to the Named Executive Officer. A termination without cause means a termination of a Named Executive Officer for any reason other than the following:

- The failure by the Named Executive Officer to perform his or her duties according to the terms of his or her employment agreement or to perform in a manner satisfactory to our Board after Open Text has given the Named Executive Officer reasonable notice of this failure as well as a reasonable opportunity to correct this failure; however, any such failure:
 - that follows a diminution in his or her position or duties or responsibilities, or
 - that results from a disability of the Named Executive Officer,is not considered a failure for purposes of this section;
- The engagement by the Named Executive Officer in any act that is materially harmful to us;
- The engagement by the Named Executive Officer in any illegal conduct or any act of dishonesty which benefits the Named Executive Officer at our expense including but not limited to the failure by the Named Executive Officer to:
 - honor his or her fiduciary duties to us, and
 - fulfill his or her duty to act in our best interests;
- The failure of the Named Executive Officer to abide by the terms of any resolution passed by our Board; or
- The failure of the Named Executive Officer to abide by our policies, procedures and codes of conduct.

Change in Control

If there is a merger, acquisition or other change in control of the ownership of Open Text, we may be obligated to provide payments or benefits to the Named Executive Officer. A change in control includes the following events:

- The sale of all or substantially all of the assets of Open Text;
- Any transaction in which any person or group, acquires ownership of more than 50% of the shares of Open Text's common stock on a fully diluted basis; or
- Any transaction which results in more than 50% of the shares of Open Text's common stock, on a fully diluted basis, being held by any person or group who were not

shareholders of Open Text as of the date of the applicable contract between Open Text and the Named Executive Officer.

Change in the Relationship Between Open Text and the Named Executive Officer

If there is a change in the relationship between Open Text and the Named Executive Officer without the Named Executive Officer's written consent, we may be obligated to provide payments or benefits to the Named Executive Officer, unless such a change is in connection with the termination of the Named Executive Officer either for cause or due to the death or disability of the Named Executive Officer. Some examples of such a change in the relationship between the Named Executive Officer and Open Text are:

- A change in control described in the previous section which results in a material change of the Named Executive Officer's position, duties, responsibilities, title or office which were in effect immediately prior to such a change in control (except for a change in any position or duties as an Open Text director or for any other material change that is the result of a promotion), which includes any removal of the Named Executive Officer from, or any failure to re-elect or re-appoint the Named Executive Officer to, any positions or offices he or she held immediately prior to such a change in control;
- A material reduction by either Open Text or by any of Open Text's subsidiaries of the Named Executive Officer's salary, benefits or any other form of remuneration payable by either Open Text or by Open Text's subsidiaries;
- Any material failure by either Open Text or by any of Open Text's subsidiaries to provide any:
 - benefit, bonus, profit sharing, incentive, remuneration or compensation plan,
 - stock ownership or purchase plan, or
 - pension plan or retirement plan, in which the Named Executive Officer is participating or entitled to participate immediately prior to any change in control described in the previous section, or if Open Text or any of Open Text's subsidiaries take any action or fail to take any action, and as a result, the Named Executive Officer's participation in any such plan would be materially and adversely affected or the Named Executive Officer's rights or benefits under or pursuant to any such plan would be materially and adversely affected; or
- Any other material breach of the employment agreement between Open Text and the Named Executive Officer which is committed by Open Text.

Amounts Payable Upon Termination or Change of Control

If any one of the triggering events described above take place with respect to any of the Named Executive Officers, we may be liable to make the following payments. In addition, upon the instance of change in control, we are required to make LTIP payments to any participating Named Executive Officer in an amount equal to 50% of the target bonus if the change of control occurs after the commencement of the seventh (7th) month following the LTIP Performance period commencement date but before the

completion of the eighteenth (18th) month following the LTIP performance period commencement date, or 100% of the target bonus if the change of control occurs after the commencement of the nineteenth (19th) month following the LTIP performance period commencement date. Also, in the event of termination by the Corporation other than for Just Cause, the Executive shall have the right to exercise any options which are vested as at the date of termination for the 90 Day Period following the date of termination. Any unvested options which would have otherwise vested during such 90 Day Period shall continue to vest during that period and to the extent any unvested options have vested during such 90 Day Period, the Executive shall also be entitled to exercise those options within a rolling 90 day period after the date of vesting of such options, which period will not exceed 180 days following the date of termination. In the instance of a Change of Control, all options outstanding are deemed to vest.

John Shackleton

Upon any instance of termination or change in control described above, we are required to pay Mr. John Shackleton an amount equal to 15 months salary. Likewise, upon any such event of termination or change in control, we are required to pay Mr. Shackleton the equivalent of 15 months of variable short-term incentive payable to him assuming 100% achievement of the expected targets for the fiscal year in which the triggering event occurred. We are also required to provide Mr. Shackleton with the employee benefits we provided to Mr. Shackleton immediately prior to the occurrence of the event which triggered our obligation for a period of 15 months after the date when such event occurred. We are required to make these payments and provide these benefits over a period of 15 months from the date of the event which triggered our obligation.

When determining the amounts and the type of compensation and benefits to provide to Mr. Shackleton in the event of a termination or change in control described above, we considered available information with respect to amounts payable to chief executive officers of our principal competitors that are listed in the section entitled "Competitive Compensation" which may be found above upon the occurrence of similar events.

In return for receiving the payments and the benefits described in this section, Mr. Shackleton must execute a non-compete, non-solicitation, non-disparagement and confidentiality agreement. The terms of this agreement must last for a period of at least 15 months. We may waive any breach by Mr. Shackleton of any provision of this agreement upon the review and approval of our Board.

P. Thomas Jenkins

Upon any instance of termination or change in control described above, we are required to pay Mr. P. Thomas Jenkins an amount equal to 15 months salary. Likewise, upon any such event of termination or change in control, we are required to pay Mr. Jenkins the equivalent of 15 months of variable short-term incentive payable to him assuming 100% achievement of the expected targets for the fiscal year in which the triggering event occurred. We are also required to provide Mr. Jenkins the employee benefits we provided to Mr. Jenkins immediately prior to the occurrence of the event which triggered our obligation for a period of 15 months after the date when such event occurred. We are required to make these payments and provide these benefits over a period of 15 months from the date of the event which triggered our obligation.

When determining the amounts and the type of compensation and benefits to provide to Mr. Jenkins in the event of a termination or change in control described above, we considered available information with respect to amounts payable to similarly situated officers of our principal competitors that

are listed in the section entitled “Competitive Compensation” which may be found above upon the occurrence of similar events.

In return for receiving the payments and the benefits described in this section, Mr. Jenkins must execute a non-compete, non-solicitation, non-disparagement and confidentiality agreement. The terms of this agreement must last for a period of at least 15 months. We may waive any breach by Mr. Jenkins of any provision of this agreement upon the review and approval of our Board.

Paul McFeeters

Upon any instance of termination or change in control described above, we are required to pay Mr. Paul McFeeters an amount equal to six months salary plus one-half times the variable short-term incentive payment Mr. McFeeters earned for the fiscal year prior to the date of the event which triggered our obligation. We are also required to provide Mr. McFeeters with the employee benefits we provided to Mr. McFeeters immediately prior to the occurrence of the event which triggered our obligation for a period of six months after the date when such event occurred. We are required to make these payments and provide these benefits over a period of six months from the date of the event which triggered our obligation.

When determining the amounts and the type of compensation and benefits to provide to Mr. McFeeters in the event of a termination or change in control described above, we considered available information with respect to amounts payable to chief financial officers of our principal competitors that are listed in the section entitled “Competitive Compensation” which may be found above upon the occurrence of similar events.

In return for receiving the payments and the benefits described in this section, Mr. McFeeters must execute a non-compete, non-solicitation, non-disparagement and confidentiality agreement. The terms of this agreement must last for a period of at least six months. We may waive any breach by Mr. McFeeters of any provision of this agreement upon the review and approval of our Board of Directors.

Kirk Roberts

Upon any instance of termination or change in control described above, we are required to pay Mr. Kirk Roberts an amount equal to 12 months salary plus the variable short-term incentive payment Mr. Roberts earned for the fiscal year prior to the date of the event which triggered our obligation. We are also required to provide Mr. Roberts with the employee benefits we provided to Mr. Roberts immediately prior to the occurrence of the event which triggered our obligation for a period of 12 months after the date when such event occurred. We are required to make these payments and provide these benefits over a period of 12 months from the date of the event which triggered our obligation.

When determining the amounts and the type of compensation and benefits to provide to Mr. Roberts in the event of a termination or change in control described above, we considered available information with respect to amounts payable to similarly situated officers of our principal competitors that are listed in the section entitled “Competitive Compensation” which may be found above upon the occurrence of similar events.

In return for receiving the payments and the benefits described in this section, Mr. Roberts must execute a non-compete, non-solicitation, non-disparagement and confidentiality agreement. The terms of this agreement must last for a period of at least 12 months. We may waive any breach by Mr. Roberts of any provision of this agreement upon the review and approval of our Board.

