

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank, solicitor, accountant, fund manager or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000, as amended (the “FSMA”) if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser.**

This document, which comprises a prospectus relating to NCC Group plc (“NCC Group”), has been prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the “FCA”) made under section 84 of FSMA and approved by the FCA under section 87A of FSMA. This prospectus has been filed with the FCA and made available to the public in accordance with Rule 3.2.1 of the Prospectus Rules.

NCC Group and the NCC Group Directors, whose names and principal functions are set out in section 1 of Part VI of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of NCC Group and the NCC Group Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or otherwise transferred all of your Accumuli Shares, you should send this document 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 delivery to the purchaser or the transferee. However, the distribution of this document into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed in, forwarded to or transmitted in or into any Restricted Jurisdiction.

**YOU SHOULD READ THE WHOLE OF THIS DOCUMENT AND ALL DOCUMENTS INCORPORATED INTO IT BY REFERENCE, IN THEIR ENTIRETY. IN PARTICULAR, YOU SHOULD TAKE ACCOUNT OF THE SECTION ENTITLED RISK FACTORS ON PAGES 15 TO 22 (INCLUSIVE) OF THIS DOCUMENT FOR A DISCUSSION OF THE RISKS THAT MIGHT AFFECT THE VALUE OF YOUR SHAREHOLDING IN NCC GROUP PLC. YOU SHOULD NOT RELY SOLELY ON INFORMATION SUMMARISED IN THE SUMMARY.**

Investors should only rely on the information contained in this document, contained in any documents incorporated into it by reference and the Scheme Document. No person has been authorised to give any information or make any representations other than those contained in this document and all documents incorporated by reference into it and, if given or made, such information or representation must not be relied upon as having been so authorised by NCC Group, the NCC Group Board or the Financial Advisers. NCC Group will comply with its obligation to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority, but assumes no further obligation to publish additional information.

---

## **NCC Group plc**

*(Incorporated and registered in England and Wales with registered number 04627044)*

**Proposed issue of 20,389,472 new ordinary shares in NCC Group plc to  
Accumuli Shareholders in connection with the proposed acquisition  
of Accumuli plc to be implemented by way of a scheme of arrangement under  
Part 26 of the Companies Act 2006**

**and**

**Application for admission of 20,389,472 new ordinary shares in NCC Group plc to  
the premium listing segment of the Official List and to trading on the main market  
for listed securities of the London Stock Exchange**

*Sponsor, Corporate Broker and Joint Financial Adviser*

***Peel Hunt LLP***

*Joint Financial Adviser*

***Rickitt Mitchell & Partners Limited***

---

Application will be made to the UK Listing Authority for the New NCC Group Shares to be admitted to the premium listing segment of the Official List and will be made to the London Stock Exchange for the New NCC Group Shares to be admitted to trading on the London Stock Exchange’s main market for listed securities (together the “Admission”). It is expected that Admission will become effective, and that dealings for normal settlement in the New NCC Group Shares will commence, on the London Stock Exchange at or shortly after 8.00 am (London time) on the first Business Day after the Effective Date. The Effective Date, subject to the satisfaction of certain conditions, including the sanction of the Scheme by the Court, is expected to be on 30 April 2015.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation to purchase or subscribe for, the New NCC Group Shares in the United States.

The New NCC Group Shares have not been, and will not be, registered under the US Securities Act of 1933 (the “US Securities Act”) or under the securities laws of any state, district or other jurisdiction of the United States. Accordingly, the New NCC Group Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in, into or from the United States absent registration under the US Securities Act or an exemption therefrom. The New NCC Group Shares to be issued to Scheme Shareholders pursuant to the Scheme are expected to be issued in reliance upon an exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10) thereof and exemption from registration and qualification under applicable state securities laws. Scheme Shareholders (whether or not US persons) who are or will be affiliates (within the meaning of the US Securities Act) of NCC Group, Accumuli or the Enlarged Group prior to or after the Effective Date will be subject to certain US transfer restrictions relating to the New NCC Group Shares received pursuant to the Scheme. For a description of these and certain further restrictions on offers, sales and transfers of the New NCC Group Shares and the distribution of this document, see section 16 of Part I.

None of the securities referred to in this document have been approved or disapproved by the US Securities and Exchange Commission (the “SEC”), any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and, therefore, any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Failure to comply with any such restrictions may constitute a violation of the securities laws of any jurisdiction. This document has been prepared to comply with requirements of English law, the Listing Rules, the Prospectus Rules and the rules of the London Stock Exchange and information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England.

Peel Hunt LLP (“Peel Hunt”), which is a member of the London Stock Exchange, is authorised and regulated in the United Kingdom by the FCA. Peel Hunt is acting as sponsor, corporate broker and joint financial adviser to NCC Group and no one else in connection with the matters set out in this document and will not regard any other person (whether or not a recipient of this document) as its client in relation to the matters in this document and will not be responsible to anyone other than NCC Group for providing the protections afforded to clients of Peel Hunt, or for providing advice in relation to any matter referred to herein.

No representation or warranty, express or implied, is made by Peel Hunt as to any of the contents of this document. Apart from the liabilities and responsibilities, if any, which may be imposed on Peel Hunt by the Financial Services and Markets Act 2000 nor the regulatory regime established under it, Peel Hunt accepts no responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with NCC Group plc, the Existing NCC Group Shares, the New NCC Group Shares, the Acquisition or Admission. Peel Hunt accordingly disclaims all and any liability whatsoever whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Rickitt Mitchell & Partners Limited (“Rickitt Mitchell”) is authorised and regulated in the United Kingdom by the FCA. Rickitt Mitchell is acting as joint financial adviser to NCC Group and no one else in connection with the matters set out in this document and will not regard any other person (whether or not a recipient of this document) as its client in relation to the matters in this document and will not be responsible to anyone other than NCC Group for providing the protections afforded to clients of Rickitt Mitchell, or for providing advice in relation to any matter referred to herein.

**THE CONTENTS OF THIS DOCUMENT OR ANY SUBSEQUENT COMMUNICATION FROM NCC GROUP OR THE FINANCIAL ADVISERS OR ANY OF THEIR RESPECTIVE AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS ARE NOT TO BE CONSTRUED AS LEGAL, FINANCIAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN SOLICITOR, INDEPENDENT FINANCIAL ADVISER OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.**

**THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER OF, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER TO SELL OR AN INVITATION, OR THE SOLICITATION OF AN OFFER TO SUBSCRIBE FOR OR BUY, ANY SECURITIES. NONE OF THE SECURITIES REFERRED TO IN THIS DOCUMENT SHALL BE SOLD, ISSUED OR TRANSFERRED IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW.**

**No New NCC Group Shares have been marketed to, nor are any available for purchase by, the public in the United Kingdom or elsewhere in connection with the admission of the New NCC Group Shares to the Official List and to trading on the London Stock Exchange.**

## **Notice to US Investors**

The financial information included in this document has been prepared in accordance with International Financial Reporting Standards (“IFRS”). US generally accepted accounting principles (“US GAAP”) differ in certain significant respects from IFRS. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

## **Notice to New Hampshire residents only**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

## **Enforceability of judgments**

NCC Group is a public limited company incorporated under the laws of England and Wales. All of the NCC Group Directors and the executive officers of NCC Group are citizens or residents of countries other than the United States. All or substantially all of the assets of such persons may be, and the majority of the assets of NCC Group are, located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon such persons or NCC Group, or to enforce against them judgments of US courts, including judgments predicated upon civil liabilities under the securities laws of the United States or any state or territory within the United States. There is substantial doubt as to the enforceability in the United Kingdom in original actions or in actions for enforcement of judgments of US courts, based on the civil liability provisions of US federal securities laws.

## TABLE OF CONTENTS

|  |             |
|--|-------------|
|  | <i>Page</i> |
| SUMMARY  | 4           |
| RISK FACTORS   | 15          |
| FORWARD LOOKING STATEMENTS   | 23          |
| EXPECTED TIMETABLE OF PRINCIPAL EVENTS   | 24          |
| ACQUISITION STATISTICS   | 26          |
| DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS                     | 27          |
| PART I        LETTER FROM CHAIRMAN OF NCC GROUP                                  | 28          |
| PART II       INFORMATION ON NCC GROUP   | 38          |
| PART III      OPERATING AND FINANCIAL REVIEW OF NCC GROUP                        | 43          |
| PART IV      HISTORICAL FINANCIAL INFORMATION RELATING TO NCC GROUP              | 50          |
| PART V       UNITED KINGDOM TAXATION CONSIDERATIONS                              | 52          |
| PART VI      DIRECTORS, SENIOR MANAGEMENT, CORPORATE<br>GOVERNANCE AND EMPLOYEES | 56          |
| PART VII     ADDITIONAL INFORMATION  | 81          |
| PART VIII    INFORMATION INCORPORATED BY REFERENCE                               | 101         |
| APPENDIX I   DEFINITIONS   | 104         |

## SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

| Section A – Introductions and warnings |  |   |
|--|--|---|
| Element                                | Disclosure requirement   | Disclosure  |
| A.1                                    | Warning  | This summary should be read as an introduction to this document. Any decision to invest in the New NCC Group Shares should be based on consideration of this document as a whole. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the member states of the EEA, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities. |
| A.2                                    | Resale or final placement of securities through financial intermediaries | Not applicable. NCC Group is not engaging any financial intermediaries for any resale of securities or final placement of securities after publication of this document.  |

| Section B – Issuer |   |  |
|--------------------|---|--|
| Element            | Disclosure requirement  | Disclosure   |
| B.1                | Legal and commercial name   | NCC Group plc.   |
| B.2                | Domicile/legal form/ legislation under which the issuer operates/country of incorporation | NCC Group is incorporated in England as a public limited company, limited by shares. Its registered office is situated in England and its registered number is 04627044. The principal legislation under which NCC Group operates is the Companies Act.  |
| B.3                | Current operations/principal activities/principal markets                                 | <p>The Group, of which NCC Group is the parent company, is a global information assurance specialist providing organisations worldwide with escrow, verification, security testing, website performance, software testing and domain services.</p> <p>The Group operates three main complementary divisions, NCC Group Escrow, NCC Group Assurance and NCC Group Domain Services from over 20 offices across the UK, mainland Europe, North America and Australia, providing information assurance services for over 15,000 organisations worldwide.</p> |

| B.4a   | Most significant recent trends of NCC Group and its industry | <p>The Group’s three divisions, NCC Group Escrow, NCC Group Assurance and NCC Group Domain Services operate in different markets and therefore experience different trends.</p> <p>The traditional software escrow market in relation to on-premise software is a relatively mature market. The Group has provided escrow services since its formation.</p> <p>The information security market place is rapidly evolving, as cyber crime and data breaches continue to proliferate. In the UK, a significant proportion of large organisations experience security breaches. According to the 2014 Information Security Breaches Survey commissioned by the UK Department for Business, Innovation &amp; Skills, the worst breaches cost large organisations on average £0.6m – £1.15m, nearly double the average amount from the previous year. This in turn has driven a growth in demand for information security services.</p> <p>The Group’s Domain Services division is a relatively new division, focused on developing ‘trust in the internet’ and helping businesses mitigate the risks of using the internet. In order to foster innovation and competition on the internet, ICANN commenced a programme to create a new set of generic top-level domains (gTLDs). The new gTLD programme is intended to increase the diversity of the internet’s infrastructure but the Group believes that it will also pose challenges to the security of brand owners, internet sites and consumers, creating intellectual property risks and security issues resulting from phishing and impersonation attacks. Consumer concern in relation to internet safety and security is already high and the Domain Services division is seeking to address these trends by facilitating businesses in providing a safer internet experience to businesses and end customers.</p> |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
|--|--|--|-------------|--------------------------------------|-------------------------------|-----|----------------------|-----|---------------------------------------|-----|-------------------------------------|-----|------------------------|-----|----------------------------|-----|--|-----|----------------|-----|-----------------|-----|-------------------|-----|---------------------------------|-----|-----------------------|-----|--------------------------------|-----|----------------|-----|--------------------|-----|--|-----|-----------------|-----|----------------|-----|
| B.5  | Group structure  | <p>NCC Group is the parent company of the Group. The principal subsidiaries and associated undertakings of NCC Group (being those which are considered by NCC Group to be most likely to have a significant effect on the assessment of the assets and liabilities, financial position or profits and losses of NCC Group) are set out below:</p> <table><tr><th><i>Name</i></th><th><i>Percentage ownership interest</i></th></tr><tr><td>NCC Group (Solutions) Limited</td><td>100</td></tr><tr><td>NCC Services Limited</td><td>100</td></tr><tr><td>NCC Group Performance Testing Limited</td><td>100</td></tr><tr><td>NCC Group Security Services Limited</td><td>100</td></tr><tr><td>NCC Group SDLC Limited</td><td>100</td></tr><tr><td>NCC Group Escrow Europe BV</td><td>100</td></tr><tr><td>NCC Group Escrow Europe (Switzerland) AG</td><td>100</td></tr><tr><td>NCC Group GmbH</td><td>100</td></tr><tr><td>FortConsult A/S</td><td>100</td></tr><tr><td>iSEC Partners Inc</td><td>100</td></tr><tr><td>NCC Group Escrow Associates LLC</td><td>100</td></tr><tr><td>Matasano Security LLC</td><td>100</td></tr><tr><td>NCC Group Domain Services, Inc</td><td>100</td></tr><tr><td>NCC Group Inc.</td><td>100</td></tr><tr><td>Open Registry S.A.</td><td>100</td></tr><tr><td>Clearinghouse for Intellectual Property S.A.</td><td>100</td></tr><tr><td>Nexperteam CVBA</td><td>100</td></tr><tr><td>Sensirius CVBA</td><td>100</td></tr></table>  | <i>Name</i> | <i>Percentage ownership interest</i> | NCC Group (Solutions) Limited | 100 | NCC Services Limited | 100 | NCC Group Performance Testing Limited | 100 | NCC Group Security Services Limited | 100 | NCC Group SDLC Limited | 100 | NCC Group Escrow Europe BV | 100 | NCC Group Escrow Europe (Switzerland) AG | 100 | NCC Group GmbH | 100 | FortConsult A/S | 100 | iSEC Partners Inc | 100 | NCC Group Escrow Associates LLC | 100 | Matasano Security LLC | 100 | NCC Group Domain Services, Inc | 100 | NCC Group Inc. | 100 | Open Registry S.A. | 100 | Clearinghouse for Intellectual Property S.A. | 100 | Nexperteam CVBA | 100 | Sensirius CVBA | 100 |
| <i>Name</i>                                  | <i>Percentage ownership interest</i>                         |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group (Solutions) Limited                | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Services Limited                         | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group Performance Testing Limited        | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group Security Services Limited          | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group SDLC Limited                       | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group Escrow Europe BV                   | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group Escrow Europe (Switzerland) AG     | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group GmbH                               | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| FortConsult A/S                              | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| iSEC Partners Inc                            | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group Escrow Associates LLC              | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| Matasano Security LLC                        | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group Domain Services, Inc               | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| NCC Group Inc.                               | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| Open Registry S.A.                           | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| Clearinghouse for Intellectual Property S.A. | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| Nexperteam CVBA                              | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |
| Sensirius CVBA                               | 100  |  |             |                                      |                               |     |                      |     |                                       |     |                                     |     |                        |     |                            |     |  |     |                |     |                 |     |                   |     |                                 |     |                       |     |                                |     |                |     |                    |     |  |     |                 |     |                |     |

| B.6  | Notifiable interests   | <p>As at 1 April 2015 (being the latest practicable date prior to the publication of this document), NCC Group had been notified in accordance with DTR5 of the Disclosure and Transparency Rules of the following interests in NCC Group Shares:</p> <table><thead><tr><th></th><th><i>Number<br/>of NCC<br/>Group<br/>Shares</i></th><th><i>Percentage<br/>interest<br/>of issued<br/>NCC Group<br/>share capital</i></th></tr></thead><tbody><tr><td>Mawer Investment Management</td><td>25,138,989</td><td>12.0</td></tr><tr><td>Liontrust Asset Management</td><td>24,612,463</td><td>11.8</td></tr><tr><td>Montanaro Asset Management</td><td>21,202,706</td><td>10.1</td></tr><tr><td>Legal &amp; General Investment Management</td><td>15,917,590</td><td>7.6</td></tr><tr><td>Capital Research Global Investors</td><td>10,840,000</td><td>5.2</td></tr><tr><td>SEB Asset Management (Stockholm)</td><td>6,687,074</td><td>3.2</td></tr><tr><td>Aviva Investors</td><td>6,333,742</td><td>3.0</td></tr></tbody></table> <p>Save as disclosed in this section, NCC Group is not aware of any person who, as at 1 April 2015 (being the latest practicable date prior to the publication of this document), directly or indirectly, has a holding in NCC Group which is notifiable under English law.</p>   |  | <i>Number<br/>of NCC<br/>Group<br/>Shares</i>   | <i>Percentage<br/>interest<br/>of issued<br/>NCC Group<br/>share capital</i>                                  | Mawer Investment Management  | 25,138,989  | 12.0  | Liontrust Asset Management                       | 24,612,463 | 11.8 | Montanaro Asset Management | 21,202,706 | 10.1 | Legal & General Investment Management | 15,917,590 | 7.6    | Capital Research Global Investors | 10,840,000 | 5.2    | SEB Asset Management (Stockholm) | 6,687,074 | 3.2    | Aviva Investors | 6,333,742 | 3.0    |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
|--|--|--|--|---|---|--|---|---|--|------------|------|----------------------------|------------|------|---------------------------------------|------------|--------|-----------------------------------|------------|--------|----------------------------------|-----------|--------|-----------------|-----------|--------|------------------|--------|--------|--------|--------|--------|-------------------|--------|--------|--------|--------|--------|--------------------------|------|------|------|------|------|----------------------------|------|------|------|------|------|---|--|--|--|--|--|--------------|---------|---------|---------|---------|---------|-------------------------|---------|---------|-------|---------|---------|----------|----------|----------|----------|----------|----------|--------------|--------|--------|--------|--------|--------|
|  |  | <i>Number<br/>of NCC<br/>Group<br/>Shares</i>  | <i>Percentage<br/>interest<br/>of issued<br/>NCC Group<br/>share capital</i>                     |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Mawer Investment Management                      | 25,138,989   | 12.0   |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Liontrust Asset Management                       | 24,612,463   | 11.8   |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Montanaro Asset Management                       | 21,202,706   | 10.1   |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Legal & General Investment Management            | 15,917,590   | 7.6  |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Capital Research Global Investors                | 10,840,000   | 5.2  |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| SEB Asset Management (Stockholm)                 | 6,687,074  | 3.2  |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Aviva Investors                                  | 6,333,742  | 3.0  |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
|  | Different voting rights/controlling interests  | Not applicable. None of NCC Group’s major shareholders have different voting rights. To the extent known to NCC Group, NCC Group is not directly or indirectly owned or controlled by any person or any group of persons.  |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| B.7  | Historical key financial information for NCC Group   | <p>The selected financial information set out below has been extracted without material adjustment from the audited annual report and accounts of NCC Group for the years ended 31 May 2012, 31 May 2013 and 31 May 2014 and unaudited half yearly accounts of NCC Group for the six month periods ended 30 November 2013 and 30 November 2014, each prepared under IFRS:</p> <table><thead><tr><th></th><th><i>Audited<br/>financial<br/>results<br/>for the<br/>year ended<br/>31 May<br/>2012<br/>£000</i></th><th><i>Audited<br/>financial<br/>results<br/>for the<br/>year ended<br/>31 May<br/>2013<br/>£000</i></th><th><i>Audited<br/>financial<br/>results<br/>for the<br/>year ended<br/>31 May<br/>2014<br/>£000</i></th><th><i>Unaudited<br/>financial<br/>results<br/>for the six<br/>months ended<br/>30 November<br/>2013<br/>£000</i></th><th><i>Unaudited<br/>financial<br/>results<br/>for the six<br/>months ended<br/>30 November<br/>2014<br/>£000</i></th></tr></thead><tbody><tr><td colspan="6"><b>Consolidated income statement information</b></td></tr><tr><td>Revenue</td><td>87,713</td><td>99,225</td><td>110,661</td><td>53,999</td><td>62,325</td></tr><tr><td>Gross profit</td><td>33,573</td><td>35,849</td><td>39,468</td><td>18,708</td><td>19,546</td></tr><tr><td>Operating profit</td><td>11,619</td><td>19,827</td><td>24,072</td><td>11,584</td><td>11,069</td></tr><tr><td>Profit before tax</td><td>10,572</td><td>18,758</td><td>23,211</td><td>11,133</td><td>10,609</td></tr><tr><td>Basic earnings per share</td><td>3.7p</td><td>7.0p</td><td>8.7p</td><td>4.2p</td><td>4.0p</td></tr><tr><td>Diluted earnings per share</td><td>3.6p</td><td>6.9p</td><td>8.6p</td><td>4.1p</td><td>4.0p</td></tr><tr><td colspan="6"><b>Consolidated balance sheet information</b></td></tr><tr><td>Total assets</td><td>123,307</td><td>140,861</td><td>158,510</td><td>144,327</td><td>167,121</td></tr><tr><td>Net current liabilities</td><td>(5,831)</td><td>(5,086)</td><td>(296)</td><td>(1,662)</td><td>(1,738)</td></tr><tr><td>Net debt</td><td>(22,699)</td><td>(25,263)</td><td>(23,574)</td><td>(26,182)</td><td>(31,303)</td></tr><tr><td>Total equity</td><td>60,358</td><td>70,470</td><td>79,596</td><td>73,583</td><td>84,744</td></tr></tbody></table> <p>Set out below are details of significant changes in the financial condition, operating results and trading position of the Group during the period covered by the audited annual report and accounts for the three years ended 31 May 2012, 31 May 2013 and 31 May 2014 (being the date of NCC Group’s latest</p> |  | <i>Audited<br/>financial<br/>results<br/>for the<br/>year ended<br/>31 May<br/>2012<br/>£000</i>              | <i>Audited<br/>financial<br/>results<br/>for the<br/>year ended<br/>31 May<br/>2013<br/>£000</i>              | <i>Audited<br/>financial<br/>results<br/>for the<br/>year ended<br/>31 May<br/>2014<br/>£000</i> | <i>Unaudited<br/>financial<br/>results<br/>for the six<br/>months ended<br/>30 November<br/>2013<br/>£000</i> | <i>Unaudited<br/>financial<br/>results<br/>for the six<br/>months ended<br/>30 November<br/>2014<br/>£000</i> | <b>Consolidated income statement information</b> |            |      |                            |            |      | Revenue                               | 87,713     | 99,225 | 110,661                           | 53,999     | 62,325 | Gross profit                     | 33,573    | 35,849 | 39,468          | 18,708    | 19,546 | Operating profit | 11,619 | 19,827 | 24,072 | 11,584 | 11,069 | Profit before tax | 10,572 | 18,758 | 23,211 | 11,133 | 10,609 | Basic earnings per share | 3.7p | 7.0p | 8.7p | 4.2p | 4.0p | Diluted earnings per share | 3.6p | 6.9p | 8.6p | 4.1p | 4.0p | <b>Consolidated balance sheet information</b> |  |  |  |  |  | Total assets | 123,307 | 140,861 | 158,510 | 144,327 | 167,121 | Net current liabilities | (5,831) | (5,086) | (296) | (1,662) | (1,738) | Net debt | (22,699) | (25,263) | (23,574) | (26,182) | (31,303) | Total equity | 60,358 | 70,470 | 79,596 | 73,583 | 84,744 |
|  | <i>Audited<br/>financial<br/>results<br/>for the<br/>year ended<br/>31 May<br/>2012<br/>£000</i> | <i>Audited<br/>financial<br/>results<br/>for the<br/>year ended<br/>31 May<br/>2013<br/>£000</i>   | <i>Audited<br/>financial<br/>results<br/>for the<br/>year ended<br/>31 May<br/>2014<br/>£000</i> | <i>Unaudited<br/>financial<br/>results<br/>for the six<br/>months ended<br/>30 November<br/>2013<br/>£000</i> | <i>Unaudited<br/>financial<br/>results<br/>for the six<br/>months ended<br/>30 November<br/>2014<br/>£000</i> |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| <b>Consolidated income statement information</b> |  |  |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Revenue  | 87,713   | 99,225   | 110,661  | 53,999  | 62,325  |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Gross profit                                     | 33,573   | 35,849   | 39,468   | 18,708  | 19,546  |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Operating profit                                 | 11,619   | 19,827   | 24,072   | 11,584  | 11,069  |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Profit before tax                                | 10,572   | 18,758   | 23,211   | 11,133  | 10,609  |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Basic earnings per share                         | 3.7p   | 7.0p   | 8.7p   | 4.2p  | 4.0p  |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Diluted earnings per share                       | 3.6p   | 6.9p   | 8.6p   | 4.1p  | 4.0p  |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| <b>Consolidated balance sheet information</b>    |  |  |  |   |   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Total assets                                     | 123,307  | 140,861  | 158,510  | 144,327   | 167,121   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Net current liabilities                          | (5,831)  | (5,086)  | (296)  | (1,662)   | (1,738)   |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Net debt   | (22,699)   | (25,263)   | (23,574)   | (26,182)  | (31,303)  |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |
| Total equity                                     | 60,358   | 70,470   | 79,596   | 73,583  | 84,744  |  |   |   |  |            |      |                            |            |      |                                       |            |        |                                   |            |        |                                  |           |        |                 |           |        |                  |        |        |        |        |        |                   |        |        |        |        |        |                          |      |      |      |      |      |                            |      |      |      |      |      |   |  |  |  |  |  |              |         |         |         |         |         |                         |         |         |       |         |         |          |          |          |          |          |          |              |        |        |        |        |        |



