

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 immediately.**

If you have sold or otherwise transferred all of your Ordinary Shares held in certificated form, you should send this document and the accompanying form of proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred all of your Ordinary Shares held in uncertificated form before 5pm on 18 December 2012 (being the Record Date) a claim transaction will automatically be generated by Euroclear which, on settlement, will transfer the appropriate number of New Ordinary Shares to the purchaser or transferee. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of the Bonus Issue Entitlements which will be enabled for settlement on 19 December 2012.

**Application will be made to the Financial Services Authority for the New Ordinary Shares to be admitted to the Official List. Application will also be made to the London Stock Exchange for the New Ordinary Shares to be admitted to trading on its market for listed securities. It is expected that Admission will become effective and that dealings on the London Stock Exchange in the New Ordinary Shares will commence on 19 December 2012.**

## NCC Group plc

(incorporated in England and Wales under the Companies Act 1985 - No. 04627044)  
**Proposed Bonus Issue of five New Ordinary Shares for every one Ordinary Share**  
**Adoption of Share Option Schemes**  
**and**  
**Notice of General Meeting**

Upon Admission, the New Ordinary Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares of the Company and will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company.

Notice of a General Meeting of NCC Group plc to be held at Manchester Technology Centre, Oxford Road, Manchester M1 7EF at 11 am on 18 December 2012 is set out at the end of this document. The form of proxy for use at the meeting accompanies this document and, to be valid, should be completed and returned in accordance with the instructions set out thereon as soon as possible but in any event so as to reach Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not later than 11am on 14 December 2012.



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## Expected Timetable Of Principal Events

Latest time and date for receipt of forms of proxy	11am on 14 December 2012
General Meeting	11am on 18 December 2012
Record Date for entitlements under the Bonus Issue	5pm on 18 December 2012
Date of Admission and commencement of dealings in the New Ordinary Shares	8am on 19 December 2012
Expected date on which CREST stock accounts will be credited for New Ordinary Shares in uncertificated form	19 December 2012
Expected date of despatch of definitive certificates for New Ordinary Shares in certificated form	by 28 December 2012

## Notes:

- (1) Reference to times in this document are to London time unless otherwise stated.
- (2) The dates set out in the expected timetable of principal events above and mentioned throughout this document may be adjusted by the Company in which event details of the new dates will be notified to the FSA, to the London Stock Exchange and, where appropriate, to Shareholders.

## Part 1

### LETTER FROM THE CHAIRMAN

#### **NCC Group plc**

(Incorporated and registered in England and Wales with No. 04627044)

#### **Directors:**

Paul Mitchell  
Rob Cotton  
Atul Patel  
Debbie Hewitt  
Thomas Chambers

#### **Registered Office:**

Manchester Technology Centre  
Oxford Road  
Manchester  
M1 7EF

23 November 2012

To Shareholders and for information only the holders of options under the NCC Group UK Share Schemes

Dear Shareholder/Optionholder

#### **Proposed Bonus Issue, Adoption of New US Share Schemes and Notice of General Meeting**

#### **Bonus Issue**

Your Board has announced today a proposed bonus issue of five New Ordinary Shares, credited as fully paid, for every one Ordinary Share held by each Shareholder on the Record Date.

The Directors believe that the proposed Bonus Issue will benefit Shareholders by enhancing the liquidity and marketability of the Ordinary Shares and New Ordinary Shares and further potentially broadening the shareholder base. The effect of the Bonus Issue will be to increase the total number of shares in issue and the holding of each Shareholder will be increased on a pro rata basis with a corresponding adjustment to the market price of each share. In order to effect the Bonus Issue, £1,729,286.80 will be capitalised from the Company's share premium account. Further details of the proposed Bonus Issue are set out in Part 2 of this document.

#### **Adoption of US Share Schemes**

Following the successful acquisitions of iSEC Partners Inc, Escrow Associates LLC, Matasano Security LLC and Intrepidus Group, Inc. in the United States, the Directors consider that it would be beneficial for the Company to adopt suitable share option schemes for those Group employees based in the United States. Share incentive schemes, under which employees and executive directors of the Company can acquire Ordinary Shares in the Company, are an important part of the remuneration arrangements for employees and executive directors in helping to motivate them, and to align their interests with shareholders. They create a direct link between reward and the performance of the wider Group.

The Company has for some time successfully operated the UK Share Schemes. However such schemes are unattractive for US resident employees as they are tax inefficient for such employees. The Board has therefore decided that it wishes to introduce two new US share schemes for the benefit of US resident employees. A summary of the main features of the proposed ISO Plan and ESPP are set out in Parts 4 and 5 of this document respectively.