John Wilkerson

Upon any instance of termination or change in control described above, we are required to pay Mr. John Wilkerson an amount equal to six months salary plus one-half times the variable short-term incentive payment Mr. Wilkerson earned for the fiscal year prior to the date of the event which triggered our obligation. We are also required to provide Mr. Wilkerson with the employee benefits we provided to Mr. Wilkerson immediately prior to the occurrence of the event which triggered our obligation for a period of six months after the date when such event occurred. We are required to make these payments and provide these benefits over a period of six months from the date of the event which triggered our obligation.

When determining the amounts and the type of compensation and benefits to provide to Mr. Wilkerson in the event of a termination or change in control described above, we considered available information with respect to amounts payable to similarly situated officers of our principal competitors that are listed in the section entitled “Competitive Compensation” which may be found above upon the occurrence of similar events.

In return for receiving the payments and the benefits described in this section, Mr. Wilkerson must execute a non-compete, non-solicitation, non-disparagement and confidentiality agreement. The terms of this agreement must last for a period of at least six months. We may waive any breach by Mr. Wilkerson of any provision of this agreement upon the review and approval of our Board.

Quantitative Estimates of Payments upon Termination or Change in Control

Further information regarding payments to our Named Executive Officers in the event of a termination or a change in control may be found in the table below. This table sets forth the estimated amount of payments and other benefits each Named Executive Officer would be entitled to receive upon the occurrence of the indicated event, assuming that the event occurred on June 30, 2008. Amounts potentially payable under plans which are generally available to all salaried employees, such as life and disability insurance, are excluded from the table. The values related to vesting of stock options and awards are based upon the fair market value of our common stock of \$32.10 per share as reported on the NASDAQ on June 30, 2008, the last trading day of our fiscal year. The other material assumptions made with respect to the numbers reported in the table below are:

- Payments in Canadian dollars included herein are converted to U.S dollars using an exchange rate of 0.988835;
- The salary and incentive payments are calculated based on the amounts of salary and incentive payments which were payable to each Named Executive Officer as of June 30, 2008;
- Payment under the Long Term Incentive Plan is calculated as though 50% of the target bonus has vested; and
- The number of options available for vesting is equal to:
 - the number of options outstanding and exercisable as of June 30, 2008, plus

- the number of options which were scheduled to be outstanding and exercisable by September 30, 2008, plus
- with respect only to a change in control in the ownership of Open Text, the number of options which are subject to the acceleration of their vesting dates as a result of such change in control.

Actual payments made at any future date may vary, including the amount the Named Executive Officer would have accrued under the applicable benefit or compensation plan as well as the price of our Common Shares.

		Salary (\$)	Incentive Payment (\$)	Vesting of Stock Options (\$)	Employee Benefits (\$)	Total (\$)
John Shackleton	Termination Without Cause	\$625,000	\$625,000	\$17,382,519	\$16,539	\$18,649,058
	Change in Control	\$625,000	\$625,000	\$18,015,894	\$16,539	\$20,282,433
	Change in Relationship	\$625,000	\$625,000	\$18,015,894	\$16,539	\$20,282,433
P. Thomas Jenkins	Termination Without Cause	\$618,022	\$618,022	\$10,996,750	\$23,840	\$12,256,634
	Change in Control	\$618,022	\$618,022	\$11,725,000	\$23,840	\$13,953,942
	Change in Relationship	\$618,022	\$618,022	\$11,725,000	\$23,840	\$13,953,942
Paul McFeeters	Termination Without Cause	\$185,407	\$65,475	\$1,808,000	\$—	\$2,058,882
	Change in Control	\$185,407	\$65,475	\$4,520,000	\$—	\$5,086,320
	Change in Relationship	\$185,407	\$65,475	\$4,520,000	\$—	\$5,086,320
Kirk Roberts	Termination Without Cause	\$346,092	\$312,054	\$1,809,275	\$—	\$2,467,421
	Change in Control	\$346,092	\$312,054	\$3,030,725	\$—	\$3,975,633
	Change in Relationship	\$346,092	\$312,054	\$3,030,725	\$—	\$3,975,633
John Wilkerson	Termination Without Cause	\$200,000	\$182,460	2,263,500	\$—	\$2,645,960
	Change in Control	\$200,000	\$182,460	\$4,527,000	\$—	\$5,396,960
	Change in Relationship	\$200,000	\$182,460	\$4,527,000	\$—	\$5,396,960

Director Compensation

The following table sets forth summary information concerning the annual compensation received by each of the non-employee directors of Open Text Corporation for the fiscal year ended June 30, 2008.

	Fees earned or paid in cash (\$)	Stock Awards (\$)	Option Awards (\$)(1)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Randy Fowlie ⁽²⁾	\$98,500	N/A	\$117,193	—	N/A	—	\$215,693
Brian Jackman ⁽³⁾	\$86,500	N/A	\$117,193	—	N/A	—	\$203,693
Ken Olisa ⁽⁴⁾	\$65,000	N/A	\$117,193	—	N/A	—	\$182,193
Stephen Sadler ⁽⁵⁾	\$42,500	N/A	\$117,193	—	N/A	\$83,800 ⁽⁸⁾	\$243,493
Michael Slaunwhite ⁽⁶⁾	\$76,250	N/A	\$117,193	—	N/A	—	\$193,443
Gail Hamilton ⁽⁷⁾	\$53,750	N/A	\$117,193	—	N/A	—	\$170,943

Notes:

- (1) Grant date fair values are computed in accordance with SFAS 123R. For a detailed description of the assumptions made in the valuation of our stock options, see Note 11 “Share Capital, Option Plan and Share-based Payments” in our Notes to Consolidated Financial Statements, under Item 8 to this Annual Report on Form 10-K.
- (2) As of June 30, 2008 Mr. Fowlie has 84,000 options outstanding.
- (3) As of June 30, 2008 Mr. Jackman has 60,000 options outstanding.
- (4) As of June 30, 2008 Mr. Olisa has 60,000 options outstanding.
- (5) As of June 30, 2008 Mr. Sadler has 284,000 options outstanding.
- (6) As of June 30, 2008 Mr. Slaunwhite has 90,000 options outstanding.
- (7) As of June 30, 2008 Ms. Hamilton has 24,000 options outstanding.
- (8) During Fiscal 2008, Mr. Stephen Sadler, received \$83,800 in consulting fees for assistance with acquisition-related business activities. Mr. Sadler abstained from voting on all transactions from which he would potentially derive consulting fees.

Directors who are salaried officers or employees receive no compensation for serving as directors. Effective January 1, 2008 we amended the compensation arrangements with our non-employee directors; the material terms of these arrangements are as follows:

Description	Amount and Frequency of Payment
Annual retainer fee payable to each non-employee director	\$40,000 per director payable at the beginning of the calendar year.
Annual Independent Lead Director fee payable to the Independent Lead Director	\$10,000 payable at the beginning of the calendar year.
Annual Audit Committee retainer fee payable to each member of the Audit Committee	\$25,000 per year payable @ \$6,250 at the beginning of each quarterly period.

Annual Audit Committee Chair retainer fee payable to the Chair of the Audit Committee	\$10,000 per year payable @ \$2,500 at the beginning of each quarterly period.
Annual Compensation Committee retainer fee payable to each member of the Compensation Committee	\$10,000 per year payable @ \$2,500 at the beginning of each quarterly period.
Annual Compensation Committee Chair retainer fee payable to the Chair of the Compensation Committee	\$8,000 per year payable @ \$2,000 at the beginning of each quarterly period.
Annual Corporate Governance Committee retainer fee payable to each member of the Corporate Governance Committee	\$7,000 per year payable @ \$1,750 at the beginning of each quarterly period.
Annual Corporate Governance Committee Chair retainer fee payable to the Chair of the Corporate Governance Committee	\$6,000 per year payable @ \$1,500 at the beginning of each quarterly period.

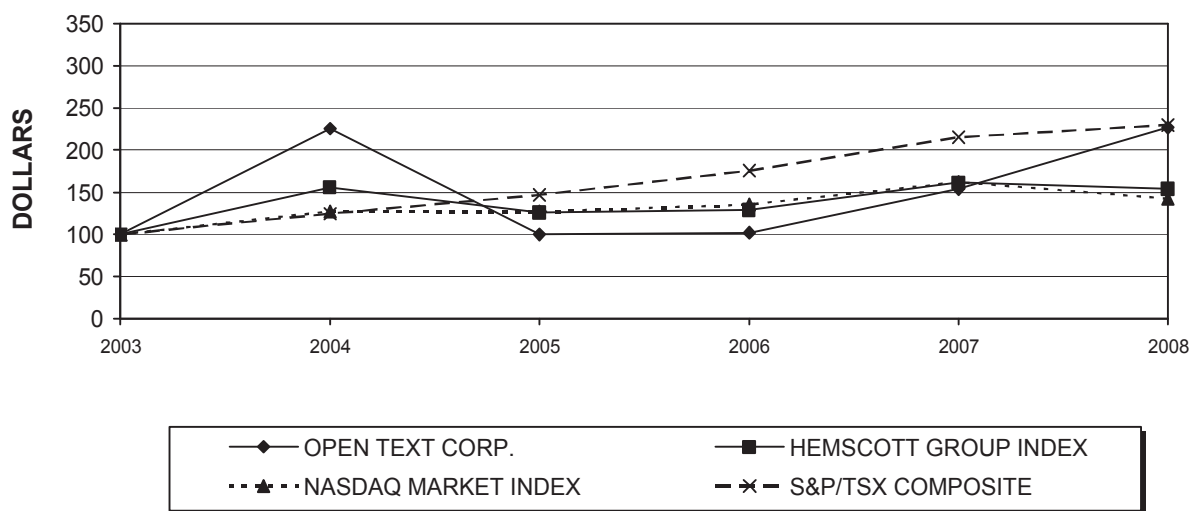
For the period July 1, 2007 to December 31, 2007, our non-employee directors received \$1,250 for each meeting attended, including committee meetings, except Audit Committee members who received \$1,875 for each Audit Committee meeting attended.