|  |  |  |
|--|--|--|
|  |  | <p>published audited annual report and accounts) and for the period since 31 May 2014.</p> <p><b>Year ending 31 May 2012</b></p> <p>The Group increased revenue by 24% to £87.7 million (2011: £71.0 million). Excluding the full year effects of the acquisitions of iSec Partners Inc and Escrow Associates LLC in October 2010 and March 2011 respectively, Group revenue grew by 17% to £78.3 million.</p> <p>Adjusted Group operating profit grew by 27% to £23.4 million (2011: £18.4 million) and adjusted Group pre-tax profit increased 27% to £22.6 million (2011: £17.8 million).</p> <p>The Group was highly cash generative with operating cash flow before interest and tax of £24.6 million (2011: £17.9 million) which was 131% of operating profit before interest and tax (2011: 133%). The Group ended the year with net debt of £22.7 million (2011: £20.5 million).</p> <p>In May 2012, the Group reported the complete suspension of the implementation of the Group's then new enterprise wide integrated IT system and the reversion back to the previous Group-wide IT system.</p> <p>The Group applied to register the .secure gTLD as part of the ICANN programme to create a new set of gTLDs. In applying to register the .secure domain the Group's aim was to create a universal environment for end users to operate and navigate the internet with complete safety and security (the "Domain Assured Project").</p> <p><b>Year ending 31 May 2013</b></p> <p>The Group increased revenue by 13% to £99.2 million (2012: £87.7 million). Organic revenue growth was 8%, excluding the contribution from the two US businesses acquired in August 2012, Matasano Security LLC and Intrepidus Group, Inc.</p> <p>The Group generated strong margins. Adjusted Group operating profit grew by 2% to £23.9 million (2012: £23.4 million) and adjusted Group pre-tax profit marginally improved to £23.0 million (2012: £22.6 million). The Group's reported pre-tax profit was £18.8 million (2012: £10.6 million).</p> <p>The Group was highly cash generative with operating cash flow before interest and tax of £23.0 million (2012: £24.6 million), which gave a cash conversion ratio of 116% of operating profit before interest and tax (2012: 131%). The Group ended the year with net debt of £25.3 million (2012: £22.7 million).</p> <p>The Group renewed its banking facility with the Royal Bank of Scotland, which provided a £40 million revolving credit facility and a £5 million overdraft, running until July 2016. Interest on the facility was charged between 1.5% and 2.25% over LIBOR based on the Group's net debt/EBITDA ratio.</p> |
|--|--|--|

|  |  |   |
|--|--|---|
|  |  | <p>Following the Group's application to register the .secure gTLD, the Group established a new wholly owned subsidiary, Artemis Internet, Inc. in San Francisco, to develop the critical infrastructure and know-how to deliver the Domain Assured Project. On 21 June 2013, it was confirmed by ICANN that the application for the .secure gTLD had completed and passed the initial evaluation process.</p> <p><b>Year ending 31 May 2014</b></p> <p>The Group increased revenue by 12% to £110.7 million (2013: £99.2 million).</p> <p>The Group generated strong margins and adjusted Group operating profit grew by 9% to £26.0 million (2013: £23.9 million). Adjusted Group pre-tax profit improved to £25.3 million (2013: £23.0 million). The Group's reported pre-tax profit was £23.2 million (2013: £18.8 million).</p> <p>The Group was highly cash generative with an operating cash flow before interest and tax of £28.9 million (2013: £23.0 million), which gave a cash conversion ratio of 120% of operating profit before interest and tax (2013: 116%). The Group ended the year with net debt of £23.6 million (2013: £25.3 million).</p> <p><b>Half year ending 30 November 2014</b></p> <p>Group revenue increased 15% to £62.3 million (£54.0 million in 2013) – 17% on a constant currency basis. Group adjusted operating profit was up by 6% to £12.4 million (£11.8 million in 2013).</p> <p>Group adjusted operating profits excluding the Domain Services division grew by 14% to £14.3 million (£12.6 million in 2013) and Group adjusted pre-tax profit increased 5% to £12.1 million (£11.4 million in 2013).</p> <p>The Group was highly cash generative with a cash conversion ratio of 105% of operating profit (104% in 2013).</p> <p>The assignment to the Group of the .trust gTLD was completed.</p> <p><b>Events since the half year ending 30 November 2014</b></p> <p>On 19 January 2015, the Group acquired the Open Registry Group of Companies for a maximum consideration of £14.9 million (€19.5 million) of which £7.9 million (€10.3 million) was paid on completion.</p> <p>On 19 March 2015, the Group increased its banking facilities with the Royal Bank of Scotland to £80 million comprising of a multicurrency revolving credit facility of up to £68 million, a further revolving credit facility of up to £10 million and a £2 million working capital multicurrency overdraft on the same terms. Interest on the facilities is charged between 1.5% and 2.25% over LIBOR based on the Group's net debt/EBITDA ratio.</p> <p>In the first nine months of the financial year to 31 May 2015, Group revenues were 14% ahead of the same period last year at £92.3 million (February 2014: £81.0 million). Approximately 47% of the Group's revenues are now outside the UK with the majority in North America. The Group</p> |
|--|--|---|



|      |   |  |
|------|---|--|
|      |   | <p>remains on course to meet the NCC Group Board's expectations for the financial year.</p> <p>Apart from the items referred to above there has been no significant change to the Group's financial condition and operating results during or subsequent to the period covered by the historical key financial information on the Group set out in this section.</p>   |
| B.8  | Selected key pro forma financial information              | Not applicable. NCC Group does not have a complex financial history and has not made any significant financial commitment.   |
| B.9  | Profit forecast and estimate                              | Not applicable. NCC Group has not made a profit forecast or estimate.  |
| B.10 | Qualifications in the audit reports                       | Not applicable. The audit reports on the historical financial information contained in, or incorporated by reference into, this document are not qualified.  |
| B.11 | Insufficiency of working capital for present requirements | <p>Not applicable. NCC Group is of the opinion that, after taking into account existing available facilities, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this document.</p> <p>NCC Group is of the opinion that, after taking into account existing available facilities, the working capital available to the Enlarged Group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this document.</p> |

| Section C – Securities |   |   |
|------------------------|---|---|
| Element                | Disclosure requirement                                | Disclosure  |
| C.1                    | Type and the class of the securities                  | NCC Group will issue 20,389,472 fully paid ordinary shares of 1 pence each in the capital of NCC Group pursuant to the Acquisition. The ISIN the New NCC Group Shares will trade under is GB00B01QGK86.   |
| C.2                    | Currency of the securities issue                      | The New NCC Group Shares will be denominated in Pounds sterling.  |
| C.3                    | Shares issued/value per share                         | As at 1 April 2015 (being the latest practicable date before the publication of this document), NCC Group has in issue 208,925,294 fully paid ordinary shares of 1 pence each.  |
| C.4                    | Description of the rights attaching to the securities | <p>The New NCC Group Shares, to be issued to Accumuli Shareholders, will be issued credited as fully paid and will rank <i>pari passu</i> in all respects with the NCC Group Shares that are in issue at the time the New NCC Group Shares are issued pursuant to the Acquisition, including in relation to any dividends or other distributions with a record date falling after the Effective Date.</p> <p>Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any NCC Group Shares (for example, in the case of joint holders of a share, the only vote which will count is the vote of the person whose name is listed before the other voters on the register for the</p> |

|     |   |   |
|-----|---|---|
|     |   | share), NCC Group Shareholders shall have the right to receive notice of and to attend and vote at general meetings of NCC Group. Subject to the provisions of the Companies Act, NCC Group may from time to time declare dividends and make other distributions on NCC Group Shares. NCC Group Shareholders are entitled to participate in the assets of NCC Group attributable to their shares in a winding-up of NCC Group or other return of capital, but they have no rights of redemption.  |
| C.5 | Restrictions on free transferability of the securities      | Not applicable. There are no restrictions on the free transferability of NCC Group Shares.  |
| C.6 | Admission/regulated markets where the securities are traded | Application will be made to the UK Listing Authority for the New NCC Group Shares to be admitted to the premium listing segment of the Official List and to the London Stock Exchange for the New NCC Group Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission of the New NCC Group Shares will become effective, and that dealings for normal settlement in the New NCC Group Shares will commence, on the London Stock Exchange at or shortly after 8.00 am (London time) on the first Business Day after the Effective Date. The Effective Date, subject to the satisfaction of certain conditions, including the sanction of the Scheme by the Court, is expected to be on 30 April 2015. |
| C.7 | Dividend policy   | <p>It is expected that any final dividend of the Enlarged Group for the year ending 31 May 2015 will be declared at its annual general meeting in September 2015 and paid in September 2015 and that any interim dividend for the half year ending 30 November 2015 will be declared in January 2016 and paid in February 2016. Assuming that the Acquisition will be completed in line with the anticipated timetable, Accumuli Shareholders holding New NCC Group Shares will benefit from any dividend that may be declared.</p> <p>The Board of the Enlarged Group will decide the absolute level of any future dividends taking into account the Enlarged Group's underlying earnings, cash flows, capital investment plans and the prevailing market outlook.</p>     |

| Section D – Risks |   |   |
|-------------------|---|---|
| Element           | Disclosure requirement  | Disclosure  |
| D.1               | Key information on the key risks that are specific to the Group or its industry | <p>Key information on the key risks specific to the Group and its industry are:</p> <ul style="list-style-type: none"> <li>The Group's ability to provide services to its customer base is heavily dependent on its continued and uninterrupted access to information technology systems.</li> <li>The Group's success depends, to a significant extent, on the continued services of its senior management team, which has substantial knowledge of, and experience and expertise in, the information assurance industry.</li> </ul> |

|     |  |  |
|-----|--|--|
|     |  | <ul style="list-style-type: none"> <li>• The success of the Group is dependent on recruiting, retaining, motivating and developing sufficient appropriately skilled and competent people at all levels of its organisation.</li> <li>• As a provider of information assurance services, maintaining a good reputation is integral to the Group's future business success as customers are unlikely to choose to receive services from an information assurance provider they do not trust. The Group is a particular target for cyber criminals given the services it provides. Any damage to the Group's reputation (including by a cyber security breach) could result in the loss of repeat business as well as reducing the ability of the Group to attract new customers.</li> <li>• The NCC Group Directors believe that the combination of the businesses of NCC Group and Accumuli will be earnings enhancing. However, there is a risk that some or all of the expected benefits may fail to materialise, or may not occur within the time periods anticipated by the NCC Group Directors, or that the level of investment required to achieve these benefits may be higher than expected.</li> <li>• The integration of Accumuli into the Enlarged Group may take longer than anticipated or might be more difficult or expensive than the NCC Group Board have anticipated. Resolving problems arising in connection with the integration may also take a significant amount of management time and divert management away from other activities. In addition, the loss of members of Accumuli's senior management team may result in the Enlarged Group finding it difficult to successfully integrate Accumuli.</li> <li>• The Group has pursued and intends to continue to pursue growth opportunities through a combination of organic growth and acquisitions. Acquisitions always carry risks and the Group maybe unable to successfully integrate the acquisitions. The Group may also be liable for the past acts, omissions or liabilities of the companies or businesses it has acquired, which maybe unforeseen and in excess of the value of any warranties or guarantees received from the sellers of such companies or businesses.</li> </ul> |
| D.3 | Key information on the key risks that are specific to the securities | <p>Key information on the key risks specific to the New NCC Group Shares are:</p> <ul style="list-style-type: none"> <li>• The value of an investment in NCC Group Shares may go down as well as up and any fluctuations may be material and may not reflect the underlying asset value. For example, following the Acquisition, operating results and prospects from time to time may be below expectations of market analysts and investors, which could result in a decline in the market price of NCC Group Shares.</li> </ul>   |

|  |  |   |
|--|--|---|
|  |  | <ul style="list-style-type: none"> <li>• Even if a material adverse change to Accumuli's business or prospects was to occur prior to completion of the Acquisition, in certain circumstances NCC Group may not be able to invoke the Conditions and decide not to proceed with the Acquisition, which could reduce the market price of NCC Group Shares or negatively impact the Enlarged Group's results of operation.</li> <li>• After the Acquisition becomes Effective, NCC Group Shareholders and Accumuli Shareholders will own a smaller percentage of the Enlarged Group than they currently own of NCC Group and Accumuli, respectively. As a consequence, the voting power which can be exercised and the influence which may be exerted by the shareholders in respect of the Enlarged Group will be reduced.</li> </ul> |
|--|--|---|

| Section E – Offer |   |   |
|-------------------|---|---|
| Element           | Disclosure requirement                    | Disclosure  |
| E.1               | Total net proceeds and costs of the issue | <p>The total costs, charges and expenses (including fees and commissions) (exclusive of recoverable VAT) payable by NCC Group in connection with the Acquisition are estimated to amount to approximately £1.9 million.</p> <p>As set out below, NCC Group is not receiving any cash proceeds from the issue of New NCC Group Shares.</p>   |
| E.2a              | Reasons for the offer/use of the proceeds | <p>The New NCC Group Shares will be issued to Accumuli Shareholders as part of the consideration under the terms of the proposed Acquisition. Under the terms of the Acquisition, Accumuli Shareholders may elect to vary the proportions of New NCC Group Shares and cash consideration they receive in respect of their holdings of Accumuli Shares, via a Mix and Match Facility, subject to equal and opposite elections made by other Accumuli Shareholders.</p> <p>It is intended that the Acquisition will be effected by way of a Court sanctioned scheme of arrangement of Accumuli under Part 26 of the Companies Act pursuant to which NCC Group will acquire the entire issued and to be issued ordinary share capital of Accumuli.</p> |
|                   | Net amount of the proceeds                | Not applicable. NCC Group is not receiving any cash proceeds from the issue of New NCC Group Shares. The New NCC Group Shares will be issued to the Accumuli Shareholders as a result of the Acquisition.   |
| E.3               | Terms and conditions of the offer         | <p>Under and subject to the terms of the Acquisition, Accumuli Shareholders will be entitled to receive for each Accumuli Share:</p> <ul style="list-style-type: none"> <li>• 0.1218 New NCC Group Shares; and</li> <li>• 5.97 pence in cash.</li> </ul> <p>Under the terms of the Acquisition, Accumuli Shareholders may elect to vary the proportions of NCC Group Shares and cash consideration they receive in respect of their holdings of</p>   |

|  |  |   |
|--|--|---|
|  |  | <p>Accumuli Shares, via a Mix and Match Facility. For example, an Accumuli Shareholder who elects to receive all cash as consideration will only receive such all cash consideration to the extent sufficient Accumuli Shareholders elect to receive consideration in New NCC Group Shares only. An Accumuli Shareholder may complete an election to receive a mix of cash and New NCC Group Shares. However, such election is subject to equal and opposite elections by other Accumuli Shareholders. Irrespective of elections under the Mix and Match Facility, the aggregate cash consideration payable by NCC Group for the Acquisition will always be approximately £10 million and the aggregate holdings of current NCC Group Shareholders will be diluted to approximately 91.1 per cent. of the issued share capital of NCC Group after the issue and allotment of the New NCC Group Shares.</p> <p>If an Accumuli Shareholder elects to receive all New NCC Group Shares instead of cash, or elects to receive all cash instead of New NCC Group Shares, under the Mix and Match Facility, that Accumuli Shareholder will receive, assuming opposite and equal elections are made by other Accumuli Shareholders:</p> <ul style="list-style-type: none"> <li>• for a cash election in respect of an Accumuli Share: 30.21 pence in cash; and</li> <li>• for a share election in respect of an Accumuli Share: 0.1518 of a New NCC Group Share.</li> </ul> <p>The amounts outlined above are equivalent to an Accumuli Shareholder receiving 0.1218 of a New NCC Group Share and 5.97 pence in cash, based on the Closing Price of 199 pence per NCC Group Share on 1 April 2015.</p> <p>The Acquisition is conditional upon, among other things:</p> <ul style="list-style-type: none"> <li>• approval of the Scheme and related resolution by the requisite majorities of Accumuli Shareholders at the Court Meeting and the General Meeting; and</li> <li>• the sanction of the Scheme by the Court at the Scheme Court Hearing.</li> </ul> <p>The Acquisition will lapse if:</p> <ul style="list-style-type: none"> <li>• the Court Meeting and the General Meeting are not held by the 22nd day after the expected date of such meetings (or such later date as may be agreed between NCC Group and Accumuli); or</li> <li>• the Scheme does not become Effective by 31 August 2015 (or such later date, if any, as NCC Group and Accumuli may agree and, if required, the Court and the Panel may allow),</li> </ul> <p>provided however, that the deadlines for the timing of the Court Meeting, the General Meeting and the Scheme to become Effective as set out above may be waived by NCC Group.</p> |
|--|--|---|

|     |  |   |
|-----|--|---|
|     |  | <p>Proposals in accordance with Rule 15 of the City Code will be made to the holders of options and other rights in respect of Accumuli Shares.</p> <p>NCC Group has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting in respect of a total of 90,693,585 Accumuli Shares, representing approximately 57.3 per cent. of the Scheme Shares entitled to vote at the Court Meeting and irrevocable undertakings to vote in favour of the Special Resolution to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of an Acquisition Offer, to accept the Acquisition Offer) in respect of a total of 92,042,107 Accumuli Shares, representing approximately 57.7 per cent. of the existing issued share capital of Accumuli.</p> |
| E.4 | Interests that are material to the issue/conflicting interests | Not applicable. There are no interests, known to NCC Group, that are material to the issue of the New NCC Group Shares or which are conflicting interests.  |
| E.5 | Name of the offeror/lock-up agreements                         | Not applicable. There are no entities or persons offering to sell the New NCC Group Shares, and there are no lock-up agreements.  |
| E.6 | Dilution   | If the Acquisition becomes Effective, it will result in the issue of 20,389,472 New NCC Group Shares to Accumuli Shareholders, which would result in Accumuli Shareholders holding approximately 8.9 per cent. of NCC Group. This will result in NCC Group's issued share capital increasing by approximately 9.8 per cent. If the Acquisition becomes Effective, NCC Group Shareholders will suffer an immediate dilution as a result of the Acquisition following which they will hold approximately 91.1 per cent. of the issued share capital of NCC Group.   |
| E.7 | Estimated expenses charged to the investor                     | Not applicable. No expenses will be directly charged to the investor by NCC Group.  |



## RISK FACTORS

*Any investment in NCC Group and the New NCC Group Shares carries a number of risks. Prospective investors should review this prospectus carefully and in its entirety (together with any documents incorporated by reference into it) and consult with their professional advisers before acquiring any New NCC Group Shares. You should carefully consider the risks and uncertainties described below, together with all other information in this document and the information incorporated into this document by reference, before making any investment decision. Prospective investors should note that the risks relating to the Group, its industry and the New NCC Group Shares summarised in the section of this document headed “Summary” are the risks that the NCC Group Directors believe to be most essential to an assessment by a prospective investor of whether to consider an investment in the New NCC Group Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed “Summary” but also, among other things, the risks and uncertainties described below.*

*Additional risks and uncertainties that are not presently known to the NCC Group Directors, or which they currently deem immaterial, may also have an adverse effect on NCC Group’s operating results, financial condition or prospects. If any such risks were to materialise, the price of NCC Group Shares could decline as a consequence and investors could lose all or part of their investment.*

*The information given is as of the date of this document and, except as required by the FCA, the London Stock Exchange, the Listing Rules, the Prospectus Rules or any other applicable law, will not be updated. Any forward looking statements are made subject to the reservations specified under “Forward Looking Statements” on page 23 of this document.*

### **Risks relating to the Group**

#### **1. Failure of information technology systems**

The Group’s ability to provide services to its customer base is heavily dependent on its continued and uninterrupted access to information technology systems. In particular, a number of the services provided by the Group’s Assurance division (including security consulting and web performance testing) could not be performed by the Group without access to information technology systems. In addition, as a provider of information assurance services, maintaining the security and integrity of all such systems is of paramount importance. As a provider of information assurance services, the Group is a particular target for cyber criminals and whilst it takes steps to mitigate these risks including by the use of malware protection, network security controls and encryption of mobile devices these risks can never be entirely eliminated. Were a security breach to occur it may not only result in loss or damage to the Group’s sensitive data (and potentially that of its customers) but may also result in significant damage to the reputation and future business prospects of the Group. In addition to the specific risks identified above, the Group’s systems are vulnerable to damage or interruption from human error, natural disasters (including earthquakes, floods and lightning strikes), fires, power loss, telecommunication failures and similar events. These systems may also be subject to sabotage, vandalism and similar misconduct. The same is true of the third-party service and software providers on which the Group depends. Further, there is no assurance that the Group’s systems will function as designed or keep pace with the Group’s rate of growth. Any interruptions or failures of the Group’s information technology systems could therefore have a material adverse effect on the Group’s business, prospects, financial condition and the results of operations.

#### **2. Loss of key management**

The Group’s success depends, to a significant extent, on the continued services of its senior management team, which has substantial knowledge of, and experience and expertise in, the information assurance industry. The members of the senior management team are instrumental to the continued success of the Group as they enable the Group to manage its current business and develop and execute strategies for its future expansion. Many of the members of the Group’s senior management team, including its Chief Executive, Rob Cotton, have been employed by the Group for many years and have a detailed knowledge of the Group and its history that would be difficult to replicate. There can be no guarantee that any of the senior

management team will remain employed by the Group. As the Group's business relates to the provision of specialist information assurance services, the Group may also find it comparatively difficult to recruit new members of the senior management team who have the requisite industry knowledge and (where necessary) technical expertise. Consequently, the loss of members of its key management team, or the inability to attract and retain appropriately skilled and knowledgeable replacements could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

### **3. Failure to attract, develop and retain appropriately skilled personnel**

The success of the Group is dependent on recruiting, retaining, motivating and developing sufficient appropriately skilled and competent people at all levels of its organisation. In addition, the Group has a particular requirement for a number of specialist information assurance personnel. These personnel are often required to have highly specialist skills and/or particular qualifications or certifications. The Group frequently faces intense competition in relation to the recruitment of such personnel from other companies and organisations. This competition can in turn result in the typical salaries demanded by such personnel increasing. This represents a risk for the Group's business as the amounts it is able to charge its customer base for the provision of services may not reflect the increased salary demands of its specialist personnel. In addition, should the Group fail to recruit or retain sufficient skilled and competent personnel this could impact on its ability to grow and expand and consequently could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

### **4. Damage to reputation**

As a provider of information assurance services, maintaining a good reputation is integral to the Group's future business success as customers are unlikely to choose to receive services from an information assurance provider they do not trust. Risks to the Group's reputation could arise from a variety of sources including failing to meet customer expectations on project delivery, service delivery and consulting assignments. A particular reputational risk in relation to the Group's escrow business would be the major failure of the Group's escrow operations such as the loss by the Group of source code that has been deposited with it. Some of the other services that the Group provides to clients (such as security consulting) carry a risk of the customer's own information technology systems being harmed, loss of the customer's data or the customer's security being breached. A material incident of this nature could cause significant reputational damage to the Group. A material part of the Group's revenue relates to recurring expenditure from its customer base and any damage to its reputation could also result in the loss of repeat business as well as reducing the ability of the Group to attract new customers. In addition, the Group's reputation could be significantly damaged by a cyber security breach (or other material incident) affecting the Group's own information technology systems. This risk has been increased by the launch by the Group of its .trust top-level domain. As the .trust domain is specifically designed to create a safer internet experience for end users, it makes it a particular target for hackers and other cyber criminals. In addition, incidents affecting the Group's reputation may in turn lead to litigation and/or other claims or disputes arising in respect the Group. The occurrence of any of these events could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

### **5. Acquisitions**

The Group has pursued, and intends to continue to pursue, growth opportunities through a combination of organic growth and through the acquisition of complementary companies and businesses. In the future, the Group may not be able to identify appropriate future acquisitions or successfully agree terms for (and complete) those acquisitions, which in turn may adversely affect the future growth of the Group. Acquisitions always carry risks and the Group may be unable to successfully integrate the acquisitions that it makes resulting in acquisitions not achieving the same levels of revenue, profitability or productivity as the Group's existing business. The Group may also be liable for the past acts, omissions or liabilities of the companies or businesses it has acquired, which may be unforeseen or greater than anticipated and maybe in excess of the value of any warranties and guarantees received from the sellers of such companies or businesses. Furthermore, acquiring businesses, working towards their successful integration and resolving any difficulties that arise may require a disproportionate amount of the Group's resources and management's

attention. Any of these events, should they occur, could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

## **6. Competitive environment**

The Group operates within a highly competitive environment. All of the Group's divisions are at risk of new lower priced competitors entering the marketplace in which the Group operates and competing with the Group on price. The Group has chosen to pursue a strategy of providing high quality services but this in turn means that competitors may decide to offer a lower quality service at a cheaper price. The Group is also at risk from boutique organisations (without the Group's infrastructure and strength in depth) competing on price in relation to some service lines. The competitive environment within which the Group operates also increases the pressure on the recruitment and retention of personnel as discussed above. An increase in competition may affect the Group's ability to raise prices for its solutions and services in the future and may even lead to downward price pressure. For the aforementioned reasons, competition could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

## **7. Investment in new areas**

Investing in new business areas can require significant financial expenditure and require a significant amount of management time and attention. Where the Group develops new solutions or services it may not have the requisite expertise to fully develop and exploit those solutions and services. New solutions and services may not deliver any return, may deliver less than the targeted return on investment or may take longer to deliver a return than was originally anticipated. Investing in new solutions and services that have unsuccessful outcomes could also adversely affect the reputation of the Group and lead to a decline in its share price or the perceived desirability of its solutions and services. The occurrence of any of these negative impacts could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations and could also impact its ability to develop new solutions and services in the future.