### General Meeting

Accordingly, it is proposed to convene a General Meeting by virtue of the notice set out at the end of this document, to be held at 11am on 18 December 2012 to allow Shareholders to consider and, if thought appropriate, pass the resolutions required to implement the Bonus Issue and also to approve and adopt the US Share Schemes. An explanation of the resolutions being proposed at the General Meeting is set out in Part 3 of this document.

### Action to be taken

Accompanying this letter is a form of proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting you are requested to complete, sign and return the form of proxy in accordance with the directions on it as soon as possible. To be valid, completed forms of proxy must be received by the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not later than 11am on 14 December 2012. Completion and return of a form of proxy will not prevent you from attending and voting at the meeting in person if you wish to do so.

The Bonus Issue is conditional on Resolutions 1 and 2 set out in the notice being passed at the General Meeting and upon Admission. The Directors also reserve the right to elect not to proceed with the Bonus Issue in the event of a change of circumstances such that, in the Directors' opinion, the Bonus Issue is no longer in the best interests of the Company and/or Shareholders as a whole.

### Recommendation

Your Board considers the Bonus Issue and the adoption of the US Share Schemes to be proposed at the General Meeting of the Company to be in the best interests of the Company and its Shareholders as a whole. Accordingly your Directors unanimously recommend that Shareholders vote in favour of the resolutions set out in the notice of General Meeting at the end of this document, as they intend to do in respect of their own beneficial holdings which amount to 1,974,291 Ordinary Shares (representing 5.7 per cent of the existing issued ordinary share capital of the Company as at 23 November 2012, the last practicable day prior to publication of this document).

Yours sincerely



**Paul Mitchell**  
Chairman



## Part 2

### EXPLANATORY NOTES IN RELATION TO THE BONUS ISSUE

#### Issue of new shares and admission to trading

On the basis of the current issued Ordinary Share capital of 34,585,736 Ordinary Shares, the Bonus Issue will result in the issue of 172,928,680 New Ordinary Shares. Application will be made to the UK Listing Authority and the London Stock Exchange for the New Ordinary Shares to be admitted to (i) the Official List and (ii) trading on the London Stock Exchange's market for listed securities where Ordinary Shares of the same class are already traded. It is expected that Admission will take place and dealings in the New Ordinary Shares will commence on 19 December 2012.

#### Terms of issue of the New Ordinary Shares

Qualifying Shareholders will each receive five New Ordinary Shares for every one Ordinary Share held by Qualifying Shareholders on the Record Date. Holdings of Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Bonus Issue as will holdings under different designations and in different accounts.

The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions hereafter declared, made or paid.

The Bonus Issue is conditional upon:

- (i) the passing of the Resolutions 1 and 2 set out in the notice of General Meeting at the end of this document; and
- (ii) Admission becoming effective not later than 8.00 am on 19 December 2012 or such later time and/or date as Peel Hunt LLP and the Company may agree in writing, being not later than 28 December 2012.

Application will be made for Admission in respect of the New Ordinary Shares and application will be made for the New Ordinary Shares to be enabled for settlement in, and admitted to, CREST on 19 December 2012.

It is expected that Admission will become effective and dealings in the New Ordinary Shares will commence on 19 December 2012. If Admission does not take place by 28 December 2012, New Ordinary Shares will not be issued and any Bonus Issue Entitlements admitted to CREST will thereafter be disabled.

Where Ordinary Shares are held in certificated form on the Record Date, Shareholders will receive non-renounceable share certificates, which will be posted at the risk of Shareholders, in respect of their entitlements to New Ordinary Shares. Where Ordinary Shares are held in uncertificated form on the Record Date, the appropriate CREST accounts will be credited with the relevant number of New Ordinary Shares, save that the Company reserves the right to issue the New Ordinary Shares in certificated form in exceptional circumstances, such as for example, in the event of any failure or breakdown of CREST.

#### Effect of the Bonus Issue on the Company's existing UK Share Schemes

Following the Bonus Issue taking effect, outstanding options granted under the Company's existing UK Share Schemes will be adjusted to take account of the Bonus Issue and HM Revenue and Customs' approval will be sought for any such adjustments which are to be made to options granted under the CSOP and SAYE Scheme. As a result of the Bonus Issue, the number of Ordinary Shares available for the grant of future options under the UK Share Schemes to eligible employees will increase although, as a proportion of the Enlarged Ordinary Share Capital, it will remain unchanged.

## PART 3

### EXPLANATORY NOTES ABOUT THE RESOLUTIONS BEING PROPOSED AT THE GENERAL MEETING

#### Resolution 1: Approving the capitalisation of part of the share premium account to effect the Bonus Issue

Resolution 1 proposes to authorise the Directors to apply an amount (which on the basis of the current issued ordinary share capital of the Company would be £1,729,286.80), being part of the total amount standing to the credit of the share premium account of the Company, in paying up in full the New Ordinary Shares at par value for the purposes of the Bonus Issue.