In Fiscal 2008, our non-employee directors each received 12,000 options to acquire our Common Shares (Fiscal 2007 – 12,000 options).

Performance Graph

The following graph compares for each of the five fiscal years ended June 30, 2008, the yearly percentage change in the cumulative total shareholder return on our Common Shares with the cumulative total return on the Hemscott, Inc. (formerly Coredata Group Internet Software and Services Index, the “Hemscott Index”), the NASDAQ Market Index and the S&P/TSX Composite Index (the “S&P/TSX Index”). The graph illustrates the cumulative return on a \$100 investment in Common Shares made on June 30, 2003 as compared with the cumulative return on a \$100 investment in the Hemscott Index, the NASDAQ Market Index and the S&P/TSX Index made on June 30, 2003. Dividends declared on securities comprising the respective indices are assumed to be reinvested. The performance of our Common Shares, as set out in the graph is based upon historical data and is not indicative of, nor intended to forecast, future performance of our Common Shares.

**COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN
AMONG OPEN TEXT CORPORATION,
NASDAQ MARKET INDEX AND HEMSCOTT GROUP INDEX**



ASSUMES \$100 INVESTED ON JUNE 30, 2003
ASSUMES DIVIDENDS REINVESTED
FISCAL YEAR ENDED JUNE 30, 2008

The chart below provides information with respect to the value of \$100 invested on June 30, 2003, in our Common Shares as well as in the other Indices, assuming dividend reinvestment when applicable:

	June 30,					
	2003	2004	2005	2006	2007	2008
Open Text Corporation	100.0	225.44	100.07	102.05	153.78	226.86
Hemscott Index.....	100.0	155.94	126.38	129.14	161.41	154.25
NASDAQ Market Index	100.0	127.18	127.04	135.21	162.10	142.32
S&P/TSX Composite.....	100.0	124.49	146.77	175.52	215.34	229.79

Directors' and Officers' Liability Insurance

The Company maintains directors' and officers' liability insurance for its directors and officers. The current policies have an aggregate limit of \$38,500,000 and run for the period from July 1, 2008 to July 1, 2009. The Company paid a premium of \$676,000 (plus tax) for these policies. Protection is provided to directors and officers for alleged wrongful acts or omissions done or committed during the course of their duties or capacity as such. Under the insurance coverage, the Company is reimbursed for payments which it is required or permitted to make to its directors and officers to indemnify them, subject

to a \$500,000 deductible for non-securities related claims and a \$1,000,000 deductible for securities related claims.

Indebtedness of Directors and Executive Officers

The Company does not grant loans to the directors and executive officers of the Company or their respective associates. As at October 31, 2008, and during Fiscal 2008, none of the directors or executive officers of the Company or their respective associates were indebted to the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors and senior management of the Company consider good corporate governance to be central to the effective operation of the Company. As part of the Company's commitment to effective corporate governance, the Board of Directors, with the assistance of the Corporate Governance and Nominating Committee, monitors changes in legal requirements and best practices.

Set out below is a description of certain corporate governance practices of the Company, as required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

Board of Directors

The National Policy recommends that boards of directors of reporting issuers be composed of a majority of independent directors. With six of nine directors considered independent, the Board of Directors is composed of a majority of independent directors. The six independent directors are: Ms. Hamilton and Messrs. Fowlie, Emerson, Jackman, Olisa and Slaunwhite. Three directors have material relationships with the Company and are therefore not independent. Mr. Jenkins, Executive Chairman and Chief Strategy Officer of the Company, and Mr. Shackleton, President and Chief Executive Officer of the Company, are considered to have a material relationship with the Company by virtue of their executive officer positions. Mr. Sadler is considered to have a material relationship with the Company by virtue of receiving approximately \$84,000 during Fiscal 2008 (\$420,000 and \$37,000 for the financial years ended July 31, 2007 and 2006, respectively) in direct compensation from the Company in a 12-month period during the last three years in connection with consulting services rendered relating to acquisition activities.

The Company has taken steps to ensure that adequate structures and processes are in place to permit the Board of Directors to function independently of management. The directors hold in camera sessions of the independent directors without management present at each meeting of the Board of Directors. In addition, because the Executive Chairman is not an independent director, the Company has appointed Mr. Fowlie as Lead Director in order to ensure appropriate leadership for the independent directors. As Lead Director, he is responsible for: assisting the Executive Chairman in ensuring that the Board carries out its responsibilities effectively; assisting the Executive Chairman in fulfilling his duties; and ensuring that the relationship between the Board and management is conducted in a professional and constructive manner. In addition, and to ensure independence from management, directors who are not independent are requested to withdraw, where appropriate, from meetings of the Board and similarly from any meetings of Board Committees to which they may be invited. The Company has adopted a policy that all transactions between the Company and its officers, directors and affiliates will be approved by a majority of the "independent" members of the Board of Directors, as defined in NASDAQ Rule 4200.

The Company and the Board of Directors recognize the significant commitment involved in being a member of the Board of Directors. Accordingly, the Company's Code of Business Conduct and Ethics requires directors to notify the Executive Chairman prior to serving on another corporate board of directors or board of directors of any governmental advisory or charitable organization. The Corporate Governance and Nominating Committee is responsible for evaluating whether continued membership on the Board of Directors is appropriate. Currently, the following directors (or director nominee) serve on the boards of directors of other public companies as listed below.

Director	Public Company Board Membership
P. Thomas Jenkins	BMC Software Inc.
H. Garfield Emerson	First Calgary Petroleums Ltd. CAE Inc. Canadian Tire Corporation, Limited Sentry Select Capital Corp.
Gail Hamilton	Ixia Arrow Electronics Surgient, Inc.
Brian Jackman	PCTEL, Inc. Keithley Instruments, Inc.
Ken Olisa	Thompson Reuters Group Eurasian Natural Resources Company
Stephen Sadler	Enghouse Systems Limited Belzberg Technologies Inc.
Katharine B. Stevenson	CAE Inc. OSI Pharmaceuticals, Inc.

Between July 1, 2007 and November 7, 2008, the Board of Directors and its committees held the following number of meetings:

	Year ended June 30, 2008	July 1 – November 7, 2008	Total
Board of Directors.....	9	3	12
Audit Committee.....	15	5	20
Compensation Committee.....	5	2	7
Corporate Governance and Nominating Committee	6	2	8

The attendance of the directors at such meetings was as follows:

Director	Board Meetings Attended	Committee Meetings Attended
P. Thomas Jenkins	12	N/A
John Shackleton	12	N/A
H. Garfield Emerson ⁽¹⁾	1	N/A
Randy Fowlie	12	28
Gail Hamilton	12	7
Brian Jackman	12	28
Ken Olisa	12	15
Stephen Sadler	10	N/A
Michael Slaunwhite	12	20

Note:

(1) H. Garfield Emerson was appointed to the board on August 26, 2008 and attended meetings after that date.

Board Mandate

The Board of Directors is responsible for the overall stewardship of the Company. The Board discharges this responsibility directly and through delegation of specific responsibilities to committees of the Board, the Executive Chairman and Lead Director, and officers of the Company, all as more particularly described in the Board Mandate adopted by the Board of Directors.

As set out in the Board Mandate, the Board of Directors has established three committees to assist with its responsibilities: Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. Each committee has a charter defining its responsibilities. The Board of Directors does not have an executive committee.

The Board Mandate is attached as Schedule “B”.

Position Descriptions

The Board of Directors has developed position descriptions for the Lead Director and for the Chair of each committee of the Board of Directors. The Board of Directors has also developed a position description for the Chief Executive Officer.

Orientation and Continuing Education

Responsibility for orientation programs for new directors is assigned to the Corporate Governance and Nominating Committee. In this regard, the Corporate Governance and Nominating Committee's duties include ensuring the adequacy of the orientation and education program for new members of the Company's Board of Directors. The Executive Chairman reviews with each new member (i) certain information and materials regarding the Company, including the role of the Board of Directors and its committees and (ii) the legal obligations of a director of the Company.

The Corporate Governance and Nominating Committee is also responsible for arranging continuing education for directors in order to ensure that directors maintain the skill and knowledge necessary to meet their obligations as directors. Directors are allocated a continuing education budget so that they may increase their knowledge and skills by enrolling in courses or seminars of their own choosing.

Ethical Business Conduct

The Board of Directors approved the Code of Business Conduct and Ethics of the Company (the "Code") on July 27, 2005. The Code sets out in detail the core values and the principles by which the Company is governed and addresses topics such as: honest and ethical conduct and conflicts of interest; compliance with applicable laws and Company policies and procedures; public disclosure and books and records; use of corporate assets and opportunities; confidentiality of corporate information; reporting responsibilities and procedures; and non-retaliation.