## **8. Ethical and legal breaches**

As maintaining its reputation is integral to the Group's continued success, the Group is particularly exposed to risk should it commit a substantive ethical breach or be in material non-compliance with law as the publicity surrounding any such breach or non-compliance could negatively impact the likelihood of existing or future customers wishing to do business with the Group. Ethical or legal breaches could also expose the Group to regulatory fines and/or censure, litigation and claims for compensation. In addition to the Group's own need to trade ethically and in compliance with law, a number of the Group's customers require it to commit to comply with ethical trading and similar policies as well as applicable law as part of their contractual arrangements with the Group. Ethical and legal breaches could, therefore, lead to the Group being in breach of those contracts and potentially risking the early termination of those contracts or damages claims in respect of breach. The occurrence of any of these events could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

## **9. Failure to protect intellectual property**

Some of the Group's solutions and services are capable of being protected by intellectual property rights. There are a combination of intellectual property rights that are relevant to the Group's solutions and services; these include confidentiality, know-how, trademarks, copyright and patents. Some intellectual property rights offer limited protection only and despite the Group's best efforts, unauthorised third parties (including ex-employees) may seek to exploit the Group's intellectual property rights without its consent. In addition, policing intellectual property right infringement is difficult and might not always be effective. Also, enforcing intellectual property rights can be unduly time consuming and expensive and not all jurisdictions will enforce intellectual property rights to the same extent. Many of the Group's intellectual property rights are not considered to be capable of patent protection, for example those which just comprise trade secrets or know-how. Some of the Group's intellectual property rights might also include technologies and processes that are similar to those of third parties that are protected by patents or other intellectual property rights. The Group will be at a competitive disadvantage should it fail to seek and obtain intellectual property rights (such as patents) in respect of its existing or future products, solutions and processes where it is able to do

so. The Group's exposure to risks associated with the use of intellectual property rights may also increase as a result of acquisitions, as it will not necessarily have a high degree of visibility of the historic steps taken to protect intellectual property and to safeguard against the risk of third party infringement claims. Consequently third parties may make infringement or similar claims post an acquisition that were not asserted prior to it and which the Group could not foresee. A failure to protect intellectual property could lead to a loss of competitive advantage which could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

## **10. Litigation**

Save as provided in section 5 of Part VII, the Group currently has no material outstanding litigation or disputes. However there is no guarantee that the past, current or future actions of the Group will not result in litigation or other disputes. Defending and settling litigation can require significant expenditure, even where the claim has little or no merit. The Group is also at risk of being enjoined in third party litigation and incurring legal expenses which it might be unable to recover in respect of such claims. This risk particularly applies to the Group's Escrow division where it is possible that the other parties to an escrow dispute will seek to embroil the Group in litigation (for example, in relation to the contested release of source code to one of the parties). The amount of damages claimed in any litigation against the Group could be significant as could the amount of management time that litigation and dispute resolution can entail and could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations. In addition, the adverse reputational issues that can arise from litigation or other public disputes could have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

## **11. Rogue Employees**

Some of the Group's employees (such as security consultants) have significant access to customers' information technology systems. Technical security consulting by its very nature involves consultants trying to breach a customer's applications, infrastructure, information security processes and procedures in order to establish their current level of exposure to and, whether or not the customer's current system has sufficient defences in place against, cyber crime. Consequently, there is a risk that an employee of the Group could seek to breach a customer's system and/or use sensitive customer data for improper or illegal purposes (including for the perpetration of criminal offences and frauds or in order to intentionally cause damage to a customer's property). Whilst the Group implements a vetting process in relation to such types of employees and seeks to ensure that there is more than one employee on any particular customer engagement it is not possible to entirely mitigate this risk. Not only would the commissioning of crime or causing of intentional damage by a rogue employee expose the Group to substantial reputational damage, the Group may also face contractual liability to its customers. Whilst the Group maintains insurance in respect of the criminal acts of employees, the insurance cover maintained by the Group may be inadequate to cover any such contractual liability. Rogue employees could therefore have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

## **12. Loss of necessary accreditations and certifications**

As a provider of information assurance services, some of the Group's customers require the Group (or its employees) to have and maintain certain certifications including ISO 9001, ISO 27001, PCI, CHECK, CLAS and CREST. Over time, it is possible that the Group's customers will require the Group (or its employees) to have and maintain additional certifications and the Group (or its employees) may not be able to obtain these certifications, or in order to obtain these certifications the Group may need to make significant changes to its operational processes, procedures and policies, which in turn may result in the Group incurring significant expenditure. Should the Group (or relevant employees) fail to have and maintain appropriate certifications, then the Group may lose existing customers or may be unable to secure contracts with new customers. Failure to have and maintain appropriate certifications may therefore have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

### **13. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The trade receivables of the Group typically comprise of smaller amounts due from a large number of customers. However, if in the future a significant customer or collection of customers defaulted this may have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

### **14. Currency risk**

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. Historically, the overall currency risk for each entity has been low as each entity typically undertakes significant levels of transactions within its own jurisdiction. The Group's management also review the size and probable timing of settlement of all significant financial assets and liabilities denominated in foreign currencies. However, should the Group entities have increased exposure to currency fluctuations then this may have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

### **15. Interest rate risk**

The Group finances its operations through a mixture of retained profits and bank borrowings. The cost of bank borrowing ranges from 1.5% to 2.25% above LIBOR based on the Group's net debt/EBITDA ratio. Interest rates have now remained low for a number of years but there is no guarantee that this will continue. A significant increase in interest rates may have a material adverse effect on the Group's business, prospects, financial condition and the results of operations.

### **Risks relating to the Acquisition and the New NCC Group Shares**

#### **16. Even if a material adverse change to Accumuli's business or prospects were to occur, in certain circumstances, NCC Group may not be able to invoke the Conditions and terminate the Acquisition, which could reduce the value of NCC Group**

Completion of the Acquisition is subject to the Conditions, these, for example, include the condition that there is no material adverse change affecting Accumuli before the Scheme is sanctioned by the Court. Under the City Code, and except for certain Scheme-related Conditions, NCC Group may invoke a Condition to the Acquisition to cause the Acquisition not to proceed only if the Panel is satisfied that the circumstances giving rise to that Condition not being satisfied are of material significance to NCC Group in the context of the Acquisition.

If a material adverse change affecting Accumuli were to occur prior to the Acquisition becoming effective and the Panel did not allow NCC Group to invoke a Condition to cause the Acquisition not to proceed, the market price of NCC Group Shares or the Group's business, prospects, financial condition and the results of operations may be materially adversely affected.

#### **17. There can be no assurance that the Enlarged Group will be successful following the Acquisition**

The NCC Group Directors believe that the combination of the businesses of NCC Group and Accumuli will be earnings enhancing. However, there is a risk that it will not be earnings enhancing, or that it may be materially less earnings enhancing than expected, which would impact on the profitability of the Enlarged Group in the future. The NCC Group Directors also believe that the Acquisition will provide wider commercial benefits for the Enlarged Group. However, there is a risk that some or all of the expected benefits may fail to materialise, or may not occur within the time periods anticipated by the NCC Group Directors, or that the level of investment required to achieve these benefits may be higher than expected. The NCC Group Directors' expectation of anticipated benefits, including expectations with respect to the future financial performance of the Enlarged Group, is based on certain assumptions and information available to NCC Group as at the date of this document which may in turn prove to be inaccurate or unrealistic. The



realisation of anticipated benefits may be affected by a number of factors and risks, many of which will be beyond the control of the Enlarged Group and, as such, actual results may differ materially from those currently anticipated. A failure to realise anticipated benefits could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and the results of operations. The Group may also encounter challenges and difficulties integrating the business of Accumuli within the Group. The integration process may take longer than anticipated or might be more difficult or expensive than the NCC Group Directors have anticipated. Resolving problems arising in connection with the integration may also take a significant amount of management time and divert management away from other activities. In addition, in the period since November 2010 to the date of this document, Accumuli has itself acquired nine entities. Should the integration of those entities into Accumuli's Group be less advanced than the NCC Group Directors anticipate that could in turn make the integration of Accumuli into the Group more complex than the NCC Group Directors currently anticipate. All such integration challenges could therefore have a material adverse effect on the Enlarged Group's business, prospects, financial condition and the results of operations. Further, Accumuli's existing management team has substantial knowledge of, and experience in managing, Accumuli's business. Should members of Accumuli's key management team leave the Enlarged Group post Acquisition, the Enlarged Group may find it difficult to manage those parts of the business that it acquired as part of the Acquisition. Consequently, the loss of members of Accumuli's existing management team and other senior Accumuli employees could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and the results of operations.

#### **18. Reliance on certain suppliers and risk of perceived loss of independence**

A significant part of the revenue (including recurring revenue) of the Accumuli Group relates to the re-sale of third party software products. Should the owners of that third party software choose to cease to do business with the Enlarged Group this would reduce the anticipated revenue of the Enlarged Group and could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and the results of operations. As with all resellers of information technology (and software products in particular), Accumuli is at risk of third party intellectual property infringement claims. However, certain of Accumuli's reseller agreements contain provisions which mitigate this risk. In these agreements, Accumuli's suppliers indemnify it for losses that it suffers arising from third party claims that the use by Accumuli of the supplier's products infringes the intellectual property rights of that third party. These indemnities are uncapped but are subject to certain procedural requirements and certain exclusions. In addition, prior to the date of this document the Group has sought to maintain a reputation for being an independent provider of assurance services. Acquiring Accumuli, which has agreements in place with third party software owners for the re-sale of that software, may be perceived by some of the Group's customers to compromise that independence (especially in relation to the security consulting advice provided by the Group's Assurance division), which in turn could have a material adverse effect on the Enlarged Group's business, prospects, financial condition and the results of operations.

#### **19. The value of an investment in NCC Group Shares may go down as well as up and any fluctuations may be material and may not reflect the underlying asset value**

The market price of NCC Group Shares could be subject to significant fluctuations due to a change in sentiment in the market regarding NCC Group Shares. The fluctuations could result from national and global economic and financial conditions, the market's response to the Acquisition, market perceptions of NCC Group and various other factors and events, including but not limited to regulatory changes affecting the Group's operations, variations in the Group's operating results, business developments of the Group and/or its competitors and the liquidity of the financial markets. Furthermore, the Group's operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these events could result in a decline in the market price of NCC Group Shares.



**20. Any future issue of shares will further dilute the holdings of shareholders of NCC Group and could adversely affect the market price of NCC Group Shares**

It is possible that NCC Group could decide to offer additional shares in the future either to raise capital or for other purposes. If shareholders of NCC Group did not take up such offer of shares or were not eligible to participate in such offering, their proportionate ownership and voting interests in NCC Group would be reduced and the percentage that their NCC Group Shares would represent of the total share capital of NCC Group would be reduced accordingly. Any additional offering of NCC Group Shares, or significant sales of NCC Group Shares by the then major shareholders, could have a material adverse effect on the market price of NCC Group Shares as a whole.

**21. NCC Group Shareholders and Accumuli Shareholders will own a smaller percentage of NCC Group and Accumuli respectively than they currently own**

After the Acquisition becomes Effective, NCC Group Shareholders and Accumuli Shareholders will own a smaller percentage of the Enlarged Group than they currently own of NCC Group and Accumuli, respectively. As a consequence, the voting power which can be exercised and the influence which may be exerted by the shareholders in respect of the Enlarged Group will be reduced.

**22. Dividends**

Under UK company law, a company may pay cash dividends only to the extent that it has distributable reserves and cash available for this purpose. NCC Group's ability to pay dividends is affected by its profitability and the extent to which it has distributable reserves out of which dividends may be paid. There can be no assurance that NCC Group will be able to pay a dividend in the future or as to the amount of any such dividend, if paid.

**23. The ability of Overseas Shareholders to bring actions, or to enforce judgments, against NCC Group or its directors or officers may be limited**

The ability of an Overseas Shareholder to bring an action against NCC Group may be limited under law. NCC Group is a public limited company incorporated in England and Wales. The rights of holders of the NCC Group Shares are governed by English law and the NCC Group Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the NCC Group Directors and NCC Group's executive officers. All of the NCC Group Directors and NCC Group's executive officers are residents of the UK and none are citizens or residents of the United States. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the NCC Group Directors and NCC Group's executive officers within the Overseas Shareholder's country of residence or to enforce against the NCC Group Directors and the executive officers judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the NCC Group Directors or NCC Group's executive officers who are residents of the UK or countries other than those in which judgment is given. In addition, English or other courts may not impose civil liability on the NCC Group Directors or NCC Group's executive officers in any original action based solely on foreign securities laws brought against NCC Group or the NCC Group Directors or NCC Group's executive officers in a court of competent jurisdiction in England or other countries. Please refer to the section headed "Enforceability of judgments" on the cover page of this document for further information.

**24. Overseas Shareholders may be subject to exchange rate risks**

NCC Group Shares will be denominated in Pounds sterling. In addition, any dividends NCC Group may pay will be declared and paid in Pounds sterling. Accordingly, holders of NCC Group Shares resident outside the UK are subject to risks arising from adverse movements in the value of their local currencies against Pounds sterling, which may reduce the value of the New NCC Group Shares, as well as that of any dividends paid by NCC Group.

**25. Admission of the New NCC Group Shares may not occur when expected**

It is intended that Admission of the New NCC Group Shares will become Effective on the first Business Day after the Effective Date. If the Effective Date is delayed, Admission will be delayed. Admission is subject to the approval (subject to the satisfaction of any conditions to which such approval is expressed to be subject) of the UK Listing Authority and Admission will become effective as soon as a dealing notice has been issued by the UK Listing Authority and the London Stock Exchange has acknowledged that the New NCC Group Shares will be admitted to trading. There can be no guarantee that any conditions to which Admission is subject will be met or that the UK Listing Authority will issue a dealing notice. See the “Expected Timetable of Principal Events” on pages 24 to 25 of this document for further information on the expected dates of these events.

## FORWARD LOOKING STATEMENTS

Certain statements contained in this document, including those in the Parts headed “Summary”, “Risk Factors”, “Letter from Chairman of NCC Group”, “Information on NCC Group” and, “Operating and Financial Review of NCC Group”, constitute “forward looking statements”. In some cases, these forward looking statements can be identified by the use of forward looking terminology, including the terms “believes”, “estimates”, “plans”, “prepares”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology.

Investors should specifically consider the factors identified in this document, which could cause actual results to differ, before making an investment decision. Such forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of NCC Group, Accumuli and/or the Enlarged Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding NCC Group’s, Accumuli’s and/or the Enlarged Group’s present and future business strategies and the environment in which NCC Group, Accumuli and/or the Enlarged Group will operate in the future. Such risks, uncertainties and other factors are set out more fully in the section of this document headed “Risk Factors” and include, among others: risks relating to “Failure of information technology systems”, “Loss of key management”, “Failure to attract, develop and retain appropriately skilled personnel”, “Damage to reputation”, “Acquisitions”, “Competitive environment”, “Investment in new areas”, “Ethical and legal breaches”, “Failure to protect intellectual property”, “Litigation”, “Rogue Employees”, “Loss of necessary accreditations and certifications”, “Credit risk”, “Currency risk”, “Interest rate risk”, “Even if a material adverse change to Accumuli’s business or prospects were to occur, in certain circumstances, NCC Group may not be able to invoke the Conditions and terminate the Acquisition, which could reduce the value of NCC Group”, “There can be no assurance that the Enlarged Group will be successful following the Acquisition”, “Reliance on certain suppliers and risk of perceived loss of independence”, “The value of an investment in NCC Group Shares may go down as well as up and any fluctuations may be material and may not reflect the underlying asset value”, “Any future issue of shares will further dilute the holdings of shareholders of NCC Group and could adversely affect the market price of NCC Group Shares”, “NCC Group Shareholders and Accumuli Shareholders will own a smaller percentage of NCC Group and Accumuli respectively than they currently own”, “Dividends”, “The ability of Overseas Shareholders to bring actions, or to enforce judgments, against NCC Group or its directors or officers may be limited”, “Overseas Shareholders may be subject to exchange rate risks” and “Admission of the New NCC Group Shares may not occur when expected”. These forward looking statements speak only as at the date of this document. Except as required by the FCA, the London Stock Exchange or applicable law (including as may be required by the FCA’s Listing Rules and the Disclosure and Transparency Rules), NCC Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in NCC Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. For the avoidance of doubt, the foregoing wording does not in any way seek to qualify the working capital statements set out in section 9 of Part VII of this document.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The dates and times given in the table below in connection with the Acquisition are indicative only and are based on NCC Group's current expectations and may be subject to change (including as a result of changes to Court times, the regulatory timetable and/or the process for implementation of the Acquisition).

If any of the times and/or dates below change, the revised times and/or dates will be notified by NCC Group by announcement through a Regulatory Information Service.

All references in this document to times and dates are to London times and dates unless otherwise stated. In this document, where the context requires, references to 1 April 2015 should be treated as being references to the latest practicable date prior to the publication of this document (unless otherwise stated).

|   |  |
|---|--|
| Rule 2.7 announcement released  | Tuesday, 24 March 2015                               |
| Prospectus published  | Thursday, 2 April 2015                               |
| Scheme Document posted  | Thursday, 2 April 2015                               |
| Last time and date for receipt of Form of Proxy for the Court Meeting   | 10.00 a.m. on Tuesday, 21 April 2015                 |
| Last time and date for receipt of Form of Proxy for the General Meeting   | 10.15 a.m. on Tuesday, 21 April 2015                 |
| Voting record time for the Court Meeting and the General Meeting  | 6.00 p.m. on Tuesday, 21 April 2015                  |
| Court Meeting   | 10.00 a.m. on Thursday, 23 April 2015                |
| General Meeting   | 10.15 a.m. on Thursday, 23 April 2015 <sup>(1)</sup> |
| Latest time for return of Form of Election  | 1.00 p.m. on Wednesday, 29 April 2015                |
| Last day of dealings in, and for registration of transfers and disablement in CREST of, Accumuli Shares   | Wednesday, 29 April 2015 <sup>(2)</sup>              |
| Scheme Record Time  | 6.00 p.m. on Wednesday, 29 April 2015 <sup>(2)</sup> |
| Dealings in Accumuli Shares suspended   | 7.30 a.m. on Thursday, 30 April 2015 <sup>(2)</sup>  |
| Scheme Court Hearing (to sanction the Scheme)   | Thursday, 30 April 2015                              |
| <b>Effective Date</b>   | Thursday, 30 April 2015 <sup>(2)</sup>               |
| Issue of the New NCC Group Shares and crediting of the New NCC Group Shares in uncertificated form to CREST accounts (and cancellation of admission to trading on AIM of Accumuli Shares) | By 8.00 a.m. on Friday, 1 May 2015 <sup>(2)</sup>    |
| Admission and commencement of dealings on the London Stock Exchange of the New NCC Group Shares   | 8.00 a.m. on Friday, 1 May 2015 <sup>(2)</sup>       |
| Latest date for despatch of cheques and share certificates for the New NCC Group Shares or settlement through CREST in respect of the cash consideration payable to Scheme Shareholders   | Thursday, 14 May 2015 <sup>(3)</sup>                 |
| Long stop date, being the date by which the Scheme must be implemented  | Monday, 31 August 2015 <sup>(4)</sup>                |

---

**Notes:**

- (1) To commence at the fixed time or, if later, immediately after the conclusion or adjournment of the Court Meeting.
- (2) These times and dates are indicative only and will depend, amongst other things, on the dates upon which: (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) an office copy of the Scheme Court Order has been delivered to the Registrar of Companies.
- (3) The latest date for despatch of cheques or settlement through CREST of the cash consideration payable to Scheme Shareholders and despatch of share certificates in respect of New NCC Group Shares will be 14 days after the Effective Date.
- (4) This is the latest date by which the Acquisition may become Effective unless NCC Group and Accumuli agree, and (if required) the Court and the Panel permit, a later date.

## ACQUISITION STATISTICS

|   |                             |
|---|-----------------------------|
| Number of Existing NCC Group Shares (as at 1 April 2015)  | 208,925,294                 |
| Number of New NCC Group Shares to be issued pursuant to the Acquisition <sup>(1)</sup>                | 20,389,472                  |
| Number of NCC Group Shares in issue upon the Acquisition becoming Effective <sup>(1)</sup>            | 229,314,766                 |
| New NCC Group Shares as a percentage of the enlarged issued share capital of NCC Group <sup>(1)</sup> | approximately 8.9 per cent. |

---

**Note:**

- (1) Based on the number of Accumuli Shares in issue as at the close of business on 1 April 2015 and assuming that (i) all share options under the Accumuli Share Schemes are exercised in full and the resulting Accumuli Shares are exchanged for New NCC Group Shares, and (ii) there are no other issues of Accumuli Shares or NCC Group Shares (including under NCC Group Share Schemes) between 1 April 2015 and the Effective Date.



## **DIRECTORS, COMPANY SECRETARY, REGISTERED OFFICE AND ADVISERS**

|  |   |
|--|---|
| <b>Directors</b>                                       | <p>Paul Mitchell (<i>Non-Executive Chairman</i>)<br/> Rob Cotton (<i>Chief Executive Officer</i>)<br/> Atul Patel (<i>Finance Director</i>)<br/> Debbie Hewitt MBE (<i>Senior Independent Non-Executive Director</i>)<br/> Thomas Chambers (<i>Independent Non-Executive Director</i>)</p> <p><i>The business address of each of the NCC Group Directors is NCC Group's registered address at NCC Group, Manchester Technology Centre, Oxford Road, Manchester, M1 7EF.</i></p> |
| <b>COMPANY SECRETARY</b>                               | Helen Nisbet  |
| <b>REGISTERED OFFICE</b>                               | <p>Manchester Technology Centre<br/> Oxford Road<br/> Manchester, M1 7EF<br/> +44 (0) 161 209 5200</p>  |
| <b>JOINT FINANCIAL ADVISER</b>                         | <p><b>Rickitt Mitchell &amp; Partners Limited</b><br/> Centurion House, 129 Deansgate<br/> Manchester<br/> M3 3WR</p>   |
| <b>SPONSOR, JOINT FINANCIAL<br/>ADVISER AND BROKER</b> | <p><b>Peel Hunt LLP</b><br/> Moor House, 120 London Wall<br/> London, EC2Y 5ET</p>  |
| <b>LEGAL ADVISER TO NCC<br/>GROUP</b>                  | <p><b>Eversheds LLP</b><br/> 70 Great Bridgewater Street<br/> Manchester<br/> M1 5ES</p>  |
| <b>LEGAL ADVISER TO THE<br/>SPONSOR</b>                | <p><b>Nabarro LLP</b><br/> 125 London Wall<br/> London<br/> EC2Y 5AL</p>  |
| <b>AUDITORS</b>  | <p><b>KPMG LLP</b><br/> One St Peter's Square<br/> Manchester<br/> M2 3EA</p>   |
| <b>REGISTRARS</b>                                      | <p><b>Equiniti</b><br/> Aspect House<br/> Spencer Road<br/> Lancing<br/> West Sussex<br/> BN99 6DA</p>  |

## PART I

### LETTER FROM CHAIRMAN OF NCC GROUP

#### *Directors*

Paul Mitchell (*Non-Executive Chairman*)

Rob Cotton (*Chief Executive Officer*)

Atul Patel (*Finance Director*)

Debbie Hewitt MBE (*Senior Independent Non-Executive Director*)

Thomas Chambers (*Independent Non-Executive Director*)

#### *Registered Office*

Manchester Technology Centre

Oxford Road

Manchester

M1 7EF

2 April 2015

### RECOMMENDED OFFER FOR ACCUMULI BY NCC GROUP

#### **1. Introduction**

On 24 March 2015, the Boards of NCC Group and Accumuli announced that they had reached agreement on the terms of a recommended offer for Accumuli by NCC Group, which is to be implemented by way of a scheme of arrangement of Accumuli under Part 26 of the Companies Act, pursuant to which NCC Group will acquire the entire issued and to be issued ordinary share capital of Accumuli (the “Acquisition”).

**This letter sets out further details of the Acquisition, including the background to and reasons for it, and explains why the NCC Group Board considers it to be in the best interests of NCC Group and the NCC Group Shareholders.**

#### **2. The Acquisition**

Under and subject to the terms of the Acquisition, Accumuli Shareholders will be entitled to receive:

**for each Accumuli Share:            0.1218 New NCC Group Shares; and**  
**5.97 pence in cash.**

The Acquisition, based on the Closing Price per NCC Group Share on the last Business Day prior to the commencement of the Offer Period, valued each Accumuli Share at approximately 32.8 pence, and Accumuli’s fully diluted share capital at approximately £55 million. The consideration payable pursuant to the Acquisition, based on the Closing Price per NCC Group Share on the last Business Day prior to the commencement of the Offer Period, was based upon an enterprise value of Accumuli of approximately £65 million which includes approximately £5 million of debt and approximately £5 million of management and employee incentives and earn out payments relating to acquisitions made by Accumuli.

The Acquisition, based on the Closing Price per NCC Group Share on the last Business Day prior to the commencement of the Offer Period, represents a premium of approximately:

- 19.1 per cent. to the Closing Price per Accumuli Share of 27.5 pence on 23 March 2015 (being the last Business Day prior to the commencement of the Offer Period);
- 22.7 per cent. to the six-month average price per Accumuli Share of 26.7 pence being the average Closing Price for the six-month period ended on 23 March 2015 (being the last Business Day prior to the commencement of the Offer Period); and
- 24.3 per cent. to the twelve-month average price per Accumuli Share of 26.4 pence being the average Closing Price for the twelve-month period ended on 23 March 2015 (being the last Business Day prior to the commencement of the Offer Period).

The Acquisition, based on the Closing Price per NCC Group Share on the last Business Day prior to the publication of this document, values each Accumuli Share at approximately 30.2 pence, and Accumuli’s fully diluted share capital at approximately £51 million. The consideration payable pursuant to the

Acquisition, based on the Closing Price per NCC Group Share on the last Business Day prior to the publication of this document, is based upon an enterprise value of Accumuli of approximately £61 million which includes approximately £5 million of debt and approximately £5 million of management and employee incentives and earn out payments relating to acquisitions made by Accumuli.

The Acquisition, based on the Closing Price per NCC Group Share on the last Business Day prior to the publication of this document, represents a premium of approximately:

- 9.8 per cent. to the Closing Price per Accumuli Share of 27.5 pence on 23 March 2015 (being the last Business Day prior to the commencement of the Offer Period);
- 13.2 per cent. to the six-month average price per Accumuli Share of 26.7 pence being the average Closing Price for the six-month period ended on 23 March 2015 (being the last Business Day prior to the commencement of the Offer Period); and
- 14.6 per cent. to the twelve-month average price per Accumuli Share of 26.4 pence being the average Closing Price for the twelve-month period ended on 23 March 2015 (being the last Business Day prior to the commencement of the Offer Period).

The value of the consideration that Accumuli Shareholders will ultimately receive for their Accumuli Shares pursuant to the Acquisition will (to the extent they receive NCC Group Shares) depend upon the market value of the NCC Group Shares received by them following the Effective Date. As NCC Group Shares are admitted to the premium listing segment of the Official List and to trading on the main market for listed securities of the London Stock Exchange, the value of NCC Group Shares may vary.