#### Resolution 2: Granting the Directors authority to allot Ordinary Shares

Paragraph (a) of Resolution 2 proposes to authorise the Directors pursuant to section 551 of the 2006 Act to allot up to 242,100,152 Ordinary Shares generally for purposes including the Bonus Issue. After accounting for the New Ordinary Shares to be issued pursuant to the Bonus Issue the Directors would have unutilised authority over 69,171,472 Ordinary Shares (representing approximately 200% of the present issued share capital and approximately 33.33 per cent of the Enlarged Share Capital following the Bonus Issue).

The Directors' current intention is to only use the authority sought under paragraph (a) of Resolution 2 to issue the New Ordinary Shares pursuant to the Bonus Issue and to issue Ordinary Shares under the existing UK Share Schemes.

In line with guidelines issued by the Association of British Insurers, paragraph (b) of Resolution 2 seeks authority to allot up to an additional 69,171,472 Ordinary Shares (representing approximately 33.33 per cent of the Enlarged Share Capital following the Bonus Issue) to be used solely in connection with a pre-emptive rights issue. This authority is being sought given the increase in the issued share capital of the Company following the Bonus Issue, however the Directors have no intention to currently use this authority.

Each of the authorities sought under Resolution 2 will expire at the conclusion of the annual general meeting of the Company to be held in 2013. As at 23 November 2012 (being the latest practicable date prior to publication of this document) no shares are held by the Company in treasury.

#### Resolution 3: Disapplication of pre-emption rights

Resolution 3 replicates the usual authority taken by the Company at its annual general meeting in relation to allotting equity securities for cash pursuant to section 570 of the 2006 Act without first offering them to shareholders pro rata to their holdings. As a result of the Bonus Issue, the current authority in this regard received at the Company's annual general meeting earlier this year will be for below the standard authority taken. This Resolution therefore proposes to disapply the statutory pre-emption rights in relation to the allotment of equity securities for cash, up to an aggregate nominal amount of £103,757.20 (10,375,720 Ordinary Shares) in connection with any offer by way of rights issue in the future, and otherwise up to an aggregate nominal amount of £103,757.20 (representing approximately 30 per cent of the present issued share capital and approximately 5 per cent of the Enlarged Share Capital of the Company following the Bonus Issue). The authority sought under Resolution 3 will expire at the conclusion of the annual general meeting of the Company to be held in 2013.

#### Resolution 4: Authority to Purchase Own Shares

Resolution 4 also replicates the usual authority taken by the Company at its annual general meeting concerning the ability for the Company to purchase its own shares should the need arise. Although the Company has no intention to currently use this authority, given the increase in the issued share capital of the Company following the Bonus Issue, this Resolution permits the Company to make market purchases up to approximately 10 per cent of the Enlarged Share Capital of the Company following the Bonus Issue. The authority sets minimum and maximum prices and will expire at the conclusion of the Company's annual general meeting to be held in 2013. The Directors will only exercise this authority after considering the market conditions prevailing at the time, the potential effect on earnings per share and the benefits for shareholders generally. If any purchases of Ordinary Shares are made pursuant to this authority, it is intended that such Ordinary Shares will either be cancelled or held in treasury in accordance with the provisions of the 2006 Act.

The total number of options to subscribe for Ordinary Shares for all share schemes of the Company which were outstanding as at 23 November 2012 was 862,018. Following the Bonus Issue, this figure will increase to 5,172,108, which will represent 2.49% of the Company's Enlarged Share Capital and would represent 2.77% of the Company's Enlarged Share Capital if the full authority to repurchase Ordinary Shares, as proposed by Resolution 4, was exercised.

#### **Resolutions 5: Adoption of the proposed US ISO Plan**

Resolution 5 seeks shareholder approval to adopt the ISO Plan which is similar in structure to the UK CSOP and participation in which will be offered to members of the senior management team in the US. The ISO Plan will allow for the grant of market value options up to 100% of a participant's salary in any financial year of the Company, subject to a cap of \$100,000 on the value of shares under ISOs which first become exercisable by the participant during any calendar year. A summary of the main features of the ISO Plan is set out in Part 4 of this document.

#### **Resolution 6: Adoption of the proposed US ESPP**

Resolution 6 seeks shareholder approval to adopt the ESPP share plan which is similar in structure to the SAYE Scheme and participation in which will be open to all Group employees who are based in the US. The ESPP will allow employees to purchase Ordinary Shares not exceeding the lower of \$25,000 and 10% of the participant's base salary for the year. A summary of the main features of the ESPP is set out in Part 5 of this document.