The Company has an Ethics Committee and a Compliance Officer which are together responsible for communicating the Code to directors, officers and employees and assisting the Corporate Governance and Nominating Committee in administering the Code. The Ethics Committee monitors compliance with the Code by employees who are not directors or officers of the Company. The Corporate Governance and Nominating Committee monitors overall compliance with the Code with specific responsibility for compliance by directors and officers of the Company, provided that all issues and concerns specifically related to accounting, internal financial controls and/or auditing will be reviewed and forwarded to the Audit Committee. The Code is available on the Company's website and has been filed on and is accessible through SEDAR at www.sedar.com.

The Board of Directors and the Audit Committee have established a Whistleblower Policy to encourage employees, officers and directors to raise concerns regarding matters covered by the Code (including accounting, internal controls or auditing matters) on a confidential basis free from discrimination, retaliation or harassment.

In addition, in order to ensure independent judgement in considering transactions/agreements in which a director/officer has a material interest, all related party transactions are approved by the independent directors and all payments under related party transactions are approved by the Audit Committee.

Equity Ownership Guidelines

The Board of Directors approved equity ownership guidelines (the “Guidelines”) applicable to both non-executive directors of the Company (“Non-Executive Director”) and to the Chief Executive Officer and Executive Chairman on August 29, 2006. The objective of the voluntary Guidelines is to encourage each Non-Executive Director and the Chief Executive Officer and Executive Chairman to voluntarily buy and hold stock representing a meaningful investment in the Company. The Company believes that equity ownership by these Non-Executive Directors helps to align their interests with the financial interests of the shareholders of the Company, create ownership focus and build long-term commitment.

The investment target for the Non-Executive Directors is an investment target of a minimum of 2,000 Common Shares by the end of two years, starting September 1, 2006, or two years after such individual becomes a director of the Company, whichever is later. Shares of Company stock issued and held pursuant to exercised stock options shall be counted towards compliance with the Guidelines. For the purposes of the Guidelines, a Non-Executive Director is deemed to hold all securities over which he/she is the registered or beneficial owner thereof and “beneficial owner” includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares (i) voting power which includes the power to vote, or to direct the voting of, such security; and/or (ii) investment power which includes the power to dispose, or to direct the disposition of, such security. For greater certainty, “beneficial owner” includes any person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement, or device whereby the Non-Executive Director may be divested of beneficial ownership of a security.

See “*Executive Compensation – Other Information With Respect to Our Compensation Program – Share Ownership Guidelines*” for a description of the guidelines applicable to the Chief Executive Officer and the Executive Chairman.

Audit Committee

The Audit Committee is comprised of Messrs. Fowlie (Chair), Jackman, and Slaunwhite, all of whom are independent and financially literate for purposes of Multilateral Instrument 52-110 – Audit Committees, as well as pursuant to the Listing Standards of NASDAQ and U.S. federal securities legislation. The Board of Directors has determined that Mr. Fowlie qualifies as an “audit committee financial expert” as such term is defined in Securities and Exchange Commission Regulation S-K, Item 401(h) and NASD Rule 4350. The responsibilities, power and operation of the Audit Committee are set out in the Audit Committee Charter, a copy of which is available on the Company’s website, www.opentext.com. The Company’s Form 10-K is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Nomination of Directors

The Corporate Governance and Nominating Committee is comprised of Messrs. Jackman (Chair), Fowlie and Olisa, all of whom are independent. The responsibilities, powers and operation of the Corporate Governance and Nominating Committee are set out in the committee charter, a copy of which is available on the Company’s website, www.opentext.com.

As described in its charter, the Corporate Governance and Nominating Committee is responsible for, among other things, identifying and evaluating director candidates to the Board of Directors and recommending nominees for the Board of Directors.

Compensation

The Compensation Committee is comprised of Mr. Olisa (Chair) and Ms. Hamilton, all of whom are independent. The responsibilities, powers and operation of the Compensation Committee are set out in the committee charter, a copy of which is available on the Company's website, www.opentext.com.

As described in its charter, the Compensation Committee is responsible for, among other things, reviewing and recommending the form and adequacy of compensation arrangements for executive officers, having regard to associated risks and responsibilities, including administering the Company's stock option plans.

As discussed above in "Report on Executive Compensation", the Compensation Committee obtains executive compensation data from third party providers of compensation data in the technology sector.

Further information regarding the activities and recommendations of the Compensation Committee is provided in the Report on Executive Compensation.

Assessments

The Corporate Governance and Nominating Committee is responsible for assessing the effectiveness of the Board as a whole and the committees of the Board. Each director is required to complete, on an annual basis, a written evaluation with respect to: (i) the performance of the Board of Directors; (ii) the performance of committees; and (iii) the contributions of other directors to the Board of Directors and its committees. The Corporate Governance and Nominating Committee reviews the evaluations with the Executive Chairman and the Lead Director. The results of the evaluations are summarized and presented to the full Board of Directors. In addition, the Executive Chairman or the Lead Director, as appropriate, reviews with each director that director's peer evaluation findings.

Additional Information

A copy of this Circular has been sent to each director of the Company, to the applicable regulatory authorities, to each shareholder entitled to notice of the Meeting and to the auditors of the Company. Upon request to the Secretary of the Company, the Company will send to the person or company making such request, at a nominal charge, and in the case of a shareholder, without charge, a copy of:

1. the Company's current Annual Information Form, together with one copy of any document, or the pertinent pages of any document, incorporated by reference therein;
2. the most recently filed comparative consolidated financial statements of the Company, together with the management's discussion and analysis of such financial results and the auditor's report thereon, and any interim financial statements of the Company that have been filed for any period after the end of its most recently completed financial year; and
3. this Circular.

Financial information for the Company's most recently completed fiscal year, being June 30, 2008, is provided in the Company's financial statements for the year ended June 30, 2008, and management's discussion and analysis of such financial results.

Additional information relating to the Company is available on SEDAR at www.sedar.com.

General

Unless otherwise stated, information contained herein is given as of the date hereof. The final date by which the Company must receive a proposal for any matter that a person entitled to vote at an annual meeting proposes to raise at the next annual meeting is September 11, 2009.

The Board of Directors of the Company has approved the contents and the sending of this Circular.

DATED as of the 7th day of November, 2008.

(signed) John Trent
Secretary

SCHEDULE "A"

RESOLUTION APPROVING AMENDMENTS TO THE 2004 STOCK OPTION PLAN OF OPEN TEXT CORPORATION (THE "COMPANY")

WHEREAS the Board of Directors has approved amendments to the Company's 2004 Stock Option Plan (the "Plan") as described in the Company's management information circular dated November 7, 2008 (the "Circular"), subject to the approval of the holders of common shares (the "Common Shares") on the basis set out in the Circular;

NOW BE IT RESOLVED THAT:

1. The amendments to the Plan to (a) further restrict the grant of options that may be made under the Plan to, and other share compensation arrangements of the Company that may be entered into with, non-executive directors of the Company; (b) reserve for issuance an additional 1,000,000 Common Shares under the Plan; and (c) specify that amendments to the provisions governing amendment of the Plan must be approved by the holders of Common Shares, all as more particularly described under the heading "Amendment of the 2004 Stock Option Plan" in the Circular, are hereby approved.
2. Any one officer or director of the Company is authorized to do all such acts and things and to execute such other documents, whether under the corporate seal of the Company or otherwise, that may be necessary to give effect to these resolutions.

SCHEDULE “B”

Open Text Corporation (the “Company”)

BOARD MANDATE

As amended by the Board of Directors
on August 18, 2008

1) PURPOSE

The primary function of the Board of Directors (the “Board”) of the Company is to supervise the management of the business and affairs of the Company. The Board, directly and through its committees and its Chair (and, if applicable, its Lead Director), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Company.

2) COMPOSITION

Matters concerning the membership and organization of the Board (including: the number; qualifications and remuneration of directors; residency requirements; quorum requirements; and appointment of a Chair) are as established by the Company’s governing statute and the by-laws and resolutions of the Company.

At least annually, the Board shall, with the assistance of the Committees of the Board, determine: (i) the independence of each director based on the definition of independence contained in the Listing Standards of NASDAQ and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”); (ii) the independence of each Audit Committee member based on the definition of independence contained in the Listing Standards of NASDAQ and Multilateral Instrument 52-110 – *Audit Committees* (“MI 52-110”); and (iii) the “financial literacy” of each Audit Committee member based on the definition of financial literacy contained in the Listing Standards of NASDAQ and MI 52-110.

At least a majority of the directors shall be independent as determined above, and if at any time less than a majority of directors is independent, the Board shall consider possible steps and processes to facilitate its exercise of independent judgment in carrying out its responsibilities.

If at any time the Chair of the Board is not independent, the Board shall appoint an independent director as a Lead Director and consider other possible steps and processes to ensure that independent leadership is provided for the Board.

At least annually, the Board, with the assistance of the Corporate Governance and Nominating Committee, shall assess the current composition, organization and effectiveness of the Board as a whole and the committees of the Board in light of applicable requirements, including considering the appropriate size of the Board and its committees.