If the Scheme becomes Effective it will result in the issue of approximately 20.4 million New NCC Group Shares to Accumuli Shareholders, which, assuming no further NCC Group Shares are issued between the date of this Prospectus and the Scheme becoming Effective, would result in former Accumuli Shareholders holding approximately 8.9 per cent. of NCC Group and NCC Group's issued share capital increasing by 9.8 per cent., and in the holdings of existing NCC Group Shareholders being diluted, such that they will hold approximately 91.1 per cent. of the issued share capital of NCC Group.

Following completion of the Acquisition, NCC Group will continue to have a premium listing and to be traded on the London Stock Exchange's main market for listed securities.

Proposals in accordance with Rule 15 of the City Code will be made to the holders of options and other rights in respect of Accumuli Shares.

### **3. Background to, and reasons for, the Acquisition**

NCC Group has been monitoring Accumuli for some time and holds Accumuli and its management team in high regard. NCC Group has already worked with or alongside Accumuli on a number of projects or tenders and NCC Group believes there is a strong strategic logic for combining the two businesses. Accumuli is notably aligned with NCC Group in the security space and will bring valuable new capabilities.

This earnings enhancing acquisition is another important step in NCC Group's ambition to provide a comprehensive package of security solutions and services. In the dynamic and rapidly growing international market, customers are now looking for the type of 24/7 operational security support and incident management offered by Accumuli in addition to NCC Group's consulting capabilities. With Accumuli as part of the Group, NCC Group will be in a better position to meet its customers' growing multidiscipline requirements, with Accumuli's breadth of offerings extending the Group's range of security solutions and services across its Assurance division.

The Acquisition will also enable NCC Group to expand its development teams and bid for those projects where it currently needs to partner with an organisation such as Accumuli's in a sole capacity. The acquisition provides an opportunity to develop NCC Group's core consulting business across a wider customer base, and engage with this enlarged client base on a regular rather than project by project basis.

Accumuli's offices, including Basingstoke, Cambridge and Leeds as well as its 1,200 existing customers, will be a welcome addition to the Group. NCC Group believes that Accumuli's existing customer base will benefit significantly from the extra services and broader geographic coverage that Accumuli will be able to offer as part of the Group.

Acquiring and retaining talented people remains key to NCC Group's success and one of the key benefits it has gained through its corporate acquisition programme is the addition of quality management teams and staff with excellent technical capabilities. NCC Group is impressed with the way in which Accumuli's senior management team has developed Accumuli to this point. The NCC Group Board believe NCC Group and Accumuli share a similar ethos and strategic approach to business development which will aid the integration process and enhance the Enlarged Group's business performance.

#### **4. Management, employees, locations of business and strategic plans**

NCC Group attaches great importance to the skills, knowledge and expertise of Accumuli's existing management and employees and believes that they will, on the whole, benefit from enhanced career and business opportunities as part of the Enlarged Group. Whilst cost reduction is not part of NCC Group's rationale for the Acquisition, the NCC Group Directors consider that there are likely to be some limited areas of duplication of resource, especially in relation to corporate and support functions. Where there is overlap of resources, NCC Group's review will consider if there is scope for consolidation for the benefit of the Enlarged Group. This could involve some limited headcount reduction although, where possible, NCC Group will seek to redeploy those affected into suitable alternative roles. At this stage NCC Group has not yet fully developed proposals as to how any such headcount reductions might be implemented and a full review will take place following completion of the Acquisition. NCC Group has given assurances to the Accumuli Directors that, following completion of the Acquisition, the existing employment and pension rights of Accumuli's retained employees will be fully respected.

The Enlarged Group's headquarters and registered office will be located at NCC Group's office at Manchester Technology Centre, Oxford Road, Manchester, M1 7EF. NCC Group intends to implement Accumuli's pre-existing plans to consolidate its existing Leeds, Garforth and Wetherby based teams into a single location, most probably situated at Thorpe Park, Leeds. Fixed assets based at these locations will be redeployed to the new location, or realised. NCC Group has no immediate plans in respect of Accumuli's other business locations but will review the position post Acquisition.

NCC Group intends that Accumuli's businesses will, for a period post Acquisition, be managed on a standalone basis whilst a detailed assessment is undertaken of how those businesses are best integrated within NCC Group's divisions and how NCC Group can maximise the commercial benefits that the Acquisition will bring. The NCC Group Board is confident that the integration of the two businesses can be achieved without undue disruption to the underlying operations of each business. In line with NCC Group's past practice, the Enlarged Group will over time seek to assimilate all of Accumuli's businesses under the NCC Group brand.

Post Acquisition, NCC Group will retain its ambition to provide a comprehensive package of security solutions and services. It believes that with Accumuli as part of the Group, the Group will be in a much better position to meet its customers' growing multidiscipline requirements, including for the type of 24/7 operational security support and incident management offered by Accumuli. The Acquisition will also enable the Group to expand its development teams and to bid for those projects where it currently needs to partner with an organisation such as Accumuli in a sole capacity.

Paul Mitchell will be the Non-Executive Chairman of the Enlarged Group. The Enlarged Group will be led by NCC Group's experienced Chief Executive, Rob Cotton, and Finance Director, Atul Patel. Accumuli's non-executive directors intend to resign from the Accumuli Board on the completion of the Acquisition. It is anticipated that Ian Winn will remain in the business for a period following completion of the Acquisition in order to help ensure successful integration of Accumuli into the Enlarged Group. It is intended that Gavin Lyons will remain in the business and it is currently proposed that he will join the Group's operational board.

NCC Group is not intending to make any changes in respect of the continued employment of its existing employees, or the management of the Group, save as otherwise set out above.

## **5. Information relating to NCC Group and the Group**

The Group, of which NCC Group is the parent company, is a global information assurance specialist providing organisations worldwide with escrow, verification, security testing, website performance, software testing and domain services. NCC Group is a member of the FTSE smallcap index. The Group's business is organised into three divisions: NCC Group Escrow, NCC Group Assurance and NCC Group Domain Services.

### ***Current trading***

For the half year ending 30 November 2014, Group revenue increased 15% to £62.3 million (£54.0 million in 2013) – 17% on a constant currency basis. Group adjusted operating profit was up by 6% to £12.4 million (£11.8 million in 2013).

Group adjusted operating profits (excluding the Domain Services division) grew by 14% to £14.3 million (£12.6 million in 2013) and Group adjusted pre-tax profit increased 5% to £12.1 million (£11.4 million in 2013). The Group was highly cash generative with a cash conversion ratio of 105% of operating profit (104% in 2013).

In the first nine months of the financial year to 31 May 2015, Group revenues were 14% ahead of the same period last year at £92.3 million (February 2014: £81.0 million). Around 47% of the Group's revenues are now outside the UK with the majority in North America. The Group remains on course to meet the NCC Group Board's expectations for the financial year.

Apart from the items referred to below there has been no significant change to the Group's financial condition and operating results during or subsequent to the period covered by the historical financial information on the Group incorporated by reference into this document.

On 19 January 2015, the Group acquired the Open Registry Group of Companies for a maximum consideration of £14.9 million (€19.5 million) of which £7.9 million (€10.3 million) was paid on completion. On 19 March 2015, the Group increased its banking facilities with the Royal Bank of Scotland to £80 million, comprising of a multicurrency revolving credit facility of up to £68 million, a further revolving credit facility of up to £10 million and a £2 million working capital multicurrency overdraft on the same terms. Interest on the facility is charged between 1.5% and 2.25% over LIBOR based on the Group's net debt/EBITDA ratio.

### ***Trends and prospects***

The Group's three divisions, NCC Group Escrow, NCC Group Assurance and NCC Group Domain Services operate in different markets and therefore experience different trends.

The traditional software escrow market in relation to on-premise software is a relatively mature market. The Group has provided escrow services since its formation.

The information security market place is rapidly evolving, as cyber crime and data breaches continue to proliferate. In the UK, a significant proportion of large organisations experience security breaches. According to the 2014 Information Security Breaches Survey commissioned by the UK Department for Business, Innovation & Skills, the worst breaches cost large organisations on average £0.6m – £1.15m, nearly double the average amount from the previous year. This in turn has driven a growth in demand for information security services.

The Group's Domain Services division is a relatively new division, focused on developing 'trust in the internet' and helping businesses mitigate the risks of using the internet. In order to foster innovation and competition on the internet, ICANN commenced a programme to create a new set of gTLDs. The new gTLD programme is intended to increase the diversity of the internet's infrastructure but the Group believes that it will also pose challenges to the security of brand owners, internet sites and consumers, creating intellectual

property risks and security issues resulting from phishing and impersonation attacks. Consumer concern in relation to internet safety and security is already high and the Domain Services division is seeking to address these trends by facilitating businesses in providing a safer internet experience to businesses and end customers.

## **6. Financing of the Acquisition**

The aggregate cash consideration payable by NCC Group pursuant to the terms of the Acquisition is approximately £10 million. NCC Group intends to drawdown under the Royal Bank of Scotland Facilities in order to pay this cash consideration. The remaining consideration will be satisfied by the issue of New NCC Group Shares to the Accumuli Shareholders.

NCC Group and the NCC Group Directors are satisfied that sufficient resources are available to NCC Group to satisfy in full the cash consideration payable to Accumuli Shareholders under the terms of the Acquisition.

## **7. Mix and Match Facility**

Under the terms of the Acquisition, Accumuli Shareholders may elect to vary the proportions of New NCC Group Shares and cash consideration they receive in respect of their holdings of Accumuli Shares, via a Mix and Match Facility. For example, an Accumuli Shareholder who elects to receive all cash as consideration will only receive such all cash consideration to the extent sufficient Accumuli Shareholders elect to receive consideration in New NCC Group Shares only. An Accumuli Shareholder may complete an election to receive a mix of cash and New NCC Group Shares. However, such election is subject to equal and opposite elections by other Accumuli Shareholders. Irrespective of elections under the Mix and Match Facility, the cash consideration payable by NCC Group for the Acquisition will always be approximately £10 million and the holdings of current NCC Group Shareholders will be diluted such that they will hold approximately 91.1 per cent. of the issued share capital of NCC Group immediately following completion of the Acquisition. To the extent that elections cannot be satisfied in full, they will be scaled down on a pro rata basis. As a result, Accumuli Shareholders who make an election under the Mix and Match Facility will not know the exact number of New NCC Group Shares or amount of cash they will receive until settlement of the consideration under the Acquisition. Elections under the Mix and Match Facility will not affect the entitlements of those Accumuli Shareholders who do not make any such elections.

## **8. Accounting considerations**

The Enlarged Group will adopt NCC Group's accounting policies. NCC Group's financial year ends at 31 May and Accumuli's financial year ends at 31 March. It is currently intended that the Enlarged Group will have a 31 May financial year end. For accounting purposes, it is expected that the fair value of Accumuli's assets and liabilities will be consolidated into NCC Group's balance sheet. Accumuli's assets and liabilities will be fair valued at the Acquisition date and upon consolidation in the Enlarged Group's balance sheet, the excess of the consideration over the fair value of the net assets acquired will be recorded as goodwill and intangible assets acquired.

## **9. Dividends and dividend policy**

It is expected that any final dividend of NCC Group for the year ending 31 May 2015 will be declared at its annual general meeting in September 2015 and paid in September 2015 and that any interim dividend for the half year ending 30 November 2015 will be declared in January 2016 and paid in February 2016. Assuming that the Acquisition will be completed in line with the anticipated timetable, Accumuli Shareholders holding new NCC Group shares will benefit from any dividend that may be declared.

The Board of the Enlarged Group will decide the absolute level of any future dividends taking into account the Enlarged Group's underlying earnings, cash flows, capital investment plans and the prevailing market outlook.



## 10. Structure of the Acquisition

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between Accumuli and the Scheme Shareholders under Part 26 of the Companies Act. The Scheme, if it becomes effective, will result in NCC Group becoming the owner of the whole of the issued and to be issued ordinary share capital of Accumuli.

Under the Scheme, the Acquisition is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to NCC Group. The Scheme is conditional on (among other things):

- (a) a resolution to approve the Scheme being passed by a majority in number of the Scheme Shareholders who are present and vote at the Court Meeting, either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by those Scheme Shareholders;
- (b) the Special Resolution, being proposed in connection with the implementation of the Scheme, being passed by the requisite majority of Accumuli Shareholders at the General Meeting;
- (c) the Scheme being sanctioned (with or without modification, on terms agreed by NCC Group and Accumuli) by the Court;
- (d) an office copy of the Scheme Court Order being delivered to the Registrar of Companies; and
- (e) the UK Listing Authority having acknowledged to NCC Group or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New NCC Group Shares to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (“listing conditions”)) will become effective as soon as a dealing notice has been issued by the UK Listing Authority and any listing conditions having been satisfied and the London Stock Exchange having acknowledged to NCC Group or its agent (and such acknowledgement not having been withdrawn) that the New NCC Group Shares will be admitted to trading on the London Stock Exchange’s main market for listed securities.

To become Effective, the Scheme requires (i) approval at the Court Meeting by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders; and (ii) the passing of the Special Resolution at the General Meeting by Accumuli Shareholders representing at least 75 per cent. of the votes cast at the General Meeting (either in person or by proxy). The General Meeting will be held immediately after the Court Meeting. In respect of the Special Resolution at the General Meeting, Accumuli Shareholders will be entitled to cast one vote for each Accumuli Share held.

The Scheme will lapse if, *inter alia*:

- the Court Meeting and the General Meeting are not held by the 22nd day after the expected date of such meetings (or such later date as may be agreed between NCC Group and Accumuli); or
- the Scheme does not become Effective by 31 August 2015 (or such later date, if any, as NCC Group and Accumuli may agree and, if required, the Court and the Panel may allow),

provided however, that the deadlines for the timing of the Court Meeting, the General Meeting and the Scheme to become Effective as set out above may be waived by NCC Group.

Following the Court Meeting and the General Meeting, the Scheme must be sanctioned by the Court at the Scheme Court Hearing. The Scheme will only become Effective once an office copy of the Scheme Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and the General Meeting.

Upon the Scheme becoming Effective:

- the CREST accounts of the Scheme Shareholders who hold Scheme Shares in uncertificated form will be credited with the New NCC Group Shares and cash in consideration for their Scheme Shares (dependent upon elections under the terms of the Mix and Match Facility); and
- Scheme Shareholders who hold their Scheme Shares in certificated form will receive share certificates in respect of New NCC Group Shares and cash in consideration for their Scheme Shares (dependent upon elections under the terms of the Mix and Match Facility),

in each case no later than 14 days after the Effective Date.

The Scheme will be governed by English law. The Scheme will be subject to the applicable requirements of the City Code, the Panel, the London Stock Exchange, the AIM Rules and the UK Listing Authority.

## **11. Fractional entitlements**

Fractions of New NCC Group Shares will not be allotted or issued pursuant to the Scheme. Fractional entitlements to New NCC Group Shares will be aggregated and sold in the market and the net proceeds of sale distributed pro rata to persons entitled thereto.

However, individual entitlements to amounts of less than £5 pursuant to the Scheme will not be paid to persons entitled thereto but will be retained for the benefit of NCC Group.

## **12. Listing, dealings and settlement of the New NCC Group Shares**

Applications will be made to the UK Listing Authority for the New NCC Group Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New NCC Group Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings for normal settlement in the New NCC Group Shares will commence on the London Stock Exchange at or shortly after 8.00 a.m. (London time) on the first Business Day after the Effective Date.

The Existing NCC Group Shares are already admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities and to CREST. It is expected that all of the New NCC Group Shares, when issued and fully paid, will be capable of being held and transferred by means of CREST. The New NCC Group Shares will trade under ISIN GB00B01QGK86.

## **13. Cancellation of admission to trading of Accumuli Shares on AIM and re-registration**

On the Effective Date, Accumuli will become a wholly-owned subsidiary of NCC Group. Prior to the Scheme becoming Effective, a request will be made to the London Stock Exchange to cancel trading in Accumuli Shares on AIM on the first Business Day following the Effective Date. Share certificates in respect of Accumuli Shares will cease to be valid and should be destroyed on the first Business Day following the Effective Date. In addition, entitlements held within CREST to Accumuli Shares will be cancelled on the first Business Day following the Effective Date. As soon as possible after the Effective Date, it is intended that Accumuli will be re-registered as a private limited company.

## **14. Confidentiality**

NCC Group and Accumuli have entered into a mutual confidentiality agreement dated 2 February 2015 pursuant to which each of NCC Group and Accumuli has undertaken to keep certain information relating (i) to the Acquisition; and (ii) to the other party, confidential and not to disclose such information to third parties, except (i) to certain permitted disclosees for the purposes of evaluating the Acquisition; or (ii) if required by applicable laws or regulations. These confidentiality obligations will remain in force until completion of the Acquisition, or if the Acquisition fails to complete, two years from the date of the mutual confidentiality agreement.

## **15. Irrevocable undertakings**

NCC Group has received irrevocable undertakings to vote, or procure the vote, in favour of the Scheme at the Court Meeting and/or, as relevant, in favour of the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of an Acquisition Offer, to accept the Acquisition Offer) as follows:

- in favour of the Scheme at the Court Meeting, from those Accumuli Directors who hold Accumuli Shares and are entitled to vote those shares at the Court Meeting, in respect of their own beneficial holdings amounting, in aggregate, to 1,955,546 Accumuli Shares, representing approximately 1.2 per cent. of the Scheme Shares entitled to vote at the Court Meeting;
- in favour of the Special Resolution to be proposed at the General Meeting, from all those Accumuli Directors who hold Accumuli Shares, in respect of their own beneficial holdings amounting, in aggregate, to 3,304,068 Accumuli Shares, representing approximately 2.1 per cent. of the existing issued share capital of Accumuli; and
- in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting, from certain other Accumuli Shareholders, in respect of, in aggregate, 88,738,039 Accumuli Shares representing, respectively, approximately 56.1 per cent. of the Scheme Shares entitled to vote at the Court Meeting and 55.6 per cent. of the existing issued share capital of Accumuli.

In aggregate, therefore, NCC Group has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting in respect of a total of 90,693,585 Accumuli Shares, representing approximately 57.3 per cent. of the Scheme Shares entitled to vote at the Court Meeting and irrevocable undertakings to vote in favour of the Special Resolution to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of an Acquisition Offer, to accept the Acquisition Offer) in respect of a total of 92,042,107 Accumuli Shares, representing approximately 57.7 per cent. of the existing issued share capital of Accumuli.

For the purposes of the Court Meeting, Nick Kingsbury, Gavin Lyons and Ian Winn, being certain of the directors of Accumuli, will (because of certain cash bonus long term incentivisation awards payable to them on the Scheme becoming Effective) be treated as a separate class of Accumuli Shareholders and will not vote their Accumuli Shares at the Court Meeting but will instead consent to be bound by the Scheme.

## **16. Overseas Shareholders**

### ***United States***

The New NCC Group Shares have not been, and will not be, registered under the US Securities Act or under the securities laws of any state, district or other jurisdiction of the United States. Accordingly, the New NCC Group Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in, into or from the United States absent registration under the US Securities Act or an exemption therefrom. It is expected that the New NCC Group Shares will be issued in reliance on the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof. To qualify for the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) of that Act with respect to the New NCC Group Shares issued pursuant to the Scheme, NCC Group and Accumuli will advise the Court that NCC Group will rely on the section 3(a)(10) exemption based on the Court's sanctioning of the Scheme, which will be relied upon by NCC Group as an approval of the Scheme following a hearing on its fairness to Scheme Shareholders at which hearing all such shareholders will be entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been or will be given to all such Scheme Shareholders.

The New NCC Group Shares to be issued pursuant to the Scheme generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and persons who receive securities in the Scheme (other than "affiliates" as described in the paragraph below) may resell them without restriction under the Securities Act.

Under the US securities laws, a Scheme Shareholder who is deemed to be an affiliate of NCC Group or Accumuli before completion of the Scheme may not resell New NCC Group Shares received pursuant to the Scheme in the United States without registration under the Securities Act, except pursuant to an applicable exemption from the registration requirements of the Securities Act or in a transaction not subject to such requirements. For the purposes of the US Securities Act, an “affiliate” is a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, NCC Group or the Enlarged Group. “Control” means the possession, direct or indirect, of the power to direct or cause direction of the management and policies of an issuer, whether through the ownership of voting securities, by contract or otherwise. Whether a person is an affiliate of a company for the purposes of the US Securities Act depends on the circumstances, but affiliates of a company can include certain officers and directors and significant shareholders.

Persons who believe they may be affiliates of NCC Group or Accumuli should consult their own legal advisers prior to any sale of securities received in the Scheme.

The New NCC Group Shares will not be registered under the securities laws of any state of the United States, and will be issued in the United States pursuant to the Scheme in reliance on available exemptions from such state law registration requirements.

The New NCC Group Shares have not been, and will not be, listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States. NCC Group does not intend to take any action to facilitate a market in New NCC Group Shares in the United States. Consequently, NCC Group believes that it is unlikely that an active trading market in the United States will develop for the New NCC Group Shares.

NCC Group does not intend to register any such New NCC Group Shares or part thereof in the United States or to conduct a public offering of the New NCC Group Shares in the United States.

Neither the SEC nor any other US federal or state securities commission or regulatory authority has approved or disapproved any of the New NCC Group Shares or passed an opinion upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The Acquisition relates to the shares of an English company that is not registered under the US Securities Exchange Act of 1934 (the “US Exchange Act”) and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules under the US Exchange Act.

If, in the future, NCC Group exercises the right to implement the Acquisition by way of a takeover offer and decides to extend the offer into the United States, the Acquisition Offer will be made in compliance with applicable US laws and regulations including the applicable provisions of the tender offer rules under the US Exchange Act, to the extent applicable.

Financial information included (or incorporated by reference) in this document has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

**Accumuli Shareholders who are citizens of the United States should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme, or if NCC Group decides to implement the Acquisition by way of a takeover offer, the takeover offer, in their particular circumstances.**

#### *Other jurisdictions*

The availability of New NCC Group Shares under the Acquisition to persons who are not resident in, and the distribution of this document to persons who are not resident in, the United Kingdom may be affected by the

laws of the relevant jurisdiction in which they are located. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Accumuli Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

**THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER FOR SALE OF ANY SECURITIES OR AN OFFER OR AN INVITATION TO PURCHASE ANY SECURITIES. ACCUMULI SHAREHOLDERS ARE ADVISED TO READ THIS DOCUMENT CAREFULLY AS WELL AS THE SCHEME DOCUMENT AND THE FORMS OF PROXY AND FORM OF ELECTION ONCE THESE HAVE BEEN DESPATCHED.**

**Overseas Shareholders should consult their own legal and tax advisers with respect to the legal and tax consequences of the Scheme in their particular circumstances.**

#### **17. The New NCC Group Shares**

The New NCC Group Shares, to be issued to Accumuli Shareholders, will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing NCC Group Shares. The New NCC Group Shares will be created under the Companies Act and the legislation made thereunder, will be issued in registered form and will be capable of being held in both certificated and uncertificated form. The other rights attached to the New NCC Group Shares are set out in section 4 of Part VII of this document.

#### **18. Reserving the right to proceed by way of an offer**

NCC Group reserves the right to elect to implement the Acquisition by way of an Acquisition Offer for the entire issued and to be issued ordinary share capital of Accumuli not already held by NCC Group as an alternative to the Scheme. In such an event, an Acquisition Offer will be implemented on the same terms (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme.

If the Acquisition is effected by way of an Acquisition Offer and such Acquisition Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, NCC Group intends to: (i) request the London Stock Exchange cancel trading in Accumuli Shares on AIM; and (ii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Accumuli Shares in respect of which the Acquisition Offer has not been accepted.

#### **19. Further information**

Your attention is drawn to the further information set out in Part II to Part VIII (inclusive) of this document and, in particular, to the risk factors on pages 15 to 22 of this document.

Yours faithfully,

**Paul Mitchell**

*Non-Executive Chairman*



## PART II

### INFORMATION ON NCC GROUP

*The selected historical financial information and other historical financial information in relation to NCC Group referred to in this Part II has, unless otherwise stated, been extracted without material adjustment from the audited historical financial information of NCC Group for the financial years ended 31 May 2012, 31 May 2013 and 31 May 2014, which has been prepared in accordance with IFRS, as well as the unaudited accounts for the six months ended 30 November 2014.*

*Investors should read the whole of this document and the documents incorporated herein by reference and should not just rely on the financial information set out in this Part II.*

#### **1. Introduction**

The Group, of which NCC Group is the parent company, is a global information assurance specialist providing organisations worldwide with escrow, verification, security testing, website performance, software testing and domain services. NCC Group is a member of the FTSE smallcap index. The Group operates three main complementary divisions: NCC Group Escrow, NCC Group Assurance and NCC Group Domain Services, from over 20 offices across the UK, mainland Europe, North America and Australia, providing information assurance services for over 15,000 organisations worldwide.

#### **2. History**

The Group was formed in June 1999 to enable the then management team to acquire the major commercial activities of The National Computing Centre, one of the UK's then leading IT membership organisations. The businesses which were the subject of the MBO encompassed the escrow solutions, system engineering and professional services divisions. The senior management team was strengthened in March 2000 by the appointment of Rob Cotton as Finance Director, who subsequently assumed responsibility for the escrow solutions division in July 2000. Under Rob Cotton's leadership the escrow solutions division grew rapidly, becoming the Group's principal activity and the major source of both revenues and profits. In April 2003, Rob Cotton led a secondary MBO, with backing from Barclays Private Equity Limited, and was appointed as Chief Executive of the Group. NCC Group Limited (the then holding company of the Group) was re-registered as a public limited company and was admitted to trading on AIM in July 2004. It was admitted to trading on the Official List on 13 July 2007. Whilst escrow has remained a core part of the Group's business, recent years have seen a significant growth in the security testing, consulting and web performance parts of the Group's business.

Since December 2005, the Group has made sixteen acquisitions which are summarised below:

- December 2005 – Acquisition of the business of US based Recall Total Information Management, Inc. for a total consideration of £1.9 million paid in cash.
- July 2006 – Acquisition of the business of US based Source Harbor, Inc. for a total consideration of £0.8 million paid in cash.
- January 2007 – Acquisition of UK based Site Confidence Limited, for a total consideration of £8.8 million paid in cash.
- July 2007 – Acquisition of UK based SecureTest Limited for a total consideration of £4.0 million paid in cash.
- January 2008 – Acquisition of Netherlands based Escrow Europe B.V. for a total consideration of £7.4 million paid in cash.
- November 2008 – Acquisition of UK based, Next Generation Security Software Limited for a total consideration of £8.8 million paid in cash.