The overall limit restricting the number of new Ordinary Shares which may be issued in any ten year period across all of the Company's share schemes of 10% of the issued share capital from time to time will also apply to the new US Share Schemes.



## Part 4

### SUMMARY OF THE PROPOSED NCC GROUP PLC US INCENTIVE STOCK OPTION PLAN

The ISO Plan is intended to enable options over Ordinary Shares to be granted to US resident employees and directors of Group companies in a tax efficient manner.

Options (“**Options**”) granted under the ISO Plan are intended to qualify under section 422 of the US Tax Code as Incentive Stock Options (“**ISOs**”) to the fullest extent possible, and to constitute nonqualified stock options taxed under section 83 of the US Tax Code to the extent granted in excess of the statutory limits or to persons ineligible under the US Tax Code to receive ISOs from the Company.

The terms of Options granted under the ISO Plan will be broadly similar to the terms of options granted under the Company’s CSOP adopted by the Company in 2008. The following are the principal terms of the ISO Plan:

#### 1. Administration

The ISO Plan will be administered by the Board.

#### 2. Eligibility

All US resident directors and employees of the Group are eligible to participate in the ISO Plan. Actual participation will be at the discretion of the Board.

#### 3. Individual participation limit

The aggregate fair market value of shares with respect to which ISOs are exercisable for the first time by a participant during any calendar year under the ISO Plan and any other share option plans or schemes of the Company, or any subsidiary corporation shall not exceed \$100,000. Such fair market value shall be determined as of the date of grant of the ISO. In the event that the aggregate fair market value of shares with respect to ISOs exercisable for the first time by a participant during any calendar year exceeds \$100,000, then the excess ISOs granted will, to the extent and in the order in which they were granted, automatically be deemed to be “nonqualified stock options”, but all other terms and provisions of such ISOs shall remain unchanged. Nonqualified stock options do not have beneficial tax treatment under the US Tax Code.

The aggregate fair market value (at the date of grant) of Ordinary Shares under Options that may be granted to any one participant in any one financial year of the Company under the ISO Plan shall also not exceed the amount of that participant’s remuneration (excluding benefits in kind) for that financial year (or the preceding financial year if greater).

#### 4. Exercise of Options

The price per Ordinary Share payable on exercise of Options shall not be less than the higher of (i) the nominal value of an Ordinary Share and (ii) the market value of an Ordinary Share on the date of grant (being the average middle market quotation of an Ordinary Share for that date).

Options granted under the ISO Plan will normally be exercisable only within the period of three to ten years after the date of grant.

Options may be granted subject to objective conditions as to the performance of the Group which must normally be satisfied before Options can be exercised. Having granted Options and set a performance target, the Board may vary the performance target provided that the Board reasonably considers that the performance target originally set no longer represents a fair measure of performance and provided that any new conditions are no more difficult nor easy to satisfy.

It is intended that the first award of Options under the ISO Plan will be subject to performance targets based on the Company’s EPS growth, with exercise permitted if the average EPS growth for the three year period commencing on 1 June 2012 is at least 10%.

## **5. Leavers**

Options may be exercised (even if this is within the period of three years from the date of grant) where employment ceases due to the participant's death, disability, redundancy or retirement. In each of these situations Options may be exercised until the earlier of (i) six months following the date of the cessation of employment (or 12 months in the case of death), and (ii) the expiry date of the Option. To the extent not so exercised, the Option will lapse.

Where, in these circumstances, exercise of an Option is permitted within three years from the date of grant of an Option, there is no requirement for any performance target to be met, but the Option may not be exercised in full, but on a pro rata basis taking into account the period of time which has elapsed since the date of grant, other than where exercise is permitted at the Board's discretion, in which case the Board shall specify the extent to which the Option shall be capable of exercise.

Where employment ceases for any reason not mentioned above, if this occurs more than three years after the grant of the Option, any Option may be exercised, to the extent that it is already exercisable at the date of cessation of employment, within the period of six months following cessation (but no later than the expiry date of the Option) unless the employment was terminated for "Cause" (as such term is defined in the rules of the ISO Plan), in which case the Option shall lapse in full. If the cessation of employment occurs within three years from the date of grant of the Option, the Option shall lapse. Notwithstanding the foregoing (other than the provisions which apply where the employment was terminated for Cause), the Board may in its discretion determine that an Option shall not lapse but shall be exercisable to the extent permitted by the Board.

## **6. Grant of options**

Options may initially be granted under the ISO Plan within 42 days after the adoption of the ISO Plan in the General Meeting and after that, normally within 42 days following the announcement by the Company of its interim or final results or of its results for any other period. Without further shareholder approval, Options may only be granted within 10 years of adoption of the ISO Plan by the Board.