3) RESPONSIBILITIES AND DUTIES

The Board shall have the functions and responsibilities set out below and may delegate any such responsibilities to a Committee of the Board. In addition to these functions and responsibilities, the Board

shall perform such duties as may be required by the requirements of any stock exchanges on which the Company's securities are listed and all other applicable laws.

- (a) **Ethics and Integrity** – The Board shall: (i) review the recommendations of the Corporate Governance and Nominating Committee and, where appropriate, the Ethics Committee, regarding any violations of the Code of Business Conduct and Ethics by employees, directors or officers; (ii) satisfy itself as to the integrity of the Chief Executive Officer and other executive officers; and (iii) satisfy itself that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization.
- (b) **Strategic Planning** – The Board shall periodically review and, if advisable, approve the Company's strategic planning process and short- and long-term strategic and business plans prepared by management. In discharging this responsibility, the Board shall review the plan in light of management's assessment of emerging trends, the competitive environment, risk issues, and significant business practices and products. At least annually, the Board shall review management's implementation of the Company's strategic and business plans. The Board shall review and, if advisable, approve any material amendments to, or variances from, these plans.
- (c) **CEO Position Description** – The Board shall develop and approve a position description for the Company's Chief Executive Officer that includes the roles and responsibilities of the Chief Executive Officer and the basis upon which the Chief Executive Officer is to interact with and report to the Board.
- (d) **Risk Management** – The Board shall periodically review reports provided by management on the risks inherent in the business of the Company, the appropriate degree of risk mitigation and the effectiveness of the Company's risk management policies.
- (e) **Human Resources** – The Board shall periodically review the Company's approach to human resource management and executive compensation.
- (f) **Succession Planning** – The Board shall review succession plans for the Chair of the Board, the Chief Executive Officer and senior management of the Company.
- (g) **Corporate Governance** – The Board shall periodically: (i) review the Company's approach to corporate governance; and (ii) evaluate the Board's ability to act independently from management in fulfilling its duties.
- (h) **Financial Information** – The Board shall, with the assistance of the Audit Committee, periodically review reports provided by management on: (i) the Company's internal controls relating to financial information and material deficiencies in, or material changes to, these controls; and (ii) the integrity of the Company's financial information and systems, management's assertions as to the effectiveness of internal controls and disclosure controls and related procedures. The Board shall decide all matters relating to earnings guidance.
- (i) **Communications** – The Board shall periodically review the Company's overall communications strategy, including measures for receiving and addressing feedback from the Company's shareholders.
- (j) **Disclosure** – The Board shall periodically review management's compliance with the Company's Disclosure Policy. The Board shall, if advisable, approve material changes to the Company's Disclosure Policy.
- (k) **Director Development and Evaluation** – The Board shall monitor and ensure the adequacy of the orientation and continuing education program for members of the Board. The Executive Chairman shall review with each new member: (i) certain information and materials regarding the

Company, including the role of the Board and its Committees; and (ii) the legal obligations of a director of the Company. Directors shall be allocated a continuing education budget so that they may increase their knowledge and skills.

- (l) **Conflicts of Interest** - The Board shall monitor and review any conflicts of interest involving a director and the Board shall follow the following guidelines regarding possible or actual conflicts of interest: (1) it is the responsibility of each director to bring to the attention of the Chair of the Corporate Governance and Nominating Committee potential conflicts of interest as soon as they are recognized; (2) if there is a question as to whether or not there is a conflict, it should be referred to the Corporate Governance and Nominating Committee for resolution; (3) if the director with a conflict of interest has come into possession of Company materials relevant to the conflict of interest, the materials must be returned or destroyed promptly; (4) the director with a conflict of interest shall not participate in any Board or committee discussions pertinent to the conflict nor should the director vote on any resolutions regarding such conflict; and (5) once a conflict has been identified, the Company shall take necessary steps to protect the confidentiality of its information.

4) COMMITTEES OF THE BOARD

- (a) **Committees Established** – The Board has established an Audit Committee, a Compensation Committee, a Corporate Governance and Nominating Committee and an Advisory Committee. The Board may establish other Board committees or, subject to applicable law, merge or dispose of existing Board committees.
- (b) **Committee Charters** – The Board has approved charters for the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. Each charter shall be reviewed periodically and at least annually, and based on recommendations of the relevant committee and the Chairman of the Board, be approved by the Board together with such updates as are considered appropriate.
- (c) **Position Descriptions for Committee Chairs** – Each Chair of a committee shall be responsible for developing and implementing the annual work plan of the committee and for communicating with management, the Board and independent advisors, where required, as well as for overseeing the process, duties and responsibilities, reporting and any other functions set out in the committee's charter.
- (d) **Delegation to Committees** – The Board has delegated for approval or review the matters set out in each Board committee's charter and may further delegate matters to such committees from time to time. As required, the Board shall consider for approval the specific matters delegated for review to Board committees.
- (e) **Committee Reporting to Board** – To facilitate communication between the Board and its committees, each committee Chair shall provide a report to the Board on material matters considered by the committee at the next Board meeting after each meeting of the committee.

5) MEETINGS

- (a) **General** — The rules and regulations relating to the calling and holding of and proceedings at meetings of the Board shall be those established by the Company's governing statute and the by-laws and resolutions of the Company.
- (b) **Secretary and Minutes** — The Corporate Secretary, his or her designate or any other person the Board requests, shall act as secretary of Board meetings. Minutes of Board meetings shall be

recorded and maintained by the Corporate Secretary and subsequently presented to the Board for approval.

- (c) **Meetings of Independent Directors** — The Board shall hold scheduled meetings, or portions of regularly scheduled meetings, of the independent directors at which members of management are not present at the beginning of each meeting of the Board and from time to time as otherwise necessary.
- (d) **Attendance and Preparedness** — Directors are expected to attend regularly scheduled meetings of the Board and of the shareholders and to have prepared for the meetings by, at a minimum, reviewing in advance of the meeting the materials delivered in connection with the meeting. The attendance record of individual directors at meetings of the Board will be disclosed in the Company's proxy circular as required by applicable law.

6) ACCESS TO INFORMATION AND PERSONNEL

In its discharge of the foregoing duties and responsibilities, the Board shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to officers of the Company and to the relevant books, records and systems of the Company as considered appropriate.

7) INDEPENDENT ADVICE

The Board may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management, at the expense of the Company, as it may from time to time deem necessary or advisable for its purposes.

8) BOARD REVIEW OF MANDATE

The Board shall, with the assistance of the Secretary, the Lead Director and the Corporate Governance and Nominating Committee, review and, as necessary, revise this Mandate annually.

In accordance with NI 58-101, the text of this mandate shall be included in the Company's management proxy circular for each annual meeting of the Company's shareholders.

This Mandate is intended as a component of the flexible governance framework within which the Board of Directors, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Articles and By-Laws, it is not intended to establish any legally binding obligations.

SCHEDULE "C"

OPEN TEXT CORPORATION

2004 STOCK OPTION PLAN

As amended December 9, 2008

1. PURPOSE OF THE PLAN

1.1 This 2004 Stock Option Plan has been established by the Company to provide long-term incentives to attract, motivate and retain certain key employees, officers and directors of, and consultants providing services to, the Company.

2. DEFINITIONS

2.1 In this Plan, the following terms have the following meanings:

"Affiliate" has the meaning ascribed to that term in the *Securities Act* (Ontario);

"Applicable Law" means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and Stock Exchange Rules;

"Associate" has the meaning ascribed to that term in the *Securities Act* (Ontario);

"Board" means the board of directors of the Company;

"Business Day" means any day other than a Saturday, a Sunday or a statutory holiday observed in the Province of Ontario;

"Company" means Open Text Corporation, its subsidiaries and their respective successors and assigns, and any reference in the Plan to action by the Company means action by or under the authority of the Board or any person or the Committee that has been designated for that purpose by the Company;

"Committee" means a committee, if any, created by the Board to administer the Plan pursuant to the provisions contained herein;

"Consultant" means a person providing on-going services to the Company excluding, for greater certainty, a Director of the Company;

"Date of Grant" of an Option means the date the Option is granted to a Participant under the Plan;

"Designated Number" has the meaning ascribed to it in Subsection 3.2(a) hereof;

"Designated Percentage" has the meaning ascribed to it in Subsection 3.2(c) hereof;

"Director" means a member of the Board;

"Earliest Exercise Date" has the meaning ascribed to it in Subsection 3.2(d) hereof;

"Effective Date" means the 26th day of October 2004, when this Plan was approved by the Board;

"Eligible Employee" has the meaning ascribed to it in Section 3.1 hereof;

"Exercise Notice" has the meaning ascribed to it in Subsection 3.5(a) hereof;

"Expiry Time" means, in relation to an Option, 5:00 p.m. (Toronto time) on the Latest Exercise Date;

"Insider" means:

- (i) an insider as defined in the *Securities Act* (Ontario), other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Company; and
- (ii) an Associate of any person who is an insider by virtue of (i), above;

"ISO" has the meaning ascribed to it in Section 9.1 hereof;

"Latest Exercise Date" has the meaning ascribed to it in Subsection 3.2(e) hereof;

"Market Price" on any date means, in respect of the Shares, the closing price of the Shares on the trading day immediately preceding such date on the quotation system or stock exchange on which the greatest volume of trading of Shares has occurred on that trading day;