- April 2009 – Acquisition of Switzerland based Escrow Europe (Switzerland) AG for a total consideration of £0.5 million paid in cash.
- March 2010 – Acquisition of UK based Meridian Services International Limited for a total consideration of £1.5 million paid in cash.
- April 2010 – Acquisition of UK based SDL Solutions Limited for a total consideration of £10.8 million paid in cash.
- October 2010 – Acquisition of US based iSEC Partners Inc for a total consideration of £15.4 million paid in cash.
- March 2011 – Acquisition of US based Escrow Associates LLC for a total consideration of £5.9 million paid in cash.
- August 2011 – Acquisition of UK based Axzona Limited for a total consideration of £1.2 million paid in cash.
- August 2012 – Acquisition of US based Matasano Security LLC for a total consideration of £7.9 million payable in cash.
- August 2012 – Acquisition of US based Intrepidus Group, Inc for a total consideration of £4.2 million paid in cash.
- May 2014 – Acquisition of Denmark based FortConsult A/S for a total consideration (subject to adjustment) of £4.0 million payable in cash.
- January 2015 – Acquisition of the Open Registry Group of Companies based in Belgium and Luxembourg for a total consideration (subject to adjustment) of £14.9 million payable in cash.

In May 2012, the Group applied to register the .secure gTLD as part of ICANN's programme to create a new set of gTLDs. The aim of the .secure domain was to create a universal environment for end users to operate and navigate the internet with complete safety and security.

Following competition with another party for the .secure gTLD, in February 2013, the Group acquired the right to operate the new .trust gTLD from Deutsche Post (the assignment of which was completed in 2014). The .trust gTLD has been used by the Group to launch its Domain Services division.

In June 2014, the Group realigned its services into its current 3 divisions: NCC Group Escrow, NCC Group Assurance and NCC Group Domain Services. A summary of the activities of each of these divisions is set out in section 4 of Part II of this document.

The Group withdrew its application for the .secure gTLD in December 2014 (in return for cash consideration) to focus on the .trust gTLD.

### 3. Principal markets

The Group is active globally. The split of revenues for the Group for the year ended 31 May 2014 by division and geography are shown below:

|                   | <i>NCC Group</i>            |                                |                            |                |
|-------------------|-----------------------------|--------------------------------|----------------------------|----------------|
|                   | <i>NCC Group<br/>Escrow</i> | <i>NCC Group<br/>Assurance</i> | <i>Domain<br/>Services</i> | <i>Total</i>   |
|                   | <i>£000</i>                 | <i>£000</i>                    | <i>£000</i>                | <i>£000</i>    |
| UK                | 16,484                      | 49,882                         | –                          | 66,366         |
| Rest of Europe    | 3,870                       | 6,583                          | –                          | 10,453         |
| Rest of the World | 8,921                       | 24,921                         | –                          | 33,842         |
| Total             | <u>29,275</u>               | <u>81,386</u>                  | <u>–</u>                   | <u>110,661</u> |

#### **4. Operating divisions**

The Group operates three main complementary divisions: NCC Group Escrow, NCC Group Assurance and NCC Group Domain Services.

For information on the risks relating to the Group's existing business your attention is drawn to the "Risk Factors" section of this document.

##### **4.1 *NCC Group Escrow division***

Organisations rely on third party supplied applications and software packages every day to carry out key business functions and processes. These applications allow them to operate more effectively and efficiently and produce high quality, innovative products and services but if a software or Software as a Service (SaaS) supplier goes out of business or changes hands, the availability of these applications is in doubt and business continuity is at risk. The Group's escrow and verification services help assure the long-term availability of these applications, protecting both end users and software suppliers. Working with all parties involved in the development, supply and use of business critical software applications, the Group helps ensure that source code, data and other information is constantly accessible and can be properly rebuilt from its components if required. The Group is an established software escrow provider, with over 30 years' experience and provides escrow services to over 15,000 organisations worldwide.

##### **4.2 *NCC Group Assurance division***

NCC Group Assurance division comprises two main businesses:

- Security Consultancy Services – the cyber landscape presents an ever increasing threat to security as cyber intruders develop increasingly sophisticated ways to attack corporate networks thereby gaining access to organisations' sensitive and valuable data. Through its security and penetration testing, forensic services, incident response, compliance advice, vulnerability research and logical and physical audits, the Group helps organisations strengthen their position in the cyber arms race by assisting them in identifying risk and formulating a robust security strategy. With one of the world's largest security testing teams, the Group currently delivers approximately 80,000 testing days to around 1,500 organisations worldwide per annum. The Group's global presence offers clients skilled and experienced services, complemented by an expert research team.
- Website Performance & Load Testing – essential websites, software and infrastructure that support an organisation do not just need protection from malicious attacks, they also need guaranteed performance levels. Flaws in code can prevent software from operating at optimum level and spikes in online traffic can throw websites offline. From customer-facing websites to internal software applications, the Group provides comprehensive testing, monitoring and business analysis services, ensuring appropriate quality and performance is being delivered. When an organisation needs extra resources or tools to help test their environment, the Group provides a level of service to suit the risks they face. Currently the Group tests over 21 million web pages and around 840 million objects per week for over 400 clients worldwide.

##### **4.3 *NCC Group Domain Services division***

The Group is committed to making the internet a safer place by creating a combination of operational, legal and technological innovations for both enterprises and consumers alike. NCC Group Domain Services will offer a unique domain that is intended to provide a safer and trust worthier internet for the businesses (and their customers) who adopt it. The Group aims to minimise internet user uncertainty by using the .trust gTLD which seeks to ensure the website can only be owned, operated and controlled by the organisation the user or customer believes it to be. As part of the agreement to use the .trust gTLD, each business will agree to adopt rigorous security practices and protocols to ensure that customer data and transactions are safe. These policies, which were created in conjunction with over 30 of the world's most important internet founders, financial, retail and social media operators and are aimed at creating a seamless and safe experience once a user decides to browse or

email a .trust domain. The recent acquisition by the Group of the Open Registry Group of Companies strengthens the Group's ability to offer domain services as the Group now has the ability to provide a trusted secure domain environment by operating a number of complementary capabilities including a backend operator (registry), a corporate registrar, provision of a third party data escrow service to all parts of the market and provision of an anti-abuse monitoring as required by ICANN.

## 5. Current strategic priorities

The Group remains focused on risk mitigation and delivering clients peace of mind, by providing a complementary range of services that has the width and depth to provide multinational clients with a comprehensive solution to their information security issues.

The approach of all three of the Group's divisions remains unchanged; to develop the business by a combination of the acquisition of earnings enhancing, high quality businesses, with strong organic growth, all focused away from areas of discretionary expenditure.

## 6. Employees

The average number of employees of the Group for each of the previous three financial years was as follows:

| <i>Year ended</i> | <i>Employees</i> |
|-------------------|------------------|
| 31 May 2012       | 814              |
| 31 May 2013       | 910              |
| 31 May 2014       | 991              |

The number of employees set out above includes consultants on associate contracts.

## 7. Property

The Group operates from a number of leasehold properties. The Group's principal properties are as follows:

| <i>Property location</i>  | <i>Property use</i> | <i>Tenure and approximate unexpired term (if applicable)</i> |
|---|---------------------|--|
| Head Office, Manchester Technology Centre, Manchester, M1 7EF, United Kingdom | Office              | Leasehold (5 years remaining)                                |
| Kings Court, Kingston Road, Leatherhead, KT22 7SL, United Kingdom             | Office              | Leasehold (6 years remaining)                                |
| 4th Floor, 48 West 25th Street, New York, USA                                 | Office              | Leasehold (8 years remaining)                                |
| Suite 1020, 123 Mission Street, San Francisco, CA 94105, USA                  | Office              | Leasehold (3 years remaining)                                |

The total amount payable under all of the Group's non-cancellable property leases (not just the principal ones listed above) at the years ended 31 May 2012, 31 May 2013 and 31 May 2014 is shown below:

|  | <i>For the year ended 31 May 2012</i> | <i>For the year ended 31 May 2013</i> | <i>For the year ended 31 May 2014</i> |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| <i>Summary of non-cancellable property lease rentals payable</i> | <i>audited</i>                        | <i>audited</i>                        | <i>audited</i>                        |
|  | <i>£000</i>                           | <i>£000</i>                           | <i>£000</i>                           |
| Within one year or less  | 1,759                                 | 2,296                                 | 2,551                                 |
| Between one and five years                                       | 6,154                                 | 7,508                                 | 9,244                                 |
| Over five years  | –                                     | 3,234                                 | 4,605                                 |
| Total  | <u>7,913</u>                          | <u>13,038</u>                         | <u>16,400</u>                         |

## **8. Safety, health and environment**

The Group is committed to its employees and actively attempts to improve their health, wellbeing and morale by encouraging fitness based activities and taking part in charitable events. The Group has its own football team that plays weekly and organises two charitable football tournaments every year involving teams from the local business community. The Group also has a very active track cycling club, cricket team and running club and for the more cerebral a book club. The Group takes Health and Safety in the work place seriously and complies with all relevant legislation and best practice. There have been no work place fatalities since the Group was formed as at 1 April 2015 (being the latest practicable date prior to the publication of this document).

As a service provider with no manufacturing facilities, the impact of the Group's operations on the environment is limited compared with other industries, however it recognises its responsibility to respect and limit damage to the environment.

## **9. Investments**

### **9.1 *Loan and equity investments***

From 1 June 2011 to the date of this document the Group has made no loan investments (other than intra-Group loans). Equity investments made by the Group from 1 June 2011 to the date of this document are listed in section 2 of this Part II of this document.

### **9.2 *NCC Group Pension Fund***

The Group operates a defined contribution pension scheme that is open to all eligible employees. For the year ended 31 May 2014, the Group made contributions to the pension fund in the amount of £1,444,000 (2013: £729,000). The outstanding contributions at 31 May 2014 were £136,000 (2013: £97,000).

The Group's pension contributions referred to above have been produced by calculating the total employers contribution to employee pension scheme arrangements for all employees across the Group.

## PART III

### OPERATING AND FINANCIAL REVIEW OF NCC GROUP

*Some of the information in the review below and elsewhere in this document includes forward looking statements based on current expectations that involve risks and certain uncertainties. See “Forward Looking Statements” on page 23 for a discussion of important factors that could cause actual results to differ materially from the results described in the forward looking statements contained in this document. The following review of NCC Group’s financial condition and operating results should be read in conjunction with the financial information incorporated by reference in this document in accordance with Part VIII of this document and the other financial information included elsewhere in this document.*

*Investors should read the whole of this document and the documents incorporated herein by reference.*

#### **1. Overview**

The Group’s current trading is summarised in section 5 of Part I of this document. Descriptions of the Group’s financial condition, changes in that condition and results of operations for each financial year and interim period required to be disclosed in this document under the Prospectus Rules are further referred to in section 3 of this Part III. The audited annual reports and accounts of NCC Group for the three years ended 31 May 2012, 31 May 2013 and 31 May 2014 and the interim results for the period ended 30 November 2014 are incorporated by reference into this document by Part VIII.

#### **2. Changes in financial condition and results for the interim period ending 30 November 2014**

Current trading and operations have not materially changed since the half yearly financial statements of NCC Group for the six month interim period ended 30 November 2014 save as set out below.

On 19 January 2015, NCC Group acquired the Open Registry Group of Companies for a maximum consideration of £14.9m (€19.5m), of which £7.9m (€10.3m) was paid on completion. Two further payments of up to £7.0m (€9.2m) in total may be payable over approximately 36 months from completion depending upon whether performance related targets are met.

On 19 March 2015, the Group increased its banking facilities with the Royal Bank of Scotland to £80 million, comprising of a multicurrency revolving credit facility of up to £68 million, a further revolving credit facility of up to £10 million and a £2m working capital multicurrency overdraft on the same terms. Interest on the facilities is charged between 1.5% and 2.25% over LIBOR based on the Group’s net debt/EBITDA ratio.

In the first nine months of the financial year to 31 May 2015, Group revenues were 14% ahead of the same period last year at £92.3 million (February 2014: £81.0 million). Approximately 47% of the Group’s revenues are now outside the UK with the majority in North America. The Group remains on course to meet the NCC Group Board’s expectations for the financial year.

#### **3. Summary of Operating and Financial Review**

Set out below are details of significant changes in the financial condition, operating results and trading position of the Group during the period covered by the audited annual report and accounts of NCC Group for the three years ended 31 May 2012, 31 May 2013 and 31 May 2014 (being the date of NCC Group’s latest published audited annual report and accounts) and for the period since 31 May 2014.

##### ***Year ending 31 May 2012***

The Group increased revenue by 24% to £87.7 million (2011: £71.0 million). Excluding the full year effects of the acquisitions of iSec Partners Inc and Escrow Associates LLC in October 2010 and March 2011 respectively, organic Group revenue grew by 17% to £78.3 million.

Adjusted Group operating profit grew by 27% to £23.4 million (2011: £18.4 million) and adjusted Group pre-tax profit increased 27% to £22.6 million (2011: £17.8 million).

The Group was highly cash generative with operating cash flow before interest and tax of £24.6 million (2011: £17.9 million) which was 131% of operating profit before interest and tax (2011: 133%). The Group ended the year with net debt of £22.7 million (2011: £20.5 million).

In May 2012, the Group reported the complete suspension of the implementation of the Group's then new enterprise wide integrated IT system and the reversion back to the previous Group-wide IT system.

The Group applied to register the .secure gTLD as part of the ICANN programme to create a new set of gTLDs. In applying to register the .secure domain the Group's aim was to create a universal environment for end users to operate and navigate the internet with complete safety and security (the "Domain Assured Project").

### ***Year ending 31 May 2013***

The Group increased revenue by 13% to £99.2 million (2012: £87.7 million). Organic revenue growth was 8%, excluding the contribution from the two US businesses acquired in August 2012, Matasano Security LLC and Intrepidus Group, Inc.

The Group generated strong margins. Adjusted Group operating profit grew by 2% to £23.9 million (2012: £23.4 million) and adjusted Group pre-tax profit marginally improved to £23.0 million (2012: £22.6 million). The Group's reported pre-tax profit was £18.8 million (2012: £10.6 million).

The Group was highly cash generative with operating cash flow before interest and tax of £23.0 million (2012: £24.6 million), which gave a cash conversion ratio of 116% of operating profit before interest and tax (2012: 131%). The Group ended the year with net debt of £25.3 million (2012: £22.7 million).

The Group renewed its banking facility with the Royal Bank of Scotland, which provided a £40m revolving credit facility and a £5 million overdraft, running until July 2016. Interest on the facility was charged between 1.5% and 2.25% over LIBOR based on the Group's net debt/EBITDA ratio.

Following the Group's application to register the .secure gTLD the Group established a new wholly owned subsidiary, Artemis Internet, Inc. in San Francisco, to develop the critical infrastructure and know-how to deliver the Domain Assured Project. On 21 June 2013, it was confirmed by ICANN that the application for the .secure gTLD had completed and passed the initial evaluation process.

### ***Year ending 31 May 2014***

The Group increased revenue by 12% to £110.7 million (2013: £99.2 million).

The Group generated strong margins and adjusted Group operating profit grew by 9% to £26.0 million (2013: £23.9 million). Adjusted Group pre-tax profit improved to £25.3 million (2013: £23.0 million). The Group's reported pre-tax profit was £23.2 million (2013: £18.8 million).

The Group was highly cash generative with an operating cash flow before interest and tax of £28.9 million (2013: £23.0 million), which gave a cash conversion ratio of 120% of operating profit before interest and tax (2013: 116%). The Group ended the year with net debt of £23.6 million (2013: £25.3 million).

### ***Half year ending 30 November 2014***

Group revenue increased 15% to £62.3 million (£54.0 million in 2013) – 17% on a constant currency basis. Group adjusted operating profit was up by 6% to £12.4 million (£11.8 million in 2013).

Group adjusted operating profits excluding the Domain Services division grew by 14% to £14.3 million (£12.6 million in 2013) and Group adjusted pre-tax profit increased 5% to £12.1 million (£11.4 million in 2013). The Group was highly cash generative with a cash conversion ratio of 105% of operating profit (104% in 2013).

The Domain Services division completed the acquisition of the .trust gTLD.



### ***Events since the half year ending 30 November 2014***

On 19 January 2015, the Group acquired the Open Registry Group of Companies for a maximum consideration of £14.9 million (€19.5 million) of which £7.9 million (€10.3 million) was paid on completion.

On 19 March 2015, the Group increased its banking facilities with the Royal Bank of Scotland to £80 million, comprising of a multicurrency revolving credit facility of up to £68 million, a further revolving credit facility of up to £10 million and a £2 million working capital multicurrency overdraft on the same terms. Interest on the facilities is charged between 1.5% and 2.25% over LIBOR based on the Group's net debt/EBITDA ratio.

In the first nine months of the financial year to 31 May 2015, Group revenues were 14% ahead of the same period last year at £92.3 million (February 2014: £81.0 million). Approximately 47% of the Group's revenues are now outside the UK with the majority in North America. The Group remains on course to meet the NCC Group Board's expectations for the financial year.

Apart from the items referred to above there has been no significant change to the Group's financial condition and operating results during or subsequent to the period covered by the historical key financial information on the Group set out in this section.

### **4. Documents incorporated by reference**

The operating and financial reviews included in the following documents are incorporated by reference into this document:

- NCC Group's 2012 Annual Report and Accounts;
- NCC Group's 2013 Annual Report and Accounts;
- NCC Group's 2014 Annual Report and Accounts; and
- NCC Group's 2014 Interim Results.

### **5. Cross-reference list**

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

#### **5.1 *NCC Group's 2012 Annual Report and Accounts***

The page numbers below refer to the relevant pages of NCC Group's 2012 Annual Report and Accounts:

|  |       |
|--|-------|
| • Highlights                                     | 3-4   |
| • Group Profile                                  | 5-10  |
| • Chairman's Statement                           | 11-14 |
| • Operational and Financial Review               | 15-30 |
| • Directors and Senior Management                | 31-38 |
| • Consolidated Income Statement                  | 64    |
| • Consolidated Statement of Comprehensive Income | 65    |
| • Group Balance Sheet                            | 66    |
| • Company Balance Sheet                          | 67    |
| • Group Cash Flow Statement                      | 68    |
| • Company Cash Flow Statement                    | 69    |

|   |                                 |         |
|---|---------------------------------|---------|
| • | Statements of Changes in Equity | 70-71   |
| • | Notes                           | 72-114  |
| • | Company Information             | 115-116 |

## 5.2 *NCC Group's 2013 Annual Report and Accounts*

The page numbers below refer to the relevant pages of NCC Group's 2013 Annual Report and Accounts:

|   |  |         |
|---|--|---------|
| • | Highlights                                     | 3-4     |
| • | Group Profile                                  | 5-7     |
| • | Chairman's Statement                           | 8-10    |
| • | Operational and Financial Review               | 11-26   |
| • | Directors and Senior Management                | 27-30   |
| • | Directors' Report                              | 31-34   |
| • | Consolidated Income Statement                  | 60      |
| • | Consolidated Statement of Comprehensive Income | 61      |
| • | Group Balance Sheet                            | 62      |
| • | Company Balance Sheet                          | 63      |
| • | Group Cash Flow Statement                      | 64      |
| • | Company Cash Flow Statement                    | 65      |
| • | Statements of Changes in Equity                | 66-67   |
| • | Notes  | 68-110  |
| • | Company Information                            | 111-112 |

## 5.3 *NCC Group's 2014 Annual Report and Accounts*

The page numbers below refer to the relevant pages of NCC Group's 2014 Annual Report and Accounts:

|   |  |       |
|---|--|-------|
| • | 2014 Performance Highlights                    | 3     |
| • | About NCC Group                                | 4-7   |
| • | Chairman's Statement                           | 8-10  |
| • | The Strategic Report                           | 11-13 |
| • | Business and Financial Review for 2014         | 14-20 |
| • | Year End Outlook                               | 21    |
| • | Principle Risks and Uncertainties              | 21-24 |
| • | Consolidated Income Statement                  | 91    |
| • | Consolidated Statement of Comprehensive Income | 92    |
| • | Consolidated Statement of Financial Position   | 93    |

|   |        |
|---|--------|
| • Company Statement of Financial Position   | 94     |
| • Consolidated Statement of Cash Flows      | 95     |
| • Statements of Changes in Equity – Group   | 96     |
| • Statements of Changes in Equity – Company | 97     |
| • Notes to the Financial Statements         | 98-153 |
| • Company Information                       | 154    |

#### 5.4 *NCC Group's 2015 Interim Results*

The page numbers below refer to the relevant pages of the interim results of NCC Group for the six months ended 30 November 2014:

|   |       |
|---|-------|
| • Chief Executive's Review                          | 2     |
| • Financial Review                                  | 3-6   |
| • Operational Review                                | 6-10  |
| • Group Condensed Income Statement                  | 11    |
| • Group Condensed Statement of Comprehensive Income | 12    |
| • Group Condensed Statement of Financial Position   | 12-13 |
| • Group Condensed Statement of Cash Flows           | 14    |
| • Group Condensed Statement of Changes in Equity    | 15    |

The financial information referred to in this section 5.4 has not been audited.

## 6. **Liquidity and capital resources**

The capitalisation and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) of the Group are set out below. These figures are as of 31 January 2015, and have been extracted from the Group's unaudited management accounts. There has been no significant change to the liquidity and capital resources of the Group since 31 January 2015.

### *Indebtedness*

|   | <i>31 January<br/>2015<br/>(£m)</i> |
|---|-------------------------------------|
| <b>Total current debt</b>   |                                     |
| Guaranteed  | –                                   |
| Secured   | –                                   |
| Unguaranteed/Unsecured  | –                                   |
|   | <hr/>                               |
|   | –                                   |
|   | <hr/>                               |
| <b>Total Non-Current Debt</b> (excluding current portion of long-term debt) |                                     |
| Guaranteed  | –                                   |
| Secured   | 46.8                                |
| Unguaranteed/Unsecured  | –                                   |
|   | <hr/>                               |
| <b>Total indebtedness as at 31 January 2015</b>                             | <hr/> 46.8 <hr/>                    |

### ***Capitalisation***

This information is as at 31 January 2015 and has been extracted from the Group's unaudited management accounts. There has been no material change to the capitalisation of the Group since 31 January 2015.

|                             | <i>31 January<br/>2015<br/> (£m)</i> |
|-----------------------------|--------------------------------------|
| <b>Shareholders' Equity</b> |                                      |
| Share Capital               | 2.1                                  |
| Share Premium               | 23.9                                 |
| Other Reserves              | 0.3                                  |
| Total Shareholders' Equity  | <u>26.3</u>                          |

Capital and reserves do not include the retained earnings reserve.

### ***Net indebtedness of NCC Group in the short and medium term***

The following table shows the net indebtedness of NCC Group as at 31 January 2015.

|   | <i>31 January<br/>2015<br/> (£m)</i> |
|---|--------------------------------------|
| Cash                                      | 7.5                                  |
| <b>Liquidity</b>                          | 7.5                                  |
| <b>Current financial debt</b>             | —                                    |
| <b>Net current financial liquidity</b>    | 7.5                                  |
| Non-current bank loans                    | (46.8)                               |
| <b>Non-current financial indebtedness</b> | (46.8)                               |
| <b>Net funds</b>                          | (39.3)                               |

### ***Indirect and contingent indebtedness***

As at 31 January 2015, the Group had no indirect or contingent indebtedness.

### ***Net cash used in/generated from operating activities***

Cash from operating activities produced an inflow of £10.6 million in the six months ended 30 November 2014, and inflows of £23.6 million in the year ended 31 May 2014, £19.2 million in the year ended 31 May 2013 and £18.5 million in the year ended 31 May 2012. Interest paid and tax amounted to an outflow of £1.1 million in the six months ended 30 November 2014, and outflows of £5.3m in the year ended 31 May 2014, £3.8 million in the year ended 31 May 2013 and £6.2 million in the year ended 31 May 2012.

### ***Net cash used by investing activities***

Net capital expenditure on plant and equipment, software and development expenditure, and acquisitions net of cash acquired amounted to £11.9 million in the six months ended 30 November 2014, £15.0 million in the year ended 31 May 2014, £15.3 million in the year ended 31 May 2013 and £14.8 million in the year ended 31 May 2012. Expenditure on acquisitions net of cash acquired totalled £2.3 million in the six months ended 30 November 2014, £4.2 million in the year ended 31 May 2014, £10.5 million in the year ended 31 May 2013 and £7.5 million in the year ended 31 May 2012.

### ***Net cash used by financing activities***

Net cash used in financing activities amounted to £2.5 million in the six months ended 30 November 2014, £1.5 million in the year ended 31 May 2014, £4.4 million in the year ended 31 May 2013 and £2.0 million in the year ended 31 May 2012. Equity dividend payments were £4.9 million in the six months ended 30 November 2014, £6.8 million in the year ended 31 May 2014, £5.8 million in the year ended 31 May 2013 and £4.8 million in the year ended 31 May 2012.

### ***Future liquidity, financing arrangements and commitments***

The Group's working capital requirements are funded by shareholders' equity, operating cash flow and existing borrowing facilities. The NCC Group Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The NCC Group Board monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total interest bearing loans as shown in the consolidated balance sheet, less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheet, plus net debt.

As at 31 May 2014, the Group's gearing ratio was 22% (2013: 30%). The Group has banking facilities provided by Royal Bank of Scotland totalling £80 million, comprising of a multicurrency revolving credit facility of up to £68 million, a further revolving credit facility of up to £10 million and a £2m working capital overdraft on the same terms. Interest on the facility is charged between 1.5% and 2.25% over LIBOR based on the Group's net debt/EBITDA ratio.

The Group has a strong capital structure, as at 1 April 2015 (being the latest practicable date prior to the date of this document), the total amount outstanding under Royal Bank of Scotland facilities was £48.1 million and cash was £5.6 million.