## **7. Dilution limits**

The total number of Shares over which options to subscribe may be granted under all share option schemes of the Company, whether on a discretionary basis or otherwise, and issued or issuable under all other share schemes of the Company may not, in any consecutive ten year period, exceed 10 per cent of the Ordinary Shares in issue from time to time. Lapsed and surrendered options shall be ignored for this purpose. Without further shareholder approval, the total number of Ordinary Shares over which Options to subscribe may be granted under the ISO Plan is 3,000,000 Ordinary Shares, subject to adjustment to reflect variations of share capital. In the event that the Bonus Issue proposed by Resolutions 1 and 2 set out in the Notice of General Meeting accompanying this document is not approved, the total number of Ordinary Shares over which Options to subscribe may be granted under the ISO Plan is 500,000 Ordinary Shares.

## **8. Change of control**

In the event of a takeover, amalgamation or reconstruction of the Company, Options may be exercised under the ISO Plan provided that if the event occurs within three years of the grant of the Option, that Option may only be exercised to the extent determined by the Board, having regard to all the circumstances, within six months of such event. Alternatively, with the agreement of the acquiring company, Options may be exchanged for options over shares in the acquiring company or in a company associated with the acquiring company.

## **9. Variation of share capital**

In the event of a variation of share capital by way of capitalisation, rights issue, sub-division, consolidation or reduction of share capital, the number of Ordinary Shares over which an award has been made shall be adjusted as determined to be appropriate.

## **10. Alterations**

The Board may alter the ISO Plan but certain amendments cannot take effect without shareholder approval, unless they are amendments to comply with or to take account of applicable legislation or statutory regulations or any change in them or to maintain favourable taxation treatment for the Company or participants or potential participants. The amendments which will generally require shareholder approval are amendments to the limits on the number of Ordinary Shares which can be offered, the category of persons who may participate, the exercise price of Options, the number of Ordinary Shares over which a participant may hold an Option, the period during which Options may be granted and exercised, the rights attaching to Ordinary Shares subject to an Option, the provisions for altering share capital and for altering the terms of the ISO Plan and the provisions which apply on a winding up of the Company.

## **11. Pension status**

None of the benefits which may be received under the ISO Plan will be pensionable.

## Part 5

### SUMMARY OF THE PROPOSED NCC GROUP US EMPLOYEE STOCK PURCHASE PLAN

The NCC Group ESPP is designed to enable eligible US resident employees, including executive directors, of the Group, to purchase Ordinary Shares in a tax-efficient way. The ESPP is designed to meet the conditions of section 423 of the US Tax Code.

Under the ESPP, eligible employees will be granted options to purchase Ordinary Shares ("**Options**") at a price fixed at the time the Option is granted. Options will be capable of being exercised on designated dates after a specified period has elapsed following the grant of the Options ("**Option Period**"). It is intended that the first Option Period will be 12 months in duration, so that the designated exercise date will be the first anniversary of the grant date, and that Options will be granted on a rolling basis every 12 months until the Board determines otherwise.

#### 1. Administration

The ESPP will be administered by the Board.

#### 2. Eligibility

Participation in the ESPP will be limited to employees of any of the Company's subsidiaries which are companies organised under the laws of the United States with a majority of the employees of such subsidiary having their tax residence in the United States.

#### 3. Purchase of Shares

The issue of Ordinary Shares under the ESPP will take place on the last dealing day of each Option Period or at such other times as may be determined by the Board ("**Purchase Date**"). At the Board's discretion, Ordinary Shares may also be purchased in the market.

The amount payable by employees for Ordinary Shares under an Option may not be less than 85% of their fair market value on the lower of (i) the first dealing day of the Option Period, and (ii) the Purchase Date. The fair market value of an Ordinary Share will be the average middle market price of an Ordinary Share as quoted on the London Stock Exchange on the relevant date. In practice, it is intended that the exercise price will be fixed at 85% of the fair market value of an Ordinary Share on the first dealing day of the Option Period.

The purchase of Ordinary Shares on behalf of participants is made utilising amounts credited to each participant's savings account by way of post-tax payroll deductions made by that participant's employer. In practice, it is intended that participants will be able to contribute, through payroll deduction, up to 10% of their eligible compensation to their savings accounts for this purpose. Deductions from payroll will be made during each month or such other periods as may be determined by the Board. As required by the US Tax Code, no employee will be able to acquire shares exceeding \$25,000 in value in any calendar year, with such value determined based on the fair market value per Ordinary Share on the date the Options are granted. In practice, it is intended that, as a further limit, the maximum number of shares that any participant will be permitted to acquire during any Option Period will be the number of whole shares determined by dividing £3,000 by the fair market value per Ordinary Share on the first dealing day of the Option Period.

#### 4. Termination of employment

In the event of an employee's termination of employment within the Group for any reason prior to a Purchase Date, any outstanding Option shall forthwith lapse in full.