"Non-Executive Director" means any Director of the Company who is not an employee or officer of the Company or any Affiliate;

"Offeror" or **"offeror"** has the meaning ascribed to that term in the *Securities Act* (Ontario);

"Option" means a right granted under the Plan to a Participant to purchase Shares in accordance with the Plan;

"Option Price" has the meaning ascribed to it in Subsection 3.2(b) hereof;

"Option Year" in respect of an Option means the year commencing on the Earliest Exercise Date of the Option or on any anniversary of such date, and ending prior to or on the Latest Exercise Date;

"Original Security" has the meaning ascribed to it in Section 5.5 hereof;

"Outstanding Issue" means the aggregate number of Shares that are outstanding immediately prior to the Share issuance in question, excluding Shares which have been issued pursuant to Share Compensation Arrangements within the preceding one year period;

"Participant" means an Eligible Employee who has agreed to participate in the Plan on such terms as the Company may specify at the time he or she is designated as an Eligible Employee;

"Plan" means this 2004 Stock Option Plan, as amended and restated from time to time;

"Replacement Security" has the meaning ascribed to it in Section 5.5 hereof;

"Shares" means common shares of the Company, and include any shares of the Company into which such shares may be converted, reclassified, subdivided, consolidated, exchanged or otherwise changed, whether pursuant to a reorganization, amalgamation, merger, arrangement or other form of reorganization;

"Share Compensation Arrangement" means a stock option, stock option plan, stock purchase plan where the issuer provides financial assistance or matches the whole or a portion of the purchase price of the securities being purchased, stock appreciation rights involving the issuance of securities from treasury, or any other compensation or incentive mechanism involving the issuance or potential issuance of securities to one or more an employee, Insider or Consultant of the Company or any Affiliate, including a share purchase from treasury which is financially assisted by the Company by way of a loan, guaranty or otherwise;

"Stock Exchange Rules" means the applicable rules of any stock exchange or quotation system upon which shares of the Company are listed or quoted, as applicable;

"Take-over Bid" means a take-over bid, as defined in the *Securities Act* (Ontario), which is a "formal bid" as defined in such Act, and which is made for all of the issued and outstanding Shares in the capital of the Company and may exclude (i) those Shares in the capital of the Company which are then owned by the offeror under such Take-over Bid, and/or (ii) those Shares in the capital of the Company which the offeror under such Take-over Bid then otherwise has, directly or indirectly, the right to acquire.

"Unexercisable Shares" has the meaning ascribed to it in Subsection 3.5(b) hereof;

"US Optionee" has the meaning ascribed to it in Section 9.1 hereof;

"Value" on any date means the amount of the expense associated with the grant of an Option or Share Compensation Arrangement, as applicable, as determined in accordance with United States generally accepted accounting principles (as determined in accordance with the Black-Scholes option pricing model) and reflected in the financial statements of the Company; and

"Vesting Date" has the meaning ascribed to it in Subsection 3.2(c) hereof.

2.2 In this Plan, unless the context requires otherwise, references to the male gender include the female gender, words importing the singular number may be construed to extend to and include the plural number, and words importing the plural number may be construed to extend to and include the singular number.

3. GRANT OF OPTIONS AND TERMS

3.1 The Company may, from time to time, designate one or more *bona fide* full-time employees of the Company, Consultants or Directors as "Eligible Employees" for the purposes of the Plan. If such a person agrees to participate in the Plan on such terms as the Company may specify at the time he or she is designated as an Eligible Employee, he or she shall become a Participant in the Plan.

3.2 The Company may, from time to time, grant an Option to a Participant to acquire Shares in accordance with the Plan. In granting such Option, subject to the provisions hereof, the Company shall designate,

- (a) the maximum number (the "Designated Number") of Shares which the Participant may purchase under the Option;
- (b) the price (the "Option Price") per Share at which the Participant may purchase his or her Shares under the Option, which price shall be determined by the Company in accordance with Section 3.3 hereof;
- (c) a percentage of the Designated Number (the "Designated Percentage"), determined in accordance with Section 3.4 hereof, representing the maximum number of Shares that may be purchased by a Participant pursuant to the exercise of that Option in each year during the term of such Option, and the date after which such Shares may be purchased (the "Vesting Date"); provided that if a Participant exercises an Option and purchases fewer Shares than the Designated Percentage in any year during the term of the Option, any remaining portion of the Designated Percentage of Shares shall be available for purchase at any time subsequent to the Vesting Date for such Option and prior to the Expiry Time, in addition to Shares otherwise becoming available to the Participant for purchase after any subsequent Vesting Date.
- (d) the earliest date (the "Earliest Exercise Date") on which the Option may be exercised, which may be the Date of Grant;
- (e) the latest date (the "Latest Exercise Date") on which the Option may be exercised, which shall be no later than seven (7) years after the Date of Grant, provided that if at any time the Latest Exercise Date should be determined to occur either during a period in which the holder of the Option is restricted from trading in securities of the Company under the insider trading policy or other policy of the Company or within ten Business Days following such a period, the Latest Exercise Date shall be deemed to be the date that is the tenth Business Day following the date of expiry of such period; and
- (f) with respect to Options granted pursuant to Section 9 hereof, whether the Option is intended to constitute an ISO.

3.3 The Option Price in respect of an Option shall be determined by the Company, but shall be not less than the Market Price of the Company's Shares on the Date of Grant of the Option provided that if the Shares are not then traded on a stock exchange or on a quotation system, the Option Price shall be the fair market value of the Shares as determined in good faith by the Board.

3.4 The Designated Percentage in respect of an Option shall be determined by the Company in its sole discretion, however, if the Company does not specify otherwise, then the Designated Percentage shall be twenty-five percent (25%).

3.5 If a Participant should die and the circumstances specified in Section 3.6 had not occurred in relation to such Participant and such Participant, at the time of his or her death, held an Option(s) in respect of which the Expiry Time had not then occurred:

- (a) in the case of each Option so held by the deceased Participant which had vested and was exercisable with respect to some or all of the Shares forming the subject matter thereof as at the date of the death of the deceased Participant, the legal representatives of the deceased Participant shall be entitled to send a notice in writing (an "Exercise Notice") to the Company advising that they wish to exercise such Option which notice, to be effective, must be actually received by the Company by no later than the earlier of 5:00 p.m. (Toronto time) on the date which is the 180th day following the date of the death of such deceased Participant and the Expiry Time, and must specify the number of Shares in respect of which such Option is wished to be exercised (provided that such exercise can only be in respect of up to that number of Shares that the deceased Participant could have exercised such Option as at the date of his or her death, subject to Subsection 3.5(b) hereof). In the event that:
 - (i) an effective Exercise Notice is actually received by the Company by no later than the earlier of 5:00 p.m. (Toronto time) on the date which is the 180th day following the date of the death of such deceased Participant and the Expiry Time, then the Company shall issue to the estate of the deceased Participant that number of Shares as were specified in the Exercise Notice (provided that the maximum number of Shares which can be issued shall not exceed that number of Shares for which the deceased Participant could have exercised such Option as at the date of his or her death, subject to Subsection 3.5(b) hereof), which issuance shall occur as soon as practicable thereafter. If the Exercise Notice so received is in respect of less than the maximum number of Shares for which the deceased Participant could have exercised such Option as at the date of his or her death, such Option shall, subject to Subsection 3.5(b) hereof, in all respects cease and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which such Option had not been previously exercised; and
 - (ii) an effective Exercise Notice is not actually received by the Company by the earlier of 5:00 p.m. (Toronto time) on the date which is the 180th day following the date of the death of such deceased Participant and the Expiry Time, such Option shall, subject to Subsection 3.5(b) hereof, in all respects cease and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which such Option had not been previously exercised;
- (b) in the case of each Option so held by the deceased Participant which:
 - (i) was not vested and was not exercisable with respect to all of the Shares forming the subject matter thereof as at the date of the death of the deceased Participant; and/or
 - (ii) was not exercised on or prior to the earlier of 5:00 p.m. (Toronto time) on the date which is the 180th day following the death of such deceased Participant and the Expiry Time with respect to all of the Shares in respect of which it could have been exercised as at the date of the death of the deceased Participant,

(the Shares in respect of which such Option was then not exercisable or exercised being collectively referred to in this Subsection 3.5(b) as the "Unexercisable Shares") such Option may, with the prior written consent of the Company (which consent may be given or withheld by the Company in its sole and arbitrary

discretion), be exercised by the deceased Participant's legal representatives with respect to up to that number of the Unexercisable Shares as the Company may, in its sole and arbitrary discretion, designate and advise such legal representatives of by notice in writing given within one year following the date of the death of the deceased Participant, provided that any such exercise is made by the deceased Participant's legal representatives pursuant to a written notice of exercise given by them to the Company on or prior to the earlier of 5:00 p.m. (Toronto time) on the date which is the 60th day following the giving of such notice by the Company and the Expiry Time and, if such a notice of exercise is given by the legal representatives of the deceased Participant, the Company shall issue to the estate of the deceased Participant that number of Shares as were specified in the notice of exercise, which issuance shall occur as soon as practicable thereafter.