The Group does not have any restrictions on the use of its capital resources that could materially affect, directly or indirectly, the Group's operations.

## PART IV

### HISTORICAL FINANCIAL INFORMATION RELATING TO NCC GROUP

#### 1. Basis of financial information

The financial statements of NCC Group included in the consolidated audited Annual Reports and Accounts of NCC Group for the financial years ended 31 May 2014, 31 May 2013 and 31 May 2012 were unqualified. The financial statements for the years 31 May 2014, 31 May 2013 and 31 May 2012 were prepared in accordance with IFRS.

The unaudited consolidated interim report of NCC Group for the six months ended 30 November 2014 is incorporated by reference into this document and was prepared in accordance with IFRS.

#### 2. Cross-reference list

The following list is intended to enable investors to identify easily specific items of information which have been incorporated by reference into this document.

##### 2.1 *Financial statements for the year ended 31 May 2012 and independent Audit Report thereon*

The page numbers below refer to the relevant pages of the Annual Report and Accounts of NCC Group for the financial year ended 31 May 2012:

|  |   |        |
|--|---|--------|
| • Independent Auditor's Report                   | – | 61-63  |
| • Consolidated Income Statement                  | – | 64     |
| • Consolidated Statement of Comprehensive Income | – | 65     |
| • Group Balance Sheet                            | – | 66     |
| • Company Balance Sheet                          | – | 67     |
| • Group Cash Flow Statement                      | – | 68     |
| • Company Cash Flow Statement                    | – | 69     |
| • Statement of Changes in Equity                 | – | 70-71  |
| • Notes to the Financial Statements              | – | 72-114 |
| • Company Information                            | – | 115    |

##### 2.2 *Financial statements for the year ended 31 May 2013 and independent Audit Report thereon*

The page numbers below refer to the relevant pages of the Annual Report and Accounts of NCC Group for the financial year ended 31 May 2013:

|  |   |       |
|--|---|-------|
| • Independent Auditor's Report                   | – | 57-59 |
| • Consolidated Income Statement                  | – | 60    |
| • Consolidated Statement of Comprehensive Income | – | 61    |
| • Group Balance Sheet                            | – | 62    |
| • Company Balance Sheet                          | – | 63    |
| • Group Cash Flow Statement                      | – | 64    |



|   |                                   |   |        |
|---|-----------------------------------|---|--------|
| • | Company Cash Flow Statement       | – | 65     |
| • | Statement of Changes in Equity    | – | 66     |
| • | Notes to the Financial Statements | – | 68-110 |
| • | Company Information               | – | 111    |

### 2.3 *Financial statements for the year ended 31 May 2014 and independent Audit Report thereon*

The page numbers below refer to the relevant pages of the Annual Report and Accounts of NCC Group for the financial year ended 31 May 2014:

|   |  |   |        |
|---|--|---|--------|
| • | Independent Auditor's Report                   | – | 86-89  |
| • | Consolidated Income Statement                  | – | 91     |
| • | Consolidated Statement of Comprehensive Income | – | 92     |
| • | Consolidated Statement of Financial Position   | – | 93     |
| • | Company Statement of Financial Position        | – | 94     |
| • | Consolidated Statement of Cash Flows           | – | 95     |
| • | Statement of Changes in Equity – Group         | – | 96     |
| • | Statement of Changes in Equity – Company       | – | 97     |
| • | Notes to the Financial Statements              | – | 98-153 |
| • | Company Information                            | – | 154    |

### 2.4 *Interim results for the six months ended 30 November 2014*

The page numbers below refer to the relevant pages of the interim results of NCC Group for the six months ended 30 November 2014:

|   |   |   |       |
|---|---|---|-------|
| • | Group Condensed Income Statement                  | – | 11    |
| • | Group Condensed Statement of Comprehensive Income | – | 12    |
| • | Group Condensed Statement of Financial Position   | – | 12-13 |
| • | Group Condensed Statement of Cash Flows           | – | 14    |
| • | Group Condensed Statement of Changes in Equity    | – | 15    |

The financial information referred to in this section 2.4 has not been audited.

## PART V

### UNITED KINGDOM TAXATION CONSIDERATIONS

#### **Introduction**

The following information, which relates to the UK, is applicable to NCC Group and to persons who hold NCC Group Shares as investments and hold less than 10% of the share capital of NCC Group. It is based upon the legislation and practice currently in force in the UK. The information does not deal with the position of certain classes of shareholders, such as dealers in securities. The information is not exhaustive and if potential investors are in any doubt about the taxation consequences of acquiring, holding or disposing of NCC Group Shares they should seek advice from their own professional advisers. Investors should note that tax law and interpretation can change and that, in particular, the levels and basis of, and reliefs from, taxation may change and that may alter the benefits of investment in NCC Group.

**It is the responsibility of all persons interested in acquiring NCC Group Shares to inform themselves as to any income or other tax consequences arising in the jurisdictions in which they are resident or domiciled for tax purposes, as well as any foreign exchange or other fiscal or legal restrictions, which are relevant to their particular circumstances in connection with the acquisition, holding or disposition of NCC Group Shares.**

#### **Certain United Kingdom tax considerations**

The following summary is intended as a general guide only and relates only to certain limited aspects of the UK tax consequences of holding and disposing of NCC Group Shares. It is based on current UK legislation and what is understood to be the current practice of HM Revenue & Customs (“HMRC”) as at the date of this document, both of which may change, possibly with retroactive effect. Except insofar as express reference is made otherwise, the summary applies only to holders who are resident and, if individuals, ordinarily resident and domiciled in the UK for taxation purposes, who hold NCC Group Shares as an investment (other than under an individual savings account), who are the absolute beneficial owners of NCC Group Shares and any dividends paid on them, who have not (and are not deemed to have) acquired NCC Group Shares by virtue of an office or employment (whether current, historic or prospective) and are not officers or employees of any member of the Group. In addition, these comments may not apply to certain classes of holders such as dealers in securities, collective investment schemes and insurance companies.

#### **UK taxation consequences of disposing of NCC Group Shares in the future**

##### ***Individual shareholders***

A disposal of NCC Group Shares may, depending on the circumstances and subject to any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of UK capital gains tax.

An individual NCC Group Shareholder who is resident in the UK for UK tax purposes and whose total taxable gains and income in a given year, including any gains made on the disposal of NCC Group Shares, are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the “Band Limit”) will generally be subject to capital gains tax at the flat rate of 18% in respect of any gain arising on a disposal of his NCC Group Shares.

An individual NCC Group Shareholder who is resident in the UK for UK tax purposes and whose total taxable gains and income in a given year, including any gains made on the disposal of NCC Group Shares, are more than the Band Limit will generally be subject to capital gains tax at the flat rate of 18% in respect of any gain arising on a disposal of his NCC Group Shares (to the extent that, when added to the NCC Group Shareholder’s other taxable gains and income in that tax year, the gain is less than or equal to the Band Limit) and at the flat rate of 28% in respect of the remainder.

No indexation allowance will be available to an individual NCC Group Shareholder in respect of any disposal of NCC Group Shares. However, each individual has an annual exemption such that capital gains tax is only chargeable on gains arising from all sources during the tax year in excess of that figure.

An individual NCC Group Shareholder who acquires NCC Group Shares while UK resident and who subsequently ceases to be resident for tax purposes in the UK for a period of less than five complete years of assessment (and in certain cases less than six years of assessment) and who disposes of NCC Group Shares during that period of non-residence may be liable, on his return to the UK, to capital gains tax in respect of any gain arising from the disposal (subject to any available exemption or relief).

### ***Corporate shareholders***

For a corporate NCC Group Shareholder within the charge to UK corporation tax, a disposal of NCC Group Shares may give rise to a chargeable gain (or allowable loss) for the purposes of UK corporation tax. An indexation allowance may be available to reduce the amount of the chargeable gain which would otherwise arise on the disposal. Corporation tax is charged on chargeable gains at the rate of corporation tax applicable to that company.

## **UK taxation of dividends paid on NCC Group Shares**

### ***Withholding taxes***

NCC Group will not be required to withhold UK tax at source from dividend payments it makes to NCC Group Shareholders.

### ***Individual shareholders***

An individual NCC Group Shareholder who is resident for tax purposes in the UK and who receives a dividend from NCC Group in respect of New NCC Group Shares will generally be entitled to a tax credit, which may be set off against his total income tax liability. The tax credit will equal 10% of the aggregate of the dividend received and the tax credit (the “gross dividend”), which is also equal to one-ninth of the amount of the cash dividend received.

In the case of a NCC Group Shareholder who is liable to UK income tax at a rate not exceeding the basic rate, that NCC Group Shareholder will be subject to tax on the gross dividend at the rate of 10%. The tax credit will, in consequence, satisfy in full the NCC Group Shareholder’s liability to UK income tax on the gross dividend.

In the case of a NCC Group Shareholder who is liable to UK income tax at the higher rate, the NCC Group Shareholder will be subject to UK income tax on the gross dividend at the rate of 32.5% to the extent that the gross dividend falls above the threshold for the higher rate of UK income tax but below the threshold for the additional rate of UK income tax when it is treated as the top slice of the NCC Group Shareholder’s income. The tax credit will, in consequence, satisfy only part of the NCC Group Shareholder’s liability to UK income tax on the gross dividend, and the NCC Group Shareholder will have to account for UK income tax equal to 22.5% of the gross dividend (which equates to 25% of the cash dividend received). For example, if the NCC Group Shareholder received a dividend of £80 from NCC Group, the dividend received would carry a tax credit of £8.89 and therefore represent a gross dividend of £88.89. The NCC Group Shareholder would then be required to account for UK income tax of £20 on the gross dividend (being 28.89 (i.e. 32.5% of 88.89) less £8.89 (i.e. the amount of the tax credit)).

In the case of a NCC Group Shareholder who is liable to UK income tax at the additional rate, the NCC Group Shareholder will be subject to UK income tax on the gross dividend at the rate of 37.5% to the extent that the gross dividend falls above the threshold for the additional rate of UK income tax when it is treated as the top slice of the NCC Group Shareholder’s income. The tax credit will, in consequence, only satisfy part of the NCC Group Shareholder’s liability to UK income tax, and the NCC Group Shareholder will have to account for UK income tax equal to 27.5% of the gross dividend (which equates to approximately 30.6% of the cash dividend received). For example, if the NCC Group Shareholder received a dividend of £80 from NCC Group, the dividend received would carry a tax credit of £8.89 and therefore represent a gross dividend

of £88.89. The NCC Group Shareholder would then be required to account for UK income tax of £24.44 on the gross dividend (being £33.33 (i.e. 37.5% of £88.89) less £8.89 (i.e. the amount of the tax credit).

A UK resident individual NCC Group Shareholder whose liability to UK income tax in respect of a dividend received from NCC Group is less than the tax credit attaching to the dividend will not be entitled to any payment from HMRC in respect of any part of the tax credit attaching to the dividend.

### ***Corporate shareholders***

NCC Group Shareholders within the charge to UK corporation tax which are “small companies” for the purposes of UK taxation of dividends will not generally be subject to UK corporation tax on dividends received from NCC Group so long as: (i) certain conditions are met; and (ii) NCC Group Shareholders have not elected for the dividends not to be exempt.

Other NCC Group Shareholders within the charge to UK corporation tax will not be subject to UK corporation tax on dividends received from NCC Group so long as the dividends fall within an exempt class and certain conditions are met and the NCC Group Shareholder has not elected for the dividends not to be exempt. Dividends paid on shares that are “ordinary shares” and are not “redeemable” (as those terms are used in Chapter 3 of Part 9A of the Corporation Tax Act 2009), and dividends paid to a person holding less than 10% of the issued share capital of NCC Group, should generally fall within an exempt class. However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

### **Stamp duty and Stamp Duty Reserve Tax (“SDRT”)**

The following statements are intended as a general guide to the current UK stamp duty and SDRT position for holders of NCC Group Shares. Certain categories of person, including intermediaries, brokers, dealers and persons connected with depositary receipt systems and clearance services, may not be liable to stamp duty or SDRT or may be liable at a higher rate. Furthermore, such persons may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1986.

The comments in this section relating to stamp duty and SDRT apply whether or not a NCC Group Shareholder is resident in the UK.

### ***The Acquisition***

Neither stamp duty nor SDRT should arise on the issue of NCC Group Shares.

### ***Subsequent transfers***

Stamp duty at the rate of 0.5 per cent. (rounded up to the next multiple of £5) of the amount or value of the consideration given by the purchaser is generally payable on an instrument transferring NCC Group Shares. An exemption from stamp duty is available on an instrument transferring NCC Group Shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000.

A charge to SDRT will also generally arise on an unconditional agreement to transfer NCC Group Shares (at the rate of 0.5 per cent. of the amount or value of the consideration payable). However, if within six years of the date of the agreement (or, if the agreement is conditional, the date on which it becomes unconditional), an instrument of transfer is executed pursuant to the agreement, and stamp duty is duly paid on that instrument, or that instrument is exempt, any SDRT already paid will generally be refunded, provided that a claim for payment is made, and any outstanding liability to SDRT will be cancelled.

The purchaser or transferee of NCC Group Shares will generally be responsible for paying such stamp duty or SDRT.

### ***NCC Group Shares held through CREST***

Paperless transfers of NCC Group Shares within CREST are generally liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration in money or money’s worth

payable by the purchaser. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system. Under the CREST system, generally no stamp duty or SDRT will arise on a deposit of NCC Group Shares into the system unless such a transfer is made for consideration in money or money's worth, in which case a liability to SDRT will arise usually at a rate of 0.5 per cent. of the amount or value of the consideration for NCC Group Shares.

#### ***Depository receipt systems and clearance services***

Under UK legislation, where NCC Group Shares are issued or transferred (i) to, or to a nominee or agent for, a person whose business is or includes the provision of clearance services or (ii) to, or to a nominee or agent for, a person whose business is or includes issuing depository receipts, stamp duty or SDRT will generally be payable at the higher rate of 1.5 per cent. of the amount or value of the consideration payable or, in certain circumstances, the value of NCC Group Shares (rounded up to the next multiple of £5 in the case of stamp duty).

HMRC has confirmed following the decisions in *HSBC Holdings plc and another v HMRC (Vidacos)* C-569/07 [2010] STC 58 and *HSBC Holdings plc and The Bank of New York Mellon Corporation v The Commissioners for Her Majesty's Revenue & Customs* [2012] UKFTT 163 (TC) that it will no longer seek to apply the 1.5 per cent. stamp duty or SDRT charge when shares are issued into a clearance service or depository receipt system.

There is an exception from the 1.5 per cent. charge on the transfer to, or to a nominee or agent for, a clearance service where the clearance service has made and maintained an appropriate election which has been approved by HMRC. In these circumstances, the normal rates of stamp duty and SDRT (rather than the higher rate regime referred to above) will generally apply to any transfer of NCC Group Shares into the clearance service and to any transactions in NCC Group Shares held within the clearance service.

Any liability for stamp duty or SDRT in respect of a transfer into a clearance service or depository receipt system, or in respect of a transfer of NCC Group Shares held within such a service or system, will strictly be payable by the operator of the clearance service or depository receipt system or its nominee, as the case may be, but in practice will generally be reimbursed by participants in the clearance service or depository receipt system.

The application of the 1.5 per cent. charge may also be affected in other circumstances. Accordingly, specific professional advice should be sought before paying the 1.5 per cent. stamp duty or SDRT charge in any circumstances.

## PART VI

### DIRECTORS, SENIOR MANAGEMENT, CORPORATE GOVERNANCE AND EMPLOYEES

#### 1. NCC Group Directors

The following table sets out information relating to the NCC Group Directors:

| <i>Name</i>       | <i>Current position in respect of NCC Group</i> | <i>Date of birth</i> |
|-------------------|---|----------------------|
| Paul Mitchell     | Non-Executive Chairman                          | 10 May 1951          |
| Rob Cotton        | Chief Executive Officer                         | 15 February 1965     |
| Atul Patel        | Finance Director                                | 14 April 1967        |
| Debbie Hewitt MBE | Senior Independent Non-Executive Director       | 31 August 1963       |
| Thomas Chambers   | Independent Non-Executive Director              | 30 June 1961         |

The business address of each of the NCC Group Directors is Manchester Technology Centre, Oxford Road, Manchester, M1 7EF.

#### 2. NCC Group Directors' profiles

The name, business experience and principal business activities outside NCC Group of the current NCC Group Directors, as well as the date of their respective initial appointments as the NCC Group Directors, are set out below.

##### Paul Mitchell (*Non-Executive Chairman*)

Paul Mitchell was appointed a Director of NCC Group on 28 March 2003. He is a Non-Executive Director of Rickitt Mitchell & Partners Limited, a corporate finance advisory firm based in Manchester. He is also Non-Executive Chairman of Styles & Wood Group plc. He is a qualified Chartered Accountant. He is Chairman of the Nomination Committee.

In addition to these directorships and those within NCC Group, Paul holds or has held in the past five years the following directorships:

| <i>Company</i>                                 | <i>Status (current/previous)</i>                    |
|--|---|
| Airangel Limited                               | Current   |
| Little Greene Limited                          | Current   |
| APP Leasing Limited                            | Current   |
| The Little Greene Paint Company Limited        | Previous (resigned on 4 March 2014)                 |
| Landmarq Asset Management Limited (dissolved)  | Previous (company was dissolved on 16 July 2013)    |
| Kennel Bonanza Limited (dissolved)             | Previous (company was dissolved on 26 June 2013)    |
| Kent and Alpine Properties Limited (dissolved) | Previous (company was dissolved on 25 October 2011) |

Paul is or has been a partner in the following partnerships during the past five years:

| <i>Partnership</i>                         | <i>Status (current/previous)</i> |
|--|----------------------------------|
| Alchemy Plan (Personal Investors 4) L.P.   | Current                          |
| Alchemy Special Opportunities Fund II L.P. | Current                          |
| ASOF (CI) III L.P.                         | Current                          |
| Centurion Ventures                         | Current                          |
| Landmarq LLP                               | Previous                         |
| Alchemy Plan (Personal Investors 2) L.P.   | Previous                         |
| ASOF Feeder Fund L.P. Incorporated         | Previous                         |



*Rob Cotton (Chief Executive Officer)*

Rob Cotton was appointed Chief Executive in 2003, having joined NCC Group as Finance Director and Managing Director of the Escrow division in 2000. He steered NCC Group through its move to the London Stock Exchange's main market in July 2007 following admission to AIM in July 2004, and through a management buy-out in April 2003. A qualified Chartered Accountant, he previously held a number of director and senior management positions in industry. Rob is a member of the Nomination Committee.

Save for the directorships of members of the Group, Rob has not held any other directorships or been a partner in any partnership in the past five years.

*Atul Patel (Finance Director)*

Atul Patel joined NCC Group initially on an interim basis on 18 February 2011 before being appointed to the NCC Group Board on a full time basis on 19 April 2011. He was formerly a Divisional Finance Director within Tribal Group plc, being responsible for the Government and Health division, operating the finance and support functions as well as advising on business transformation and business integration. A qualified Chartered Accountant, Atul joined the management consultancy division of PricewaterhouseCoopers after qualifying.

Save for directorships of members of the Group and his current appointment as a director of The Oldham Coliseum Theatre Limited, Atul has not held any other directorships or been a partner in any partnerships in the past five years.

*Debbie Hewitt MBE (Senior Independent Non-Executive Director)*

Debbie Hewitt joined NCC Group in September 2008 as a Non-Executive Director. She has an MBA, is a Fellow of the Chartered Institute of Personnel Development and was awarded an MBE for services to Business and the Public Sector in 2011. She is Non-Executive Chairman of Moss Bros Group plc, White Stuff Limited, Evander Group Limited and Visa UK Limited and Non-Executive Director of Redrow plc, Domestic and General Group Holdings Limited and BGL Group Limited. Debbie is Chair of the Remuneration Committee and a member of the Audit and Nomination Committees.

In addition to these directorships and those within NCC Group, Debbie holds or has held in the past five years the following directorships:

| <i>Company</i>                         | <i>Status (current/previous)</i>                    |
|--|---|
| White Stuff Group Limited              | Current   |
| Cherry Bidco Limited                   | Current   |
| Cherry Topco Limited                   | Current   |
| Cherry Midco 1 Limited                 | Current   |
| Cherry Midco 2 Limited                 | Current   |
| Evander Glazing and Locks Limited      | Current   |
| Evander Group Trustee Limited          | Current   |
| Evander Limited                        | Current   |
| Highway Glass Limited                  | Current   |
| Highway Windscreens (UK) Limited       | Current   |
| Luminar Group Holdings plc (dissolved) | Previous (company was dissolved on 4 November 2011) |
| Mouchel Group plc                      | Previous  |
| HR Owen plc                            | Previous  |

She has not been a partner in any partnerships during the past five years.

*Thomas Chambers (Independent Non-Executive Director)*

Thomas Chambers joined NCC Group in September 2012. Thomas was CFO of smartphone operating systems developer Symbian Limited from 2001 until its sale to Nokia Oyj in 2009, and prior to that, CFO of DSL provider First Telecom. He is a Chartered Accountant and has held roles with Kleinwort Benson, the

European Bank for Reconstruction and Development and Price Waterhouse. He is also Non-Executive Chairman at recruitment company Propel London Limited and a Non-Executive Director of Kings Arms Yard VCT plc and Niu Solutions Holdings Limited and Non-Executive Treasurer of the University of Surrey. Thomas is Chair of the Audit Committee and a member of the Remuneration and Nomination Committees.

In addition to these directorships and those within NCC Group, Thomas holds or has held in the past five years the following directorships:

| <i>Company</i>                             | <i>Status (current/previous)</i>     |
|--|--------------------------------------|
| Wine Equals Friends Limited                | Current                              |
| Tadsum Limited                             | Current                              |
| Blackwell Developments (Guildford) Limited | Current                              |
| System C Healthcare Limited                | Previous                             |
| Kings Arms Yard VCT 2 plc (dissolved)      | Previous (dissolved on 8 April 2013) |

Thomas has been a partner in the following partnerships during the past five years:

| <i>Partnership</i>                   | <i>Status (current/previous)</i> |
|--------------------------------------|----------------------------------|
| FIM Sustainable Timber & Energy L.P. | Current                          |
| Amadeus III Affiliates Fund L.P.     | Current                          |

### **3. NCC Group Senior Managers**

The following table sets out information relating to the NCC Group Senior Managers:

| <i>Name</i>     | <i>Current position in respect of NCC Group</i>   | <i>Date of birth</i> |
|-----------------|---|----------------------|
| Roger Rawlinson | Group Managing Director, Assurance                | 16 March 1962        |
| Rob Horton      | European Managing Director of Security Consulting | 9 March 1976         |
| Daniel Liptrott | Group Managing Director, Escrow                   | 10 May 1972          |
| Pete Stock      | Group Managing Director, Domain Services          | 6 March 1956         |

The business address of each of the NCC Group Senior Managers is Manchester Technology Centre, Oxford Road, Manchester, M1 7EF.

### **4. NCC Group Senior Managers' profiles**

Roger Rawlinson (*Managing Director, Assurance*)

Roger Rawlinson is responsible for the operational management of the Group's Assurance division. He has worked for the Group for over 20 years in a variety of testing and consultancy roles and was appointed as a (non-statutory) director in 2004.

Save for directorships of members of the Group, Roger has not held any other directorships or been a partner in any partnership in the past five years.

Rob Horton (*European Managing Director of Security Consulting*)

Rob Horton joined the Group in 2008 and has managed and grown security consultancy services in the Group's Assurance division, as well as overseeing the integration of a number of the acquired security testing companies into the Group. Rob was a director of Next Generation Security Software Limited, a security testing company he co-founded from its formation in 2001 through to its successful integration into the Group.

Save for directorships of members of the Group and his previous appointment as a director of BITFW Ltd (which was dissolved on 27 April 2010), Rob has not held any other directorships or been a partner in any partnership in the past five years.

Daniel Liptrott (*Managing Director, Assurance*)

Daniel Liptrott is responsible for the management and strategic development of the Group's Escrow division globally. Daniel joined the Group in November 2013 from private practice where he had been a corporate partner at a number of international law firms. From 2006 until 2011, he had been the Group's outside counsel at Eversheds LLP and advised on a range of issues including its move to the main market of the London Stock Exchange in 2007 and a number of the Group's acquisitions.

Save for directorships of members of the Group and his previous appointments as a member of Eversheds LLP (a position which he ceased to hold on 22 August 2013) and a member of Squire Patton Boggs (UK) LLP (a position which he ceased to hold on 21 November 2013), Daniel has not held any other directorships or been a partner in any partnership in the past five years.

Pete Stock (*Managing Director, Domain Services*)

Pete Stock is responsible for the development of the Group's Domain Services division based in San Francisco. He joined the Group upon the acquisition of SDLC Solutions Limited ("SDLC") in 2010 and in 2011 became responsible for the management, development and continued growth of the Group's Escrow division and subsequently transferred to his position as managing director of the Group's Domain Services division. Pete was the Managing Director of SDLC from its formation in 2001 through to its successful integration into the Group.

Save for directorships of members of the Group and his current appointment as a director of Stockbros Limited, Pete has not held any other directorships or been a partner in any partnership in the past five years.