#### 5. Change of control

In the event of a takeover, amalgamation or reconstruction of the Company, the Option Period will terminate and Options may be exercised using the amounts credited up to that time in the participant's savings account. Alternatively, participants may choose to have such monies repaid to them.

#### 6. Grant of Options

Options may generally only be granted within 42 days following the announcement by the Company of its interim or final results for any period. It is intended that the first grant of Options will be made in February/March 2013 (but within 42 days of the announcement by the Company in January 2013 of its interim results for the period to 30 November 2012) and thereafter on each anniversary of the first date of grant until the Board determines otherwise. If any anniversary of the first date of grant would fall outside the 42 day period following announcement of the Company's results, Options may be granted outside that 42 day period.

## **7. Dilution limit**

The total number of Ordinary Shares over which Options which involve a subscription for new Ordinary Shares may be granted, when aggregated with the total number of Ordinary Shares over which options to subscribe for Ordinary Shares have been granted under all share option schemes of the Company, and with Ordinary Shares issued or issuable under all other share schemes of the Company may not, in any consecutive ten year period, exceed 10 per cent of the Ordinary Shares in issue from time to time. Lapsed and surrendered options shall be ignored for this purpose.

Without further shareholder approval, the total number of Ordinary Shares over which Options to subscribe may be granted under the ESPP is 6,000,000 Ordinary Shares, subject to adjustment to reflect variations of share capital. In the event that the bonus issue of Ordinary Shares proposed by Resolutions 1 and 2 set out in the Notice of General Meeting accompanying this circular is not approved, the total number of Ordinary Shares over which Options to subscribe may be granted under the ESPP is 1,000,000 Ordinary Shares.

## **8. Variation of share capital**

In the event of a variation of share capital by way of capitalisation, rights issue, sub-division, consolidation or reduction of share capital, the number of Ordinary Shares over which an Option has been granted and the price at which Ordinary Shares may be acquired under such Option will be adjusted as determined by the Board to be appropriate.

## **9. Amendments**

The Board may alter the ESPP but certain amendments cannot take effect without shareholder approval, unless they are amendments to comply with or to take account of applicable legislation or statutory regulations or any change in them or to maintain favourable taxation treatment for the Company or participants or potential participants. The amendments which will generally require shareholder approval are amendments to the limits on the overall number of Ordinary Shares which can be offered, the individual participation limits, the eligibility criteria for participants, the rights attaching to Ordinary Shares subject to an Option, the provisions for altering share capital and for altering the terms of the ESPP and the provisions which apply on a winding up of the Company.

No amendment may be made to the ESPP which will either adversely affect employees' accrued rights to have Ordinary Shares purchased on their behalf or reduce the balance of employees' savings accounts. The Board, however, may terminate the ESPP at any time, thereby terminating all outstanding Options and refunding amounts then held in the employees' savings accounts.

## **10. Costs and expenses**

All costs and expenses incurred in the administration of the ESPP, other than any brokerage and administrative fees for the sale of Ordinary Shares by employees and taxes arising from employees' participation in the ESPP, will be paid by the Company.

## Part 6

### DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

<b>"2006 Act"</b>	the Companies Act 2006, as amended
<b>"Admission"</b>	admission to listing together with admission to trading
<b>"Admission Standards"</b>	the Admission and Disclosure Standards issued by the London Stock Exchange
<b>"admission to listing"</b>	an admission of the New Ordinary Shares to the Official List becoming effective, in accordance with the Listing Rules
<b>"admission to trading"</b>	the admission of the New Ordinary Shares to trading on the London Stock Exchange's market for listed securities becoming effective in accordance with the Admission Standards
<b>"Board" or "Directors"</b>	the board of directors of the Company
<b>"Bonus Issue"</b>	the issue of five New Ordinary Shares for every one Ordinary Share
<b>"Bonus Issue Entitlements"</b>	an entitlement to New Ordinary Shares, allocated to a Qualifying Shareholder pursuant to the Bonus Issue
<b>"certificated" or "in certificated form"</b>	not in uncertificated form (that is, not in CREST)
<b>"Company" or "NCC Group"</b>	NCC Group plc
<b>"CSOP"</b>	the Company's HMRC approved Company Share Option Plan
<b>"CREST"</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of shares
<b>"CREST Manual"</b>	the rules governing the operation of CREST as published by Euroclear
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI2001/3755)
<b>"EMI"</b>	the Company's Enterprise Management Incentive Plan
<b>"enabled for settlement"</b>	in relation to Bonus Issue Entitlements, enabled for the limited purpose of settlement of claim transactions and unmatched stock event transactions (as described in the CREST Manual)
<b>"Enlarged Share Capital"</b>	the issued share capital of the Company as enlarged by the issue of the New Ordinary Shares
<b>"Equiniti"</b>	Equiniti Limited
<b>"ESPP"</b>	the proposed US Employee Stock Purchase Plan
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited, the operator of CREST
<b>"FSA"</b>	the Financial Services Authority
<b>"General Meeting"</b>	the general meeting of the Company to be held on 18 December 2012, notice of which is set out at the end of this document
<b>"Group"</b>	the Company and its subsidiary undertakings
<b>"ISO Plan"</b>	the proposed US Incentive Stock Option Plan