3.6 (a) Except as otherwise provided in subsection 3.6(b) or in a written agreement with the Company, and approved by the Board, if a Participant:

- (i) resigns or is discharged as, or otherwise ceases to be, an employee or officer of the Company; or
- (ii) was engaged as a Consultant and is not an employee or officer of the Company, and such Participant resigns from such engagement, the engagement is terminated or otherwise ceases to be so engaged,

immediately after the earlier of 5:00 p.m. (Toronto time) on the 90th day following the date of the occurrence of any such resignation, discharge, removal or termination other than by reason of death as contemplated in Section 3.5 (and without the requirement for any further act or formality including, without limitation, the giving of any notices) and the Expiry Time each and every Option granted to such Participant under the Plan, which has not been exercised by said time shall in all respects immediately cease and terminate and be of no further force or effect whatsoever as to the Shares in respect of such Option, regardless of whether or not such Option had vested with respect to such Shares.

(b) Except as otherwise provided in a written agreement with the Company, and approved by the Board, if a Participant:

- (i) is discharged or terminated as an employee or officer of the Company for cause; or
- (ii) was engaged as a Consultant and is not an employee or officer of the Company, and the engagement is terminated by the Company for cause or breach of duty,

immediately upon the occurrence of any such discharge, removal or termination other than by reason of death as contemplated in Section 3.5 (and without the requirement of any further act or formality including, without limitation, the giving of any notices) each and every Option granted to such Participant under the Plan, which had not been exercised prior to such occurrence, shall in all respects immediately cease and terminate and be of no further force or effect whatsoever as to Shares in respect of such Options, regardless of whether or not such Option had vested with respect to such Shares.

For greater certainty, the Company shall in its sole and absolute discretion determine whether "cause" or a "breach of duty" exists with respect to a discharge or termination.

3.7 Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect the employment of any Eligible Employee with the Company.

3.8 The Company shall in its sole discretion, subject only to the terms of this Plan, determine the terms of all Options.

4. EXERCISE OF PARTICIPANTS' OPTIONS

4.1 Subject to earlier termination as provided for in Sections 3.5, 3.6 and 6.3, a Participant's Option shall terminate and may not be exercised after the Latest Exercise Date.

4.2 Other than as provided for in Sections 3.5, 3.6 and 6.3, the exercise of an Option under the Plan shall be made by notice to the Company in writing specifying and subscribing for the number of Shares in respect of which the Option is being exercised at that time and accompanied by a certified cheque or other means of cash payment satisfactory to the Company in the amount of the aggregate Option Price for such number of Shares. As of the day the Company receives such notice and such payment, the Participant (or the person claiming through him or her, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and as promptly as possible thereafter shall be delivered a certificate representing that number of Shares.

4.3 Upon the exercise of any Option, the Company shall have the right to require the Participant to remit to the Company an amount sufficient to satisfy all federal, provincial, state and local withholding tax requirements, if any, prior to the delivery of any certificate or certificates for Shares.

4.4 Upon the disposition of any Shares acquired through the exercise of an Option, the Company shall have the right to require the Participant to remit to the Company an amount sufficient to satisfy all federal, provincial, state and local withholding tax requirements, if any, as a condition to the registration of the transfer of such Shares on its books. Whenever payments are to be made under the Plan to the Company in cash or by certified cheque, such payments shall be net of any amount sufficient to satisfy all federal, provincial, state and local withholding tax requirements.

5. MAXIMUM NUMBER OF SHARES TO BE ISSUED UNDER THE PLAN

5.1 The maximum number of Shares which may be issued under Options granted and outstanding pursuant to this Plan by the Company to Participants is 3,800,000.

5.2 No Options shall be granted to any Participant if the total number of Shares issuable to such Participant under this Plan, together with any Shares reserved for issuance to such Participant under options for services or any other stock option plans, would exceed 5% of the then issued and outstanding Shares.

5.3 No Options shall be granted to any Participant if such grant could result, at any time, in:

- (a) the aggregate number of Shares issuable to Insiders at any time and issued to Insiders within the one-year period prior to such time pursuant to Options or other Share Compensation Arrangements exceeding 10% of the then issued and outstanding Shares;

- (b) the aggregate number of Shares reserved for issuance subsequent to December 7, 2006 pursuant to Options granted under this Plan or any other Share Compensation Arrangements in effect as of December 7, 2006 to Non-Executive Directors exceeding 0.75% of the then issued and outstanding Shares;
- (c) the aggregate Value of Options granted under this Plan to, or any other Share Compensation Arrangements entered into with, a Non-Executive Director during any fiscal year of the Company exceeding \$100,000; or
- (d) the issuance to any one Insider and such Insider's Associates, within a one-year period, pursuant to Options or any other stock option plan of an aggregate number of Shares exceeding 5% of the then issued and outstanding Shares.

5.4 If any Option is terminated, cancelled or has expired without being fully exercised, any unissued Shares which have been reserved to be issued upon the exercise of the Option shall become available to be issued upon the exercise of Options subsequently granted under the Plan, provided that any such termination or cancellation of Options shall be conducted in accordance with the Stock Exchange Rules.

5.5 If an Option held by a Participant (an "**Original Security**") is terminated or cancelled (other than pursuant to Article 6), no new Option (a "**Replacement Security**") shall be granted to the Participant prior to the Latest Exercise Date of the Original Security unless the Option Price of the Replacement Security is equal to or greater than the Option Price of the Original Security.

6. ANTI-DILUTION AND TAKE-OVER BID PROVISIONS

6.1 Notwithstanding any other provision of the Plan, in the event of any change in the Shares by reason of any stock dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other form of corporate reorganization whatsoever, an equitable adjustment shall be made to any Options then outstanding and in the Option Price in respect of such Options. Such adjustment shall be made by the Board and, subject to Applicable Law, shall be conclusive and binding for all purposes of the Plan.

6.2 The Company shall not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Share that would, except for the provisions of this Section 6.2, be deliverable upon the exercise of any Option shall be cancelled and not be deliverable by the Company.

6.3 If a Take-over Bid is made, then, notwithstanding Subsections 3.2(c), (d) and (e) hereof, but subject to the other provisions of the Plan, the following shall apply:

- (a) The Company may, in its sole and arbitrary discretion, give its express consent to the exercise of any Options which are outstanding at the time that such Take-over Bid was made regardless of whether such Options have vested in accordance with Subsection 3.2(c).
- (b) If the Company has so expressly consented to the exercise of any Options outstanding at the time that such Take-over Bid was made, the Company shall, immediately after such consent has been given, give a notice in writing (a "Take-over Bid Notice") to each

Participant then holding unexpired Options (whether vested or not) advising of the making of the Take-over Bid and such notice shall provide reasonable particulars of the Take-over Bid and shall specify that the Participant may conditionally exercise all or any portion of any such unexpired Options then held by the Participant in accordance with Subsection 6.3(c) below.

- (c) If a Participant wishes to conditionally exercise any such Option, such exercise shall be made by notice in writing to the Company at any time during the period commencing on the date of the Take-over Bid Notice and ending on the date which is the earlier of the 10th day following the giving of the Take-over Bid Notice and the day immediately preceding the date specified in the Take-over Bid as the last date on which the offer therein provided for may be taken up. Such notice shall specify and conditionally subscribe for the shares (the "Specified Shares") issuable upon conditional exercise of such Option and shall be accompanied by a certified cheque or other means of cash payment satisfactory to the Company in the amount of the aggregate Option Price for such number of Specified Shares. The conditional exercise of the Option and the conditional subscription for the Specified Shares shall be conditional upon: (i) the Participant tendering the Specified Shares into the Take-over Bid, and (ii) the completion of the Take-over Bid on or before the expiry of the Take-over Bid (which shall include the irrevocable obligation of the offeror to take up and pay for all Specified Shares deposited under the Take-over Bid). Provided that, if necessary in order to permit such Participant to participate in the Take-over Bid, the Options so exercised shall be deemed to have been exercised and the issuance of the Specified Shares issuable upon such exercise shall be deemed to have been issued, effective as of the first Business Day immediately prior to the date on which the Take-over Bid was made.
- (d) If, upon the expiry of the applicable Option exercise period specified in Subsection 6.3(c) above, the Take-over Bid is completed and a Participant did not, prior to the expiration of such exercise period, conditionally exercise the entire or any portion of the Option which such Participant could have exercised in accordance with the provisions of this Section 6.3, then, as of and from the expiry of such exercise period, the Participant shall cease to have any further right to exercise such Option, in whole or in part, and each such Option shall be deemed to have expired and shall be null and void.
- (e) In no event shall the Participant be entitled to sell the Specified Shares otherwise than pursuant to a Take-over Bid.

7. LOANS OR GUARANTEES FOR LOANS TO PARTICIPANTS

7.1 Subject to Applicable Law, the Company may, at any time, in its sole discretion, arrange for the Company to make loans or provide guarantees for loans by financial institutions to assist Participants to purchase Shares upon the exercise of the Options so granted and to pay any tax exigible upon exercise of the Options. Such loans shall bear interest at such rates, if any, and be on such other terms as may be determined by the Company, provided however, that the repayment of such loans shall in each case be secured by the Shares purchased with the proceeds of such loans and shall not exceed the term of the Option and the Company shall, in its sole discretion, determine the procedures, documents and other steps necessary or desirable to secure the repayment of such loans with such Shares.