## 5. Interests of the NCC Group Directors and the NCC Group Senior Managers

As at 1 April 2015 (being the latest practicable date prior to the publication of this document), the interests (including beneficial interests) of the NCC Group Directors, the NCC Group Senior Managers, their immediate families and (so far as is known to them or could with reasonable diligence be ascertained by them) persons connected (within the meaning of section 252 of the Companies Act) with them in the issued share capital of NCC Group, including: (i) those arising pursuant to transactions notified to NCC Group pursuant to DTR 3.1.2R of the Disclosure and Transparency Rules or (ii) those of connected persons of the NCC Group Directors, which would, if such connected person were a NCC Group Director, be required to be disclosed under (i) above, together with such interests as are expected to subsist immediately following Admission are set out in the following table.

| Name of NCC Group Director/Senior Manager | As at 1 April 2015         |   | Interests immediately following Admission <sup>(1)</sup> |   |
|---|----------------------------|---|--|---|
|   | Number of NCC Group Shares | Percentage of issued share capital of NCC Group | Number of NCC Group Shares                               | Percentage of issued share capital of NCC Group |
| Paul Mitchell                             | 629,600                    | 0.30  | 629,600  | 0.27  |
| Rob Cotton                                | 5,396,555                  | 2.58  | 5,396,555  | 2.35  |
| Atul Patel                                | 83,530                     | 0.04  | 83,530   | 0.04  |
| Debbie Hewitt MBE                         | 33,990                     | 0.02  | 33,990   | 0.01  |
| Thomas Chambers                           | 19,000                     | 0.01  | 19,000   | 0.01  |
| Roger Rawlinson                           | 927,953                    | 0.44  | 927,953  | 0.40  |
| Rob Horton                                | 47,094                     | 0.02  | 47,094   | 0.02  |
| Daniel Liptrott                           | —                          | 0   | —  | 0   |
| Pete Stock                                | 55,980                     | 0.03  | 55,980   | 0.02  |

**Note:**

- (1) Figures are calculated assuming that the interests in NCC Group of the NCC Group Directors and the NCC Group Senior Managers as at close of business on 1 April 2015 do not change, that 20,389,472 NCC Group Shares are issued in connection with the Acquisition and that no further issues of NCC Group Shares occur between publication of this document and the Effective Date.

Taken together, the combined percentage interest of the NCC Group Directors and the NCC Group Senior Managers in the issued ordinary share capital of NCC Group as at 1 April 2015 was approximately 3.4 per cent. Taken together, the combined percentage interest in the issued ordinary share capital of NCC Group of the NCC Group Directors and the NCC Group Senior Managers immediately following Admission will be approximately 3.1 per cent.

The outstanding options and awards over NCC Group Shares held by the NCC Group Directors and the NCC Group Senior Managers pursuant to the LTIP and Sharesave Plan are set out in the table below. Further information on the NCC Group Share Schemes is set out in section 12 of Part VI of this document.

| <b>Name of NCC Group Director/Senior Manager</b> | <i>Unvested NCC Group<br/>Shares under LTIP<sup>1</sup></i> | <i>Unexercised options under<br/>Sharesave Plan</i> |
|--|---|---|
| Rob Cotton                                       | 862,651   | 13,878  |
| Atul Patel                                       | 396,565   | 11,867  |
| Roger Rawlinson                                  | 446,074   | 13,878  |
| Rob Horton                                       | 121,329   | 8,268   |
| Daniel Liptrott                                  | 97,205  | 11,867  |
| Pete Stock                                       | 348,978   | Nil   |

1 The vesting of LTIP awards is subject to the satisfaction of performance conditions.

## 6. Remuneration of the NCC Group Directors

This section provides information on the remuneration arrangements for the NCC Group Directors. The aggregate remuneration for the NCC Group Directors for the year ended 31 May 2014 was £1.7 million (2013: £1.5 million).

The NCC Group Directors' remuneration is reviewed annually by the Remuneration Committee and any changes take effect from 1 June. At each review, the Remuneration Committee considers the experience and performance of NCC Group's executive directors in their roles over the previous year against a number of key performance indicators relating to both individual and corporate measures of performance. The relevant NCC Group Director's experience and performance are then considered against the market positioning of pay for the relevant role. The Remuneration Committee also takes into account pay and employment conditions across senior management within NCC Group when determining the remuneration of NCC Group's executive directors. The remuneration of NCC Group's non-executive directors reflects the anticipated time commitment to fulfil their duties.

The executive directors' remuneration for the financial year ended 31 May 2014 was as follows:

| <i>Director</i> | <i>Year ended</i> | <i>Base Salary</i> | <i>Benefits<sup>1</sup></i> | <i>£000</i>                  |                     |  |                          | <i>Total</i> |
|-----------------|-------------------|--------------------|-----------------------------|------------------------------|---------------------|--|--------------------------|--------------|
|                 |                   |                    |                             | <i>Pension Contributions</i> | <i>Annual Bonus</i> | <i>Long-term incentive<sup>2</sup></i> | <i>Other<sup>3</sup></i> |              |
| Rob Cotton      | 31 May 2014       | 430                | 31                          | 43                           | 206                 | 360                                    | 16                       | 1,086        |
| Atul Patel      | 31 May 2014       | 200                | 27                          | 20                           | 77                  | 156                                    | –                        | 480          |

1 Taxable benefits included the provision to every executive director of a car or car allowance, payment of private fuel, car insurances, private medical insurance, life assurance and permanent health insurance.

2 Long-term incentive awards vesting under the LTIP.

3 The value of the awards vesting under the Sharesave Plan.

The fees payable to the non-executive directors for the financial year ended 31 May 2014 was as follows:

|                   | <i>31 May 2014<br/>£000</i> |
|-------------------|-----------------------------|
| Paul Mitchell     | 65                          |
| Debbie Hewitt MBE | 45                          |
| Thomas Chambers   | 38                          |

## 7. NCC Group Directors' service contracts and letters of appointment

The executive directors of NCC Group have service contracts and the non-executive directors have letters of appointment. The service contracts and letters of appointment can be terminated by either party in accordance with the notice periods set out below:

| <i>Director</i>            | <i>Date of appointment</i> | <i>Notice period</i> |
|----------------------------|----------------------------|----------------------|
| Paul Mitchell <sup>1</sup> | 26 June 2007               | 3 months             |
| Rob Cotton <sup>2</sup>    | 8 July 2004                | 1 year               |
| Atul Patel                 | 19 April 2011              | 6 months             |
| Debbie Hewitt MBE          | 18 September 2008          | 3 months             |
| Thomas Chambers            | 20 September 2012          | 3 months             |

1 Paul Mitchell was appointed as a NCC Group Director on 28 March 2003. Paul Mitchell's current letter of appointment was entered into on 26 June 2007.

2 Rob Cotton was appointed as a NCC Group Director on 28 March 2003. Rob Cotton's current service contract was entered into on 8 July 2004.

In accordance with best practice, all NCC Group Directors will submit themselves for re-election at the forthcoming annual general meeting in 2015 and it is intended that they will continue to do so each year.

There are no pre-determined special provisions for executive directors with regard to compensation in the event of loss of office. Payments on termination for executive directors are restricted to the value of salary and contractual benefits for the duration of the notice period.

## 8. Directors' confirmations

Save as detailed below, no NCC Group Director or NCC Group Senior Manager has, during the five years prior to the date of this document:

- (a) been convicted in relation to a fraudulent offence;
- (b) been associated with any bankruptcy, receivership or liquidation while acting in the capacity of a member of the administrative, management or supervisory body or senior manager of any company;
- (c) been subject to any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
- (d) been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

Paul Mitchell was a director of Kent and Alpine Properties Limited from 30 March 2009 until 25 October 2011, the latter date being the date upon which Kent and Alpine Properties Limited was dissolved after having been put into voluntary liquidation.

Paul Mitchell was a director of Kennel Bonanza Limited from 15 May 2012 until 26 June 2013 when the company was dissolved.

Debbie Hewitt was a director of Luminar Group Holdings plc ("Luminar") from 20 July 2007 until 4 November 2011. Luminar went into administration on 7 November 2011 and subsequently went into liquidation on 1 May 2014.

Thomas Chambers was a director of Kings Arms Yard VCT 2 plc from 13 January 2010 until 8 April 2013, the latter being the date upon which Kings Arms Yard VCT 2 plc was dissolved after having been put into voluntary liquidation.

Rob Horton was a director of BITFW Limited from 16 November 2006 until 21 April 2010 when the company was dissolved.

## **9. Conflicts of interest**

Other than as disclosed in this section 9, there are no actual or potential conflicts of interests between any duties any of the NCC Group Directors have to NCC Group, either in respect of the Acquisition or otherwise, and the private interests and/or other duties they may also have.

NCC Group's Non-Executive Chairman, Paul Mitchell, is a Non-Executive Director of Rickitt Mitchell & Partners Limited. Rickitt Mitchell provides an outsourced acquisition service to NCC Group which facilitates the delivery of acquisition targets which have been identified and approved by the NCC Group Board. In relation to the Acquisition, Rickitt Mitchell will receive a corporate finance advisory fee of £525,000.

Except in relation to the related party transactions disclosed on page 151 of NCC Group's Annual Report and Accounts for the year ended 31 May 2014 (note 25 to the consolidated financial statements), no NCC Group Director has or had during the financial year ended 31 May 2014 a material interest in any significant contract with NCC Group or any of its subsidiaries.

No NCC Group Director was selected to be a director of NCC Group pursuant to any arrangement or understanding with any major customer, supplier or other person having a business connection with NCC Group.

No restrictions have been agreed by any NCC Group Director on the disposal within a certain period of time of his holding in NCC Group securities.

There are no family relationships between any of the NCC Group Directors.

## **10. Corporate governance**

### **10.1 Board practices**

The UK Corporate Governance Code recommends that at least half the members of the board of directors (excluding the chairman) of a public limited company incorporated in the United Kingdom should be independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgement. As at the date of this document, NCC Group is in compliance with the provisions of the UK Corporate Governance Code except as stated below:

- NCC Group does not comply with provision A.3.1 of the UK Corporate Governance Code as the Non-Executive Chairman of NCC Group does not meet the independence criteria set out in provision B.1.1 of the UK Corporate Governance Code.
- NCC Group does not currently comply with the requirement set out in provision B.2.1 of the UK Corporate Governance Code that the NCC Group Board should establish a nomination committee of which the majority of members should be independent non-executive directors. The senior non-executive director of NCC Group does however have a casting vote in respect of the Nomination Committee and NCC Group is actively looking to appoint a third non-executive director.

The composition of the NCC Group Board will not change as a result of the Acquisition and the roles of the Non-Executive Chairman and the Chief Executive of NCC Group will be distinct and separate, with a clear division of responsibilities.

### **10.2 Board committees**

The following committees would continue to be in existence following completion of the Acquisition. Each would continue to have formally delegated duties and responsibilities with written terms of reference. From time to time, separate committees may be set up by the NCC Group Board to consider specific issues when the need arises.



### 10.3 *Nomination Committee*

Paul Mitchell, Non-Executive Chairman of the NCC Group Board, is chair of the Nomination Committee. The other members of the Nomination Committee are the two independent non-executive directors, Debbie Hewitt and Thomas Chambers and the Chief Executive, Rob Cotton. Accordingly, NCC Group does not meet the requirement of the UK Corporate Governance Code that the NCC Group Board should establish a Nomination Committee of which the majority of members should be independent non-executive-directors. Until a third independent non-executive director is appointed, to correct the Nomination Committee's constitution, Debbie Hewitt as the senior independent non-executive director has a casting vote in the event of equality of votes.

The Nomination Committee is responsible for monitoring the composition and balance of the NCC Group Board, reviewing the leadership needs of the Group, making recommendations to the NCC Group Board on new NCC Group Board appointments, succession planning and reviewing annually the time required from non-executive directors.

Before any appointment is made by the NCC Group Board, the Nomination Committee evaluates the balance of skills, knowledge, experience and diversity on the NCC Group Board and, in the light of this evaluation, prepares a description of the role and capabilities required for a particular appointment.

### 10.4 *Remuneration Committee*

Debbie Hewitt is the chairman of the Remuneration Committee. Thomas Chambers is the other member of the Remuneration Committee.

The Remuneration Committee makes recommendations to the NCC Group Board on NCC Group's framework of executive remuneration and determines, on its behalf, specific remuneration packages for each of the executive directors (including bonuses, incentive payments and share options or other share awards), the Chairman and other senior executives. The remuneration of the independent non-executive directors is a matter for the Chairman and the executive members of the NCC Group Board. The Remuneration Committee normally meets at least twice a year.

### 10.5 *Audit Committee*

Thomas Chambers, a chartered accountant with recent and relevant financial experience, is the chairman of the Audit Committee. Debbie Hewitt is the other member of the Audit Committee.

The purpose of the Audit Committee is to assist the NCC Group Board in the discharge of its responsibilities for financial reporting and corporate control, including risk and to provide a forum for reporting by the external auditors. The Audit Committee's main responsibilities include, *inter alia*, reviewing financial statements, internal controls and audit findings, advising on the appointment of the external auditor and overseeing the relationship with the external auditor and monitoring their independence and objectivity, reviewing the extent of any non-audit work undertaken by the external auditors and monitoring the Group's whistleblowing and anti-bribery procedures. The Audit Committee meets at least three times a year.

## 11. **Employees**

The average number of staff employed by the Group for the years ended 31 May 2012, 31 May 2013 and 31 May 2014 is set out below:

|                     | 2014 | 2013 | 2012 |
|---------------------|------|------|------|
| Number of employees | 991  | 910  | 814  |

The number of employees set out above includes consultants on associate contracts.

As at 1 April 2015 (being the latest practicable date prior to the publication of this document), the Group employed 1,179 persons as staff or consultants.

## 12. NCC Group Share Schemes

The Group operates the following share incentive arrangements:

- the LTIP;
- the DB Plan;
- the Sharesave Plan;
- the EMI;
- the CSOP;
- the ISO Plan; and
- the ESPP

Each of the NCC Group Share Schemes allow directors and employees of the Group to acquire NCC Group Shares.

The principal features of the NCC Group Share Schemes are as follows:

### 12.1 *LTIP*

#### (A) *Overview*

The LTIP was approved by NCC Group Shareholders at the annual general meeting on 12 September 2013. The LTIP allows for the grant of awards (which take the form of an option to acquire NCC Group Shares with an aggregate exercise price of £1, which is payable on each occasion of exercise).

#### (B) *Eligibility*

All UK employees and full-time directors of the Group are eligible to participate in the LTIP at the discretion of the Remuneration Committee.

#### (C) *Administration*

The LTIP is administered by the Remuneration Committee. The LTIP is operated in conjunction with the NCC 2004 Employee Share Ownership Trust which is administered by offshore trustees.

#### (D) *Individual participation limit*

The maximum value of NCC Group Shares which an individual may receive under an award under the LTIP in any financial year will not exceed the amount of his annual basic salary for that financial year (or the preceding year if greater).

#### (E) *Vesting*

The vesting of an award is generally subject to the achievement of performance conditions specified by the Remuneration Committee at the time of grant of award and measured over a measurement period. Vesting cannot generally occur until the end of the measurement period and awards will vest and may be exercised within ninety days of the end of such measurement period, on a date determined by the Remuneration Committee. Awards may not be exercised later than the Business Day immediately prior to the fourth anniversary of grant.

If events occur which cause the Remuneration Committee to reasonably consider that the performance conditions applicable to an award no longer represent a fair measure of the performance, the Remuneration Committee may, in its discretion, vary the performance conditions.

(F) *Measurement period*

The length of the measurement period for the performance conditions in respect of any award is thirty six months commencing at the beginning of the financial year in which the award is made or on any other day as is determined by the Remuneration Committee at the date of grant of an award.

(G) *Cessation of employment*

If a participant ceases to be an employee of the Group before the end of the performance measurement period applicable to any award by reason of death, permanent illness or disability, that award will vest on a pro rata basis based on the period of time from the commencement of such measurement period up to the date of cessation of employment and may only be exercised during the six months commencing with the date of cessation of employment. If a participant ceases to be an employee before the end of the performance measurement period applicable to any award for any other reason, that award will normally lapse unless the Remuneration Committee determines that it may vest, in which case it will vest and may be exercised to the extent and within the time determined by the Remuneration Committee (taking into account the period of time which has elapsed since the grant of the award and such other factors as the Remuneration Committee deems appropriate).

(H) *Corporate events*

In the event of takeover, compromise or arrangement, or voluntary winding up of NCC Group prior to the end of the performance measurement period applicable to any award, that award may vest and be exercised to the extent and during the period determined by the Remuneration Committee taking into account the performance of NCC Group up to that date and such other factors as the Remuneration Committee deem appropriate. In the event of takeover, compromise or arrangement, or voluntary winding up of NCC Group after the end of the performance measurement period applicable to any award, that award may be exercised during a period of thirty days following notification of such event, following which it will lapse.

(I) *Clawback*

Awards are subject to clawback provisions (pursuant to which awards may be reduced or cancelled in whole or in part and/or a participant may be required to forfeit NCC Group Shares and/or repay value already received) in the event of a material misstatement of any accounts of the Group which have been used for assessing achievement of performance conditions, or in the event of misconduct by the participant or material breach of his/her contract of employment or fiduciary duties.

(J) *Grant of awards*

Awards may not be made at a time at which dealing in shares is prohibited as a consequence of any dealing code or law, regulation or order. Without further shareholder approval, awards under the LTIP may only be made within ten years of shareholder approval of the LTIP.

(K) *Variation of share capital*

In the event of a variation of share capital, the number of NCC Group Shares subject to a subsisting LTIP award may be adjusted in such manner as the Remuneration Committee determine.

(L) *Dilution limits*

The LTIP may operate over new issue NCC Group Shares, Treasury Shares or NCC Group Shares purchased in the market. In any ten year period, NCC Group may not issue new NCC Group Shares (or grant rights to issue) over more than 10 per cent of the issued share capital of NCC Group under the LTIP or any other employee share scheme adopted by NCC Group.

(M) *Amendments*

The Remuneration Committee may alter the LTIP but certain amendments to the advantage of participants cannot take effect without shareholder approval, unless they are minor amendments to benefit the administration of the plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control, or regulatory treatment for participants of the LTIP. The amendments which will generally require shareholder approval are amendments to the maximum and individual limits on the number of NCC Group Shares which can be offered under the LTIP, the category of person who may participate, the basis for determining a participant's entitlement under the LTIP, the rights attaching to NCC Group Shares issued under the LTIP, the provisions for adjusting awards in the event of a variation of share capital, the clawback provision and the provisions for altering the terms of the LTIP.

(N) *Rights attaching to NCC Group Shares*

Any NCC Group Shares allotted pursuant to the LTIP will rank equally with NCC Group Shares then in issue (except for rights arising by reference to a record date prior to the date of exercise of an award).

(O) *General*

Awards made under the LTIP are personal to the award holder and may not be transferred or assigned other than on death.

None of the benefits which may be received under the LTIP shall be pensionable.

## 12.2 **DB Plan**

(A) *Overview*

The DB Plan was approved by NCC Group shareholders at the annual general meeting on 16 September 2014. The DB Plan operates as a sub-plan to the LTIP and is administered by the Remuneration Committee. Awards take the form of nominal cost options to acquire NCC Group Shares.

In respect of any financial year of NCC Group for which a participant is awarded an annual bonus, the Remuneration Committee may in its discretion determine that the whole or a proportion of such bonus which is earned shall be deferred in the form of an award of NCC Group Shares under the DB Plan.

The number of NCC Group Shares subject to an award will be determined by dividing the amount of the annual bonus to be deferred by the average closing mid-market share price for NCC Group Shares for the five dealing days immediately preceding the date on which the award is made. The value of the NCC Group Shares which may be subject to an award may not exceed the value of the bonus to which the award relates.

Awards shall vest and be exercisable after a deferral period ("Deferral Period") specified by the Remuneration Committee at the time the award is made which shall not be less than two nor more than five years following the end of the financial year in respect of which the bonus was earned.

(B) *Eligibility*

All UK employees and full-time directors of the Group are eligible to be considered for the grant of awards under the DB Plan.

(C) *Leavers*

Vesting of awards under the DB Plan shall generally be subject to the continued employment of the participant during the Deferral Period. Exceptionally, if a participant ceases to be an employee during the Deferral Period applicable to an award by reason of death, permanent

illness or disability, that award will vest and may be exercised on a pro rata basis during the six months period following such cessation (or such longer period as the Remuneration Committee may determine) based on the period of time during the Deferral Period up to the date of cessation of employment. If a participant ceases to be an employee during the Deferral Period for any other reason, that award will normally lapse unless the Remuneration Committee determines that it may vest, in which case it will vest and may be exercised during the six months period following such cessation (or such longer period as the Remuneration Committee may determine) to the extent determined by the Remuneration Committee taking into account the period of time which has elapsed during the Deferral Period up until the cessation of employment and such other factors as the Remuneration Committee deems appropriate. If a participant ceases to be an employee after the Deferral Period applicable to an award he may exercise his awards during the six months following such cessation or such longer period as the Remuneration Committee may determine as at the date of such cessation.

(D) *Corporate events*

In the event of takeover, compromise or arrangement, or voluntary winding up of NCC Group an award will vest and may be exercised during a period of thirty days or such longer period as the Remuneration Committee may determine following notification of such event, following which it will lapse.

(E) *Dividend equivalents*

An award may be granted on terms that entitles the participant to a cash payment equal to the value of dividends (including the value of any tax credit thereon) that would have been paid since the date on which the award was made until the time when the award vests, on a number of NCC Group Shares equal to the number in respect of which the award vests.

(F) *Clawback*

Awards will be subject to clawback provisions during the Deferral Period (pursuant to which awards may be reduced or cancelled in whole or in part and/or a participant may be required to forfeit NCC Group Shares and/or repay value already received) in the event of a material misstatement of any accounts of the Group which have been used for assessing achievement of performance conditions in determining the amount of the annual bonus payable, or in the event of misconduct by the participant or material breach of his contract of employment or fiduciary duties.

(G) *Dilution limits*

The DB Plan may operate over new issue NCC Group Shares, Treasury Shares or NCC Group Shares purchased in the market. In any ten year period, NCC Group may not issue new NCC Group Shares (or grant rights to issue) of more than 10 per cent of the issued share capital of NCC Group under all NCC Group employee share schemes.

(H) *Grant period*

Awards may normally be made under the DB Plan within 42 days after the announcement by NCC Group of its interim or final results or of its results for any other period, although awards may be made outside these periods if the circumstances are deemed to be exceptional. Awards may not be made at a time at which dealing in shares is prohibited as a consequence of any dealing code or law, regulation or order and in the event that any such restriction applies, award may be granted within the 42 days following the lifting of such restrictions.

(I) *Rights attaching to Shares*

Any NCC Group Shares allotted pursuant to the DB Plan will rank equally with NCC Group Shares then in issue (except for rights arising by reference to a record date prior to the date of exercise of an award).

(J) *Variation of share capital*

In the event of a variation of share capital, the number of NCC Group Shares subject to a subsisting award may be adjusted in such manner as the Remuneration Committee determines.

(K) *Amendments*

NCC Group may alter the DB Plan but certain amendments to the advantage of participants cannot take effect without shareholder approval, unless they are minor amendments to benefit the administration of the DB Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or NCC Group or other members of the NCC Group. The amendments which will generally require shareholder approval are amendments to the maximum and individual limits on the number of NCC Group Shares which can be awarded under the DB Plan, the category of persons who may participate, the basis for determining a participant's entitlement under the DB Plan, the rights attaching to NCC Group Shares issued under the DB Plan, the provisions for adjusting awards in the event of a variation of share capital and the provisions for altering the terms of the DB Plan.

(L) *General*

Awards made under the DB Plan are personal to the award holder and may not be transferred other than on death.

None of the benefits which may be received under the DB Plan shall be pensionable.

Awards may not be exercised later than the Business Day immediately preceding the tenth anniversary of grant.

### 12.3 *Sharesave Plan*

(A) *Overview*

The Sharesave Plan was approved by NCC Group Shareholders at the annual general meeting on 12 September 2013. The Sharesave Plan was approved by HMRC and allows for the grant of options to acquire NCC Group Shares at a price to be determined by the NCC Group Board being not less than the greater of (i) 80 per cent. of the market value of a NCC Group Share at the date of invitation to apply for grant of an option; and (ii) the nominal value of a NCC Group Share.

(B) *Eligibility*

All UK resident employees and full-time directors (having a working week of at least 25 hours per week), whose earnings from the office or employment are chargeable to tax under Income Tax (Earnings and Pensions) Act 2003 ("ITEPA"), of the NCC Group and whom have been with the NCC Group for a qualifying period determined by the NCC Group Board (not exceeding five years), are eligible to participate.

(C) *Savings contract*

Each participant must enter into a savings contract ("Contract") approved by the NCC Group Board for a period of 3 or 5 years under which he agrees to make monthly savings of an amount decided by him, but subject to minimum and maximum amounts specified by the NCC Group Board and permitted by legislation (currently between £5 and £500 per month).

(D) *Grant of options*

The number of NCC Group Shares over which a participant will be granted an option will be the largest whole number of NCC Group Shares which, taking into account the price payable on exercise of the option, can be purchased with the amounts saved under the Contract on the bonus date (being the earliest date that an option may be exercised).



(E) *Exercise and lapse of options*

Options are normally exercisable during a six month period following the third or fifth anniversary of commencement of the Contract.

Early exercise of an option is permitted in the event of cessation of the participant's employment within the Group by reason of death (by the participant's personal representatives), within 12 months after the date of death.

Early exercise is also permitted in the event of cessation of the participant's employment within the Group as a result of injury, disability, redundancy, retirement, or if NCC Group ceases to control the participant's employing company or business. In such circumstances the option may be exercised by the earlier of six months following cessation of employment and six months after the bonus date.

If a participant ceases to be employed within the Group for any other reason, his outstanding options under the Sharesave Plan will lapse.

Early exercise is also permitted in the event that a person (or group of persons) obtains control of NCC Group as a result of a takeover (resulting from a general offer), compromise or arrangement, for all of the issued ordinary share capital of NCC Group, but no later than the date falling six months after such event.

In the event of a voluntary winding up of NCC Group the participant may exercise his options by the earlier of six months of commencement of the winding up and six months after the bonus date.

(F) *Exchange of options*

In the event that a person (or group of persons) obtains (or becomes entitled or bound to obtain) control of NCC Group as a result of a takeover, compromise or arrangement, the participant may, during a specified six month period, agree with the acquiring company to release his option(s) in exchange for equivalent new rights over shares in the acquiring company (or a company associated with it).

(G) *Dilution limits*

The total number of NCC Group Shares issued or issuable on the exercise of options granted under the Sharesave Plan, or any other share plan adopted by NCC Group, in the previous ten years shall not exceed 10 per cent. of the issued share capital of NCC Group (including any Treasury shares).

(H) *Grant period*

Options under the Sharesave Plan may normally be made within 42 days after the announcement by NCC Group of its interim or final results or of its results for any other period although options may be granted outside these periods if the circumstances are deemed to be exceptional. Awards may not be made at a time at which dealing in shares is prohibited as a consequence of any dealing code or law, regulation or order.