<b>“Listing Rules”</b>	the listing rules issued by the FSA
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“LTIP”</b>	the Company’s Long Term Incentive Plan
<b>“New Ordinary Shares”</b>	up to 172,928,680 New Ordinary Shares proposed to be issued pursuant to the Bonus Issue
<b>“Official List”</b>	the official list of the FSA
<b>“Optionholders”</b>	holders of options to subscribe for shares in the capital of the Company granted pursuant to the UK Share Option Schemes
<b>“Ordinary Shares”</b>	ordinary shares of 1p each in the capital of the Company, ISIN no. GB00B01QGK86
<b>“Qualifying CREST Shareholders”</b>	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form
<b>“Qualifying non-CREST Shareholders”</b>	Qualifying Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in certificated form
<b>“Qualifying Shareholders”</b>	holders of Ordinary Shares on the register of members of the Company on the Record Date
<b>“Record Date”</b>	the close of business on 18 December 2012
<b>“Resolutions”</b>	the resolutions set out in the notice of General Meeting at the end of this document
<b>“Shareholders”</b>	holders of Ordinary Shares
<b>“SAYE Scheme”</b>	the Company’s existing HMRC approved Sharesave Scheme
<b>“stock account”</b>	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited
<b>“UK Share Schemes”</b>	together the CSOP, the SAYE Scheme, the EMI and the LTIP
<b>“United States” or “US”</b>	the United States of America
<b>“US Share Schemes”</b>	together the ISO Plan and the ESPP
<b>“US Tax Code”</b>	the United States Internal Revenue Code
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register of Ordinary Shares as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland

NCC Group plc  
(Registered in England No. 04627044)

NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting of NCC Group plc ("**Company**") will be held at Manchester Technology Centre, Oxford Road, Manchester M1 7EF at 11 am on 18 December 2012 for the purpose of considering and, if thought fit, passing the following resolutions. Resolutions 1, 2, 5 and 6 will be proposed as ordinary resolutions and resolutions 3 and 4 will be proposed as special resolutions:

RESOLUTIONS

1. THAT, pursuant to article 145 of the Articles of Association of the Company, sanction be and is hereby given to the directors of the Company ("**Directors**") to capitalise an amount, being part of the amount standing to the credit of the share premium account of the Company, equal to five times the aggregate nominal value of the ordinary shares of 1p each in the Company ("**Ordinary Shares**") in issue at 5.00pm on 18 December 2012 ("**Record Date**"), and accordingly that the Directors be authorised and directed to appropriate such sum to the members who are, at the Record Date, registered as the holders of the issued Ordinary Shares in the same proportions in which such sum would have been divisible amongst them if it were distributed by way of dividend and to apply such sum on their behalf in paying up in full new Ordinary Shares of 1p each ("**New Ordinary Shares**") and allot such New Ordinary Shares credited as fully paid to those members in the proportion of five New Ordinary Shares for each existing Ordinary Share held on such date and so that such New Ordinary Shares shall rank *pari passu* in all respects with the existing Ordinary Shares.

2. THAT, the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (in substitution for any existing authority to allot shares) to allot:

- (a) shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £2,421,001.52 (including, and not in addition to, the New Ordinary Shares authorised in resolution 1);
- (b) equity securities (within the meaning of section 560 of the said Act) in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them up to an aggregate nominal amount of £691,714.72,

provided that this authority shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or rights to be granted after such expiry and the Directors may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

3. THAT, subject to the passing of resolution 1 and resolution 2 as set out in the notice of this meeting, the Directors be and they are empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of the said Act) for cash pursuant to the general authority conferred by resolution 2 as set out in the notice of this meeting and be empowered pursuant to section 573 of the said Act to sell ordinary shares (as defined in section 560 of the said Act) held by the Company as treasury shares (as defined in section 724 of the said Act) for cash, as if section 561(1) of the said Act did not apply to such allotment or sale, provided that this power shall be limited to allotments of equity securities and the sale of treasury shares:

- (a) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and
- (b) otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £103,757.20,

and such power shall expire on the conclusion of the next annual general meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry, and the board may allot equity securities or sell treasury shares in pursuance of such an offer or agreement as if the power conferred by this resolution had not expired.