8. ACCOUNTS AND STATEMENTS

8.1 The Company shall maintain records of the details of each Option granted to each Participant under the Plan, including the Date of Grant, Designated Number, the Option Price of each Option, the Vesting Date or Dates, the Latest Exercise Date or Dates, the number of Shares in respect of which the Option has been exercised and the maximum number of Shares which the Participant may still purchase under the Option. Upon request therefore from a Participant and at such other times as the Company shall determine, the Company shall furnish the Participant with a statement setting forth the details of his Options. Such statement shall be deemed to have been accepted by the Participant as correct unless written notice to the contrary is provided to the Company within thirty (30) days after such statement is given to the Participant.

9. OPTIONS GRANTED TO US RESIDENTS OR CITIZENS

9.1 Any Option granted under this Plan to a Participant who is a citizen or resident of the United States (including its territories, possessions and all areas subject to the jurisdiction) (a "U.S. Optionee") may be an incentive stock option (an "ISO") within the meaning of Section 422 of the *Internal Revenue Code of 1986*, as amended, of the United States (the "Code"), but only if so designated by the Company in the agreement evidencing such Option. No provision of this Plan, as it may be applied to a US Optionee, shall be construed so as to be inconsistent with any provision of Section 422 of the Code. Grants of Options to US Optionees which are not ISO's may be granted pursuant to Section 3 hereof. Notwithstanding anything in this Plan contained to the contrary, the following provisions shall apply to ISO's granted to each US Optionee:

- (a) ISO's shall only be granted to US Optionees who are, at the time of grant, officers or key employees;
- (b) the aggregate fair market value (determined as of the time an ISO is granted) of the Shares subject to ISO's exercisable for the first time by a US Optionee during any calendar year under this Plan and all other Stock Option Plans, within the meaning of Section 422 of the Code, of the Company shall not exceed One Hundred Thousand Dollars in US funds (US \$100,000); provided that options for Shares which exceed such aggregate fair market value shall not be void, but shall instead be options which are granted under Section 3 hereof and are not ISOs;
- (c) the Option Price for Shares under each ISO granted to a US Optionee pursuant to this Plan shall be not less than the fair market value of such Shares at the time the Option is granted, as determined in good faith by the Board at such time;
- (d) if any US Optionee to whom an ISO is to be granted under the Plan at the time of the grant of such ISO is the owner of shares possessing more than ten percent (10%) of the total combined voting power of all classes of shares of the Company, then the following special provisions shall be applicable to the ISO granted to such individual:
 - (i) the Option Price (per Share) subject to such ISO shall not be less than one hundred ten percent (110%) of the fair market value of one Share at the time of grant; and
 - (ii) for the purposes of this Section 9 only, the option exercise period shall not exceed five (5) years from the Date of Grant;

- (e) no Option may be granted hereunder to a US Optionee following the expiration of ten (10) years after the date on which this Plan is adopted by the Company or the date on which the Plan is approved by the shareholders of the Company, whichever is earlier; and
- (f) no Option granted to a US Optionee under the Plan shall become exercisable unless and until the Plan shall have been approved by the shareholders of the Company.

10. NOTICES

10.1 Any payment, notice, statement, certificate or other instrument required or permitted to be given to a Participant or any person claiming or deriving any rights through him or her shall be given by:

- (a) delivering it personally to the Participant or to the person claiming or deriving rights through him or her, as the case may be; or
- (b) mailing it postage paid (provided that the postal service is then in operation) or delivering it to the address which is maintained for the Participant in the Company's records.

10.2 Any payment, notice, statement, certificate or instrument required or permitted to be given to the Company shall be given by mailing it postage prepaid (provided that the postal service is then in operation) or delivering it to the Company at the following address:

Open Text Corporation
185 Columbia Street West
Waterloo, Ontario
N2L 5Z5

Attention: Chief Financial Officer

10.3 Any payment, notice, statement, certificate or other instrument referred to in Sections 8.1 or 10.2 hereof, if delivered, shall be deemed to have been given or delivered on the date on which it was delivered or, if mailed (provided that the postal service is then in operation), shall be deemed to have been given or delivered on the second Business Day following the date on which it was mailed.

11. GENERAL

11.1 The Company shall have the power to, without approval by way of resolution of the holders of Shares unless otherwise stated, at any time and from time to time either prospectively or retrospectively, amend, suspend or terminate the Plan or any Option granted under the Plan, provided that:

- (a) any such amendment, suspension or termination is subject to any approvals required under Applicable Law;
- (b) no such amendment, suspension or termination shall be made at any time to the extent such action would materially adversely affect the existing rights of a Participant with respect to any then outstanding Option, as determined by the Company acting in good faith, without his or her consent in writing, except to the extent required by Applicable Law; and

- (c) any such amendment in respect of the following shall become effective only upon approval by way of resolution of the holders of Shares:
- (i) any amendment to the maximum number of Shares specified in Section 5.1 in respect of which Options may be granted under the Plan (other than pursuant to Article 6);
 - (ii) any amendment that would reduce the Option Price at which Options may be granted below the price provided for in Section 3.3 (other than pursuant to Article 6);
 - (iii) any amendment that would allow a Replacement Security to be granted in a manner not currently permitted under Section 5.5;
 - (iv) any amendment that would increase any of the percentage limits in Sections 5.2 or 5.3;
 - (v) any amendment that would increase the maximum term of an Option beyond seven years;
 - (vi) any amendment that would extend the term of any outstanding Option to a date beyond the Latest Exercise Date;
 - (vii) any amendment that would reduce the Option Price of an outstanding Option (other than pursuant to Article 6);
 - (viii) any amendment that would permit assignments to persons not currently permitted under the Plan;
 - (ix) any amendment to the definition of "Eligible Employee" or any defined term used therein that would expand the scope of the term "Eligible Employee"; and
 - (x) any amendment to this Section 11.1.

11.2 Notwithstanding section 11.1, the Company is prohibited from repricing any Option granted under the Plan.

11.3 The Company shall have the power to make such rules and regulations for the administration of this Plan, and to interpret the provisions hereof and of such rules and regulations, as it shall in its sole discretion determine to be appropriate;

11.4 The determination by the Company of any question which may arise as to the interpretation or implementation of the Plan or any of the Options granted hereunder shall be final and binding on all Participants and other persons claiming or deriving rights through any of them.

11.5 The Plan shall enure to the benefit of and be binding upon the Company, its successors and assigns. The interest of any Participant under the Plan or in any Option shall not be transferable or alienable by him or her either by pledge, assignment or in any other manner whatsoever and, during his lifetime, shall be vested only in him or her, but shall thereafter enure to the benefit of and be binding upon the legal personal representatives of the Participant in accordance with the terms hereof.

11.6 The Company's obligation to issue Shares in accordance with the terms of this Plan and any Options granted hereunder is subject to compliance with Applicable Law. As a condition of participating in the Plan, each Participant agrees to comply with all such laws, rules and regulations and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such laws, rules and regulations.

11.7 No Participant shall have any rights as a shareholder in respect of Shares subject to an Option until such Shares have been paid for in full and issued.

11.8 No Participant or other person shall have any claim or right to be granted Options under the Plan. Neither the Plan nor any action taken thereunder shall interfere with the right of the employer of a Participant to terminate that Participant's employment at any time. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of the Plan.

11.9 The Board shall be entitled to make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence or disability of any Participant. Without limiting the generality of the foregoing, the Board shall be entitled to determine (i) whether or not any such leave of absence shall constitute a termination of employment within the meaning of the Plan, and (ii) the impact, if any, of any such leave of absence on awards under the Plan theretofore made to any Participant who takes such leave of absence (including, without limitation, whether or not such leave of absence shall cause any Options to expire and the impact upon the time or times such Options shall become exercisable).

11.10 This Plan and any Options granted hereunder shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11.11 This Plan is hereby instituted and in effect as of the Effective Date, provided that (i) any Options granted prior to the approval of the Plan by the shareholders of the Corporation shall not be exercisable until such shareholder approval has been obtained, and (ii) the Plan and any Options granted under the Plan shall terminate the day after the next annual meeting of shareholders of the Corporation unless the Plan has been approved by shareholders at such meeting.

* * *

[LETTERHEAD OF OPEN TEXT CORPORATION]

TO: [Name of Eligible Employee]

You have been designated as an Eligible Employee under the 2004 Stock Option Plan of Open Text Corporation (the "Plan"), and assuming that you become a Participant in the Plan by signing this letter, the details of the non-assignable Option which has been granted to you under the Plan are as follows:

- (a) Date of Grant: _____
- (b) Designated Number (maximum number of shares which you may purchase under this Option): _____
- (c) Option Price (price per share): _____
- (d) Earliest Exercise Date: _____
- (e) Latest Exercise Date: _____
- (f) Vesting Date and Designated Percentage (% of Designated Number you may purchase each year after the applicable Vesting Date):

Vesting Date

Designated Percentage

If you agree to participate in the Plan and comply with its terms and conditions, please sign one copy of this letter and return it to _____ by _____.

OPEN TEXT CORPORATION

By: _____

I have read the Open Text Corporation 2004 Stock Option Plan and agree to comply with, and agree that my participation is subject in all respects to, its terms and conditions:

(Signature)

(Date)