4. THAT, subject to the passing of resolution 1 and resolution 2 as set out in the notice of this meeting, the Company be generally and unconditionally authorised, pursuant to Article 16 of the Articles of Association of the Company and pursuant to section 701 of the Companies Act 2006, to make market purchases (as defined in section 693(4) of the Companies Act 2006) of up to 20,751,441 Ordinary Shares on such terms and in such manner as the Directors may from time to time determine, provided that:
- (a) the amount paid for each share (exclusive of expenses) shall not be more than the higher of (1) five per cent above the average market value of the Ordinary Shares as derived from the Daily Official List of London Stock Exchange plc for the five business days before the date on which the contract for the purchase is made, and (2) an amount equal to the higher of the price of the last independent trade and current independent bid as derived from the London Stock Exchange trading system or less than 1p per share; and
  - (b) the authority herein contained shall expire at the conclusion of the next annual general meeting of the Company provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred hereby had not expired.
5. THAT, the rules of the NCC Group plc US Incentive Stock Option Plan ("ISO Plan") the principal terms of which are summarised in Part 4 of the circular to the Company's members dated 23 November 2012 of which this notice of general meeting forms part ("Circular"), a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be and are approved and the Directors be and are authorised to do all acts and things which they may consider necessary or appropriate in connection with the implementation of the ISO Plan, including the making of such amendments as may be necessary to enable the ISO Plan to comply with section 422 of the US Internal Revenue Code; and
6. THAT the rules of the NCC Group plc US Employee Stock Purchase Plan ("ESPP") the principal terms of which are summarised in Part 5 of the Circular, a draft of which is produced to the meeting and initialled by the Chairman for the purposes of identification, be and are approved and the Directors be and are authorised to do all acts and things which they may consider necessary or appropriate in connection with the implementation of the ESPP, including the making of such amendments as may be necessary to enable the ESPP to comply with section 423 of the US Internal Revenue Code.

**Dated:**

23 November 2012

**Registered Office:**

Manchester Technology Centre  
Oxford Road  
Manchester M1 7EF

By order of the Board



**Felicity Brandwood**  
Secretary



## Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and, to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
2. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
3. In order to be valid, any form of proxy and a power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, in order to be valid, must reach the Company's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA not less than 48 hours (excluding any part of a day which is a non-working day) before the time of the meeting or of any adjournment of the meeting.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting to be held on 18 December 2012 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with CREST's specifications and must contain the information required for such instructions, as described in the CREST Manual which can be viewed at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by 11am on 14 December 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that there are no special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5. Any member attending the general meeting is entitled, pursuant to section 319A of the Companies Act 2006 to ask any question relating to the business being dealt with at the meeting. The Company will answer any such questions unless (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; or (ii) the answer has already been given on a website in the form of an answer to a question; or (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
6. From the date of this notice and for the following two years the following information will be available on the Company's website and can be accessed at [www.nccgroup.com](http://www.nccgroup.com):
  - (i) the matters set out in this notice of meeting;
  - (ii) the total numbers of shares in the Company and shares of each class, in respect of which members are entitled to exercise voting rights at the meeting; and
  - (iii) the totals of the voting rights that members are entitled to exercise at the meeting in respect of the shares of each class.

Any members' statements, members' resolutions and members' matters of business received by the Company after the date of this notice will be added to the information already available on the website as soon as reasonably practicable and will also be made available for the following two years.

7. A form to be used for appointing a proxy or proxies for this meeting to vote on your behalf is enclosed with this notice.

8. The right of members to vote at the meeting is determined by reference to the register of members. As permitted by section 360B(3) of the Companies Act 2006 and regulation 41 of the Uncertificated Securities Regulations 2001, shareholders (including those who hold shares in uncertificated form) must be entered on the Company's share register at 6pm on 14 December 2012 in order to attend and vote at the General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. Although this Notice is sent to Option holders, only holders of Ordinary Shares or their proxies are entitled to attend and vote at the meeting.
10. The total number of Ordinary Shares of 1p in issue as at 23 November 2012, the last practicable day before printing this document was 34,585,736 ordinary shares and the total level of voting rights was 34,585,736, none of which were attached to shares held in treasury by the Company.
11. A copy of the rules of each of the proposed ISO Plan and the ESPP is available for inspection at the registered office of the Company and at the offices of Eversheds LLP, One Wood Street, London, EC2V 7WS during normal business hours on each weekday (Saturdays, Sundays and public holidays excluded) from the date of dispatch of this document until the close of the general meeting and at the place of the meeting for at least 15 minutes prior to and during the meeting.
12. You may not use any electronic address provided either in this notice or any related documents (including the proxy form) to communicate with the Company for any purposes other than those expressly stated.