Without further shareholder approval, options under the Sharesave Plan may only be made within ten years of shareholder approval of the Sharesave plan.

(I) *Rights attaching to NCC Group Shares*

Any NCC Group Shares allotted pursuant to the Sharesave Plan will rank equally with NCC Group Shares then in issue (except for rights arising by reference to a record date prior to the date of exercise of an option).

(J) *Variation of share capital*

In the event of a variation of the share capital of NCC Group (subject to Schedule 3 of ITEPA), the number of NCC Group Shares subject to a subsisting option and the price payable on exercise of an option, may be adjusted in such manner as the NCC Group Board considers appropriate.

No such adjustment shall be made if: (i) the aggregate exercise price payable is materially changed or increased beyond the amounts repayable under the Contract; (ii) the NCC Group Shares no longer meet the requirements of Schedule 3 ITEPA; or (iii) the exercise price for an option is less than the nominal value of NCC Group Shares (unless the NCC Group Board authorises the capitalisation of reserves).

(K) *Amendments*

The NCC Group Board may alter the Sharesave Plan but certain amendments to the advantage of participants cannot take effect without shareholder approval, unless they are minor amendments to benefit the administration of the Sharesave Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or NCC Group. The amendments which will generally require shareholder approval are amendments to the maximum and individual limits on the number of NCC Group Shares which can be offered under the Sharesave Plan, the category of persons who may participate, the basis for determining a participant's entitlement under the Sharesave Plan, the rights attaching to NCC Group Shares issued under the Sharesave Plan, the provisions for exercise of options on a voluntary winding up of NCC Group, the provisions for adjusting options in the event of a variation of share capital and the provisions for altering the terms of the Sharesave Plan.

(L) *General*

Options granted under the Sharesave Plan are personal to the participant and may not be transferred other than on death.

None of the benefits which may be received under the Sharesave Plan shall be pensionable.

#### 12.4 **EMI Plan**

(A) *Overview*

The EMI was adopted in 2004. No new options will be granted under the EMI.

(B) *Eligibility*

Any UK full time director or employee of NCC Group (or a qualifying subsidiary) who devotes at least 25 hours per week or (if less) 75 per cent of his total working time to the business of the Group, is eligible to participate in the EMI. Actual participation is at the discretion of the Remuneration Committee.

Options granted under the EMI are personal to the option holder and are not capable of assignment other than on death.

No consideration is payable by the participant in consideration for the grant of an EMI option.

(C) *Material interest*

No director or employee may participate in the EMI if he has a "material interest" in NCC Group, meaning (broadly) ownership or the ability to control 30 per cent. or more of the issued NCC Group Shares.

(D) *Individual participation limit*

Each option holder is subject to a limit of £249,990 in relation to the aggregate market value (measured at the date of grant) of NCC Group Shares over which they hold unexercised options that qualify for the purposes of Schedules 4 and 5 of ITEPA. Options may be granted under the EMI above this limit, but the excess above the limit will not benefit from the tax advantages of options that comply with Schedule 5 of ITEPA.

In addition, the aggregate market value (at the date of grant) of NCC Group Shares over which options may be granted to any one participant in any one financial year of NCC Group under the EMI and any other share scheme adopted by NCC Group (but excluding options linked to a Contract) must not exceed the amount of that participant's remuneration (excluding benefits in kind but including bonuses earned) for that financial year (or the preceding financial year, if greater).

(E) *Exercise*

The exercise price for each NCC Group Share under option will be set as the higher of the nominal value of a NCC Group Share and the market value of a NCC Group Share at the date of grant.

An option will become exercisable three years after the date of grant and may be exercised until the tenth anniversary of the date of grant (or such earlier date as determined by the NCC Group Board).

Exceptionally, options may be exercised early (on a pro rata basis taking into account the time elapsed since the date of grant) where employment ceases due to the participant's death, permanent ill health, disability, or, at the discretion of the NCC Group Board, on the participant in question leaving employment for any other reason.

In each of these situations (other than on death) the option must be exercised, if at all, by the expiry of the period of six months following the cessation of employment. In the case of death, the participant's personal representatives may exercise the option within 12 months of death.

Where, in these circumstances, exercise is permitted within three years of the date of grant of an option, there shall be no requirement for any performance target to be met.

If the employment ceases for any other reason, the option will lapse.

(F) *Performance Target*

The NCC Group Board may impose objective performance conditions which must be satisfied before the EMI option may be exercised.

If events happen which cause the NCC Group Board to reasonably consider that the performance condition set no longer represents a fair measure of performance, the NCC Group Board may vary the performance condition(s) provided that any new conditions are no more difficult nor easy to satisfy. Any change in the performance condition will be notified to the option holder in writing.

(G) *Dilution*

In any ten year period, NCC Group may not issue new NCC Group Shares (or grant rights to issue) of more than 10 per cent. of the issued share capital of NCC Group under the EMI or any other employee share scheme adopted by NCC Group.

No options may be granted under the EMI if the total number of NCC Group Shares issued or issuable on the exercise of options granted under the EMI, or any other share plan adopted by NCC Group (excluding any options that have lapsed or been surrendered), in the previous

ten years shall exceed 10 per cent. of the issued share capital of NCC Group (including any Treasury shares).

(H) *Grant period*

Options under the EMI may normally be made within 42 days after the announcement by NCC Group of its interim or final results or of its results for any other period although options may be granted outside these periods if the circumstances are deemed to be exceptional.

Without further shareholder approval, options under the EMI may only be made within ten years of shareholder approval of the EMI plan.

(I) *Income tax and national insurance contributions*

Each participant must agree to indemnify the relevant Group company in relation to any income tax and employee's national insurance contributions that arise as a result of the exercise of any options granted under the EMI.

The option may also be granted on the basis that the option holder agrees to be liable (and indemnify the relevant Group company) in respect of employer's national insurance contributions which arise.

(J) *Rights attaching to NCC Group Shares*

NCC Group Shares issued pursuant to the EMI will rank equally with NCC Group Shares then in issue (except for any dividends or other distributions declared by reference to a record date prior to the date of exercise of the option).

(K) *Corporate events*

In the event that a person (or group of persons) obtains control (or becomes bound or entitled to obtain control) of NCC Group as a result of a takeover, amalgamation or reconstruction of NCC Group, options may be exercised under the EMI (to the extent determined by the Board, having regard to performance of NCC Group and any other objective factors), but no later than the date falling six months after 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.

(L) *Variation of share capital*

In the event of a variation of share capital of NCC Group, the number of NCC Group Shares subject to and the price payable on exercise of an option may be adjusted.

Except in the case of a capitalisation issue, no adjustment may be made without the prior confirmation in writing of the auditors of NCC Group that the adjustment is in their opinion fair and reasonable.

In addition, no adjustment shall be made if the exercise price of an option is less than the nominal value of NCC Group Shares (unless the NCC Group Board authorises the capitalisation of reserves).

(M) *Alterations*

The NCC Group Board may alter the EMI but certain amendments cannot take effect without shareholder approval, unless they are amendments to comply with or take account of a change in legislation or to maintain favourable taxation treatment for NCC Group or option holder or potential option holders.

The amendments which will generally require shareholder approval are amendments to the limits on the number of NCC Group Shares which can be offered under the EMI, to the category of persons who may participate, the exercise price of options, the number of NCC Group Shares over which an employee may hold an option, the period during which options may be granted and exercised, the rights attaching to NCC Group Shares subject to an option, the provisions for adjustment of options and for altering the terms of the EMI and the provisions which apply on a voluntary winding-up of NCC Group.

(N) *Pension rights*

None of the benefits which may be received under the EMI shall be pensionable.

## 12.5 **CSOP**

(A) *Overview*

The CSOP was approved by NCC Group Shareholders in general meeting.

The CSOP enables options to acquire NCC Group Shares to be granted to participants. It has a tax-advantaged part ("Tax-advantaged Part") which operates as a HMRC tax-advantaged company share option plan, and a non tax-advantaged part.

The CSOP is established for the benefit of the employees of the NCC Group and is administered by the NCC Group Board.

(B) *Limits*

The total number of NCC Group Shares over which options to subscribe may be granted under all share option schemes of NCC Group and issued or issuable under all other share schemes of NCC Group may not, in any consecutive ten year period, exceed 10 per cent. of the NCC Group Shares in issue from time to time. Lapsed and surrendered options shall be disregarded for this purpose.

The aggregate subscription price (at the date of grant) of all outstanding options granted to any one participant under the Tax-advantaged Part and under any other plan operated by NCC Group that complies with Schedule 4 of ITEPA (but excluding options which have been exercised, surrendered or cancelled) may not exceed £30,000.

The aggregate market value (at the date of grant) of NCC Group Shares over which an option may be granted under the CSOP to a participant in any one financial year of NCC Group will not normally exceed the amount of that participant's remuneration (excluding benefits in kind but including bonuses earned) for that financial year (or the preceding financial year if greater).

(C) *Eligibility*

Any UK full time director (having a working week of at least 25 hours per week) or employee of the Group is eligible to participate. Actual participation is at the discretion of the NCC Group Board.

Options granted under the CSOP are personal to the option holder and are not capable of assignment other than on death when the option holder's personal representatives may exercise the option within 12 months following death.

No consideration is payable by the participant in consideration for the grant of an option.

(D) *Exercise*

The exercise price for each NCC Group Share under an option will be the higher of the nominal value of a NCC Group Share and the market value of a NCC Group Share at the date of grant.

An option will become exercisable three years after the date of grant and until the tenth anniversary of the date of grant (or such earlier date as determined by the Board).

Options may also be exercised early where the participant's employment ceases due to his death, ill-health, injury, disability, redundancy, retirement or, at the discretion of the NCC Group Board and to the extent specified by the NCC Group Board on the participant in question leaving employment for any other reason. In each of these situations (other than on death), the option will lapse if not exercised by the expiry of the period of six months following the cessation of employment. In the case of death, the option will lapse if not exercised by the participant's personal representatives within 12 months following death. If the participant's employment ceases for any other reason, the option will lapse.

Where, in these circumstances, early exercise is permitted by the NCC Group Board, there shall be 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 as a proportion of the three year period from the date of grant. In the case where an option is exercised at the NCC Group Board's discretion, the NCC Group Board shall specify the extent to which the option shall be capable of exercise.

(E) *Performance targets*

The NCC Group Board may impose objective performance conditions which must be satisfied before an option can be exercised. If events happen which cause the NCC Group Board to reasonably consider that the performance condition set no longer represents a fair measure of performance, the NCC Group Board may vary the performance condition provided that any new condition is no more difficult nor easy to satisfy.

(F) *Grant of options*

Options can be granted 42 days after the announcement by NCC Group of its interim or final results or of its results for any other period.

Awards may not be made at a time at which dealing in shares is prohibited as a consequence of any dealing code or law, regulation or order.

Without further shareholder approval, options may only be granted within 10 years of the adoption date of the CSOP.

(G) *Income tax and national insurance contributions*

Each participant agrees to indemnify the relevant Group company in relation to any income tax and employee's national insurance contributions that arise as a result of the exercise of any options granted under the CSOP. The NCC Group Board may determine that the participant shall also be liable for any employer's national insurance contributions which arise.

(H) *NCC Group Shares issued on exercise of options*

NCC Group Shares issued on exercise of a CSOP option will rank equally with existing issued NCC Group Shares (except that they will not qualify for any dividends or other distributions by reference to a record date prior to the date of exercise of the option).

(I) *Takeovers and Voluntary winding-up*

In the event that a person (or group of persons) obtains control (or becomes bound or entitled to obtain control) of NCC Group as a result of a takeover, amalgamation or reconstruction of NCC Group, an option may be exercised before the three year anniversary of the date of grant and within six months of the relevant event.

In the event that notice is given for a proposed resolution for the voluntary winding up of NCC Group the participant may exercise his option before commencement of the winding up.



Where the takeover or winding up event occurs within three years of the grant of an option, that option will not necessarily be exercisable in full, but to the extent determined by the NCC Group Board, having regard to the period since the date of grant, performance of NCC Group and any other objective factors.

In the event that a company obtains (or becomes entitled or bound to obtain) control of NCC Group as a result of a takeover, compromise or arrangement, the participant may, during a specified six month period, agree with the acquiring company to release his option(s) in exchange for equivalent new rights over shares in the acquiring company (or a company associated with it). If the original option was granted under the Tax-advantaged Part (i) the value of the replacement option must be equal to the original option; (ii) the replacement option must be exercisable under the rules of the CSOP; and (iii) the shares subject to replacement option must satisfy the requirements of Schedule 4 to ITEPA.

(J) *Variation of share capital*

In the event of a variation of share capital of NCC Group, then the NCC Group Board may (subject in the case of the Tax-advantaged Part, to Schedule 4 of ITEPA) adjust the number of NCC Group Shares and the price payable on exercise of an option.

Except in the case of a capitalisation issue, no adjustment may be made without the prior confirmation in writing of the auditors of NCC Group that the adjustment is in their opinion fair and reasonable.

In addition, no adjustment shall be made if the exercise price of an option is less than the nominal value of NCC Group Shares (unless the NCC Group Board authorises the capitalisation of reserves).

(K) *Alterations*

The NCC Group Board may alter the rules of the CSOP, but certain alterations cannot take effect without shareholder approval, unless they made in order to benefit the administration of the CSOP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Group.

The amendments which require shareholder approval are amendments to the limits on the number of NCC Group Shares which can be offered, the category of persons who may participate, the exercise price of options, the number of NCC Group Shares over which a participant may hold an option, the period during which options may be granted and exercised, the rights attaching to NCC Group Shares subject to an option, the provisions for adjustment of options and for altering the terms of the CSOP and the provisions which apply on a voluntary winding up of NCC Group.

(L) *Pension rights*

None of the benefits which may be received under the CSOP shall be pensionable.

## 12.6 **ISO Plan**

(A) *Overview*

The ISO Plan was approved by NCC Group Shareholders in general meeting and is intended to enable options over NCC Group Shares to be granted to US resident employees and directors of the NCC Group in a tax efficient manner. The ISO Plan allows for the grant of options up to 100% of a participant's salary in any financial year of NCC Group, subject to a cap of US\$100,000 on the value of NCC Group Shares under the Incentive Stock Options ("ISOs") which first become exercisable by the participant during any calendar year.

(B) *Eligibility*

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

(C) *Individual participation limit*

The aggregate fair market value of NCC Group 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 NCC Group, or any member of the Group shall not exceed US\$100,000. Such fair market value is determined as of the date of grant of the ISO. In the event that the aggregate fair market value of NCC Group Shares with respect to ISOs exercisable for the first time by a participant during any calendar year exceeds US\$100,000 (measured as at the date of grant), 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 NCC Group Shares under options that may be granted to any one participant in any one financial year of NCC Group under the ISO Plan shall also not generally exceed the amount of that participant’s remuneration (excluding benefits in kind) for that financial year (or the preceding financial year if greater).

(D) *Exercise of options*

The price per NCC Group Share payable on exercise of options shall not be less than the higher of (i) the nominal value of a NCC Group Share (ii) the market value of a NCC Group Share on the date of grant (being the average middle market quotation of a NCC Group Share for that date) and (iii) 110% of the market value of a NCC Group Share in the case of an option granted to anyone holding 10% or more of the NCC Group Shares or shares in any member of the Group (“10% Participant”).

Options granted under the ISO Plan will normally be exercisable only within the period of three to ten years after the date of grant provided that options granted to a 10% Participant may not be exercised later than the Business Day immediately prior to the 5th anniversary of the date of grant of the option.

Options may be granted subject to objective conditions as to the performance of the NCC Group which must normally be satisfied before the options can be exercised. Having granted options and set a performance condition, where events happen which cause the NCC Group Board to reasonably consider that such performance conditions no longer represent a fair measure of performance or are no longer appropriate, the NCC Group Board may vary the performance condition provided that the NCC Group Board reasonably considers that the performance condition originally set no longer represents a fair measure of performance and provided that any new conditions are no more difficult nor easy to satisfy.

(E) *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

NCC Group Board's discretion, in which case the NCC Group 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 NCC Group Board may in its discretion determine that an option shall not lapse but shall be exercisable to the extent permitted by the NCC Group Board.

(F) *Grant of options*

Options may not be granted at a time at which dealing in shares is prohibited as a consequence of any dealing code or law, regulation or order. Options may normally be granted within 42 days following the announcement by NCC Group of its interim or final results or of its results for any other period. If a restriction of dealing prevents the grant of options during such 42 day period, grant of options may take place within the 42 days following the lifting of such restrictions. Without further shareholder approval, options may only be granted within 10 years of adoption of the ISO Plan by the NCC Group Board.

(G) *Dilution limits*

The total number of NCC Group Shares over which options to subscribe may be granted under the ISO Plan or any other plan of NCC Group which allows for the grant of ISOs may not, in any consecutive ten year period, exceed 10 per cent of the NCC Group 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 NCC Group Shares over which options to subscribe may be granted under the ISO Plan is 3,000,000 NCC Group Shares, subject to adjustment to reflect variations of share capital.

(H) *Change of control*

In the event of a takeover, amalgamation or reconstruction of NCC Group, options may be exercised under the ISO Plan no later than within the six months following such event 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 NCC Group Board, having regard to the achievement of performance conditions and all other circumstances, within six months of such event. In such circumstances, the NCC Group Board may cancel the option for payment of a cash amount equal to the amount by which the aggregate value of the NCC Shares which are subject to the option exceed the aggregate exercise price which is payable in order to exercise such option. 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.

(I) *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 NCC Group Shares over which an option has been made and the exercise price which is payable in order to exercise such option shall be adjusted as determined to be appropriate.

(J) *Alterations*

The NCC Group 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 NCC Group or participants or potential participants. The amendments which will generally require shareholder approval are amendments to the limits on the number of NCC Group Shares which can be offered, the category of persons who may participate, the exercise price of option, the number of NCC Group Shares over which a participant may hold an option, the period during which option may be granted and exercised, the rights attaching to NCC Group 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 NCC Group.

(K) *General*

None of the benefits received under the ISO Plan are pensionable.

Options are personal to the participant and may not be assigned, other than on death.

## 12.7 *ESPP*

(A) *Overview*

The ESPP was approved by NCC Group Shareholders in general meeting and is intended to enable eligible US employees and directors of the NCC Group to purchase NCC Group Shares in a tax efficient way.

Under the ESPP, eligible employees are granted options to purchase NCC Group Shares at a price fixed at the time the option is granted. Options are capable of being exercised in a designated period, after a specified period has elapsed following the grant of the options ("Option Period"). Option Periods are typically 12 months in duration but may be up to 27 months in duration.

The ESPP allows employees to purchase NCC Group Shares not exceeding the lower of \$25,000 and 10% of the participant's base salary for the year.

(B) *Administration*

The ESPP is administered by the NCC Group Board.

(C) *Eligibility*

Participation in the ESPP is limited to employees of any of NCC Group's subsidiaries which are designated by the NCC Group Board provided that such subsidiary has a majority of its employees having their tax residence in the United States. No option may be granted to an employee who has a 5% or greater interest in NCC Group or any member of the Group.

(D) *Purchase of shares*

The issue of transfer of NCC Group Shares under the ESPP takes place on the last dealing day of each Option Period or at such other times as may be determined by the NCC Group Board ("Purchase Date").

The amount payable by employees for NCC Group Shares under an option may be determined by the NCC Group Board at the date of grant of an option but 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 and may not generally be less than the nominal value of a NCC Group Share. The fair market value of a NCC Group Share will be the average middle market price of a NCC Group Share as quoted on the London Stock Exchange on the relevant date.

The purchase of NCC Group Shares on behalf of participants is made utilising amounts credited to each participant's notional savings account by way of post-tax payroll deductions made by that participant's employer. Deductions from payroll will be made during each month or such other periods as may be determined by the NCC Group Board. As required by the US Tax Code, no employee will be able to acquire NCC Group Shares exceeding \$25,000 in value (measured as at the date of grant) in any calendar year in which the option is outstanding at any time, with such value determined based on the fair market value per NCC Group Share on the date the options are granted.

The NCC Group Board may establish a holding period in respect of NCC Group Shares which are issued or transferred under the ESPP.

(E) *Termination of employment*

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

(F) *Change of control*

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

In the event of a reconstruction or amalgamation of NCC Group in which NCC Group is the surviving company, appropriate adjustments may be made to the number of NCC Group Shares which are subject to outstanding options and/or to the applicable purchase price in respect of such options.

(G) *Grant of options*

Options may generally only be granted within 42 days following the announcement by NCC Group of its interim or final results for any period. The first options were granted on 19 February 2013 and thereafter have been granted on the anniversary of this date and shall continue to do so until the NCC Group Board determines otherwise. If any anniversary of the first date of grant would fall outside the 42 day period following announcement of NCC Group's results or if the grant of options during such period would be prohibited by virtue of any dealing restriction which may be applicable, options may be granted outside that 42 day period.

(H) *Dilution limit*

The total number of NCC Group Shares over which options which involve a subscription for new NCC Group Shares may be granted, when aggregated with the total number of NCC Group Shares over which options to subscribe for NCC Group Shares have been granted under all share option schemes of NCC Group and with NCC Group Shares issued or issuable under all other share schemes of NCC Group may not, in any consecutive ten year period, exceed 10 per cent of the NCC Group 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 NCC Group Shares over which options to subscribe may be granted under the ESPP is 6,000,000 NCC Group Shares, subject to adjustment to reflect variations of share capital.

(I) *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 NCC Group Shares over which an

option has been granted and the price at which NCC Group Shares may be acquired under such option will be adjusted as determined by the NCC Group Board to be appropriate.

(J) *Amendments*

The NCC Group 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 NCC Group or participants or potential participants. The amendments which will generally require shareholder approval are amendments to the limits on the overall number of NCC Group Shares which can be offered, the individual participation limits, the eligibility criteria for participants, the rights attaching to NCC Group 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 NCC Group.

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

(K) *General*

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

Options granted under the ESPP are personal to the option holder and may not be transferred.

### **13. Pension benefits**

The Group operates a defined contribution pension scheme that is open to all eligible employees. For the year ended 31 May 2014, the Group made contributions to the pension fund of £1,444,000 (2013: £729,000). The outstanding contributions at 31 May 2014 were £136,000 (2013: £97,000).

The Group's pension contributions referred to above have been produced by calculating the total employers contribution to employee pension scheme arrangements for all employees across the Group.



## PART VII

### ADDITIONAL INFORMATION

#### 1. Persons responsible

NCC Group and the NCC Group Directors, whose names and principal functions are set out in section 1 of Part VI of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of NCC Group and the NCC Group Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. NCC Group

NCC Group was incorporated and registered in England and Wales on 2 January 2003 under the Companies Act as a private limited company with the name Ever 2001 Limited and registered number 4627044. Ever 2001 Limited changed its name to NCC Group (Holdings) Limited on 4 June 2003 and to NCC Group Limited on 25 June 2004. It was re-registered as a public limited company on 29 June 2004 and changed its name to NCC Group plc. The registered office and principal place of business of NCC Group is at Manchester Technology Centre, Oxford Road, Manchester, M1 7EF. NCC Group's main telephone number is +44 (0) 161 209 5200.

The principal legislation under which NCC Group operates, and pursuant to which the New NCC Group Shares will be created, is the Companies Act and regulations made thereunder. The liability of NCC Group's members is limited.

The Existing NCC Group Shares are admitted to the premium listing segment of the Official List of the UK Listing Authority and admitted to trading on the main market for listed securities of the London Stock Exchange. The ISIN of the Existing NCC Group Shares is GB00B01QGK86.

#### 3. Share capital

3.1 The following table shows the issued share capital of NCC Group as at 1 April 2015 (being the latest practicable date prior to the publication of this document), and the issued share capital of NCC Group immediately following completion of the Acquisition:

|                       | <i>NCC Group Shares<br/>prior to the Acquisition</i> |              | <i>NCC Group Shares<br/>following the Acquisition</i> |              |
|-----------------------|--|--------------|---|--------------|
|                       | <i>(Number)</i>                                      | <i>(£)</i>   | <i>(Number)</i>                                       | <i>(£)</i>   |
| Issued and fully paid | 208,925,294  | 2,089,252.94 | 229,314,766   | 2,293,147.66 |

Save as disclosed in section 3.2 below, during the three years immediately preceding 1 April 2015 (being the latest practicable date prior to the publication of this document), there has been no issue of ordinary share capital of NCC Group, fully or partly paid, either in cash or for other consideration, and (other than in connection with the Acquisition or the NCC Group Share Schemes) no such issues are proposed.

As at 1 April 2015 (being the latest practicable date prior to the publication of this document), NCC Group holds 28,186 Treasury Shares.

#### 3.2 History of ordinary share capital

As at 1 June 2011, the first day covered by the historical financial information incorporated by reference into this document, NCC Group's issued share capital amounted to £340,646.61 divided into 34,064,661 ordinary shares of 1 pence each. Since 1 June 2011, during the period covered by the historical financial information incorporated by reference into this document, the following changes have occurred to the issued share capital of NCC Group:

*Changes in share capital since 1 June 2011*

| <i>Date</i>       | <i>Reason for allotment</i> | <i>Number of NCC Group shares allotted</i> | <i>Price per NCC Group Share</i> | <i>Total number of NCC Group Shares issued</i> |
|-------------------|-----------------------------|--|----------------------------------|--|
| 8 July 2011       | EMI                         | 1,330                                      | £3.38                            | 34,065,991                                     |
| 2 August 2011     | EMI                         | 59,107                                     | £1.70                            | 34,125,098                                     |
| 2 August 2011     | EMI                         | 17,645                                     | £3.85                            | 34,142,743                                     |
| 2 August 2011     | EMI                         | 296  | £3.89                            | 34,143,039                                     |
| 15 August 2011    | LTIP                        | 112,661                                    | £6.535                           | 34,255,700                                     |
| 21 September 2011 | EMI                         | 390  | £3.85                            | 34,256,090                                     |
| 21 September 2011 | EMI                         | 387  | £3.89                            | 34,256,477                                     |
| 19 October 2011   | Sharesave                   | 50,072                                     | £2.86                            | 34,306,549                                     |
| 19 October 2011   | EMI                         | 1,623                                      | £3.85                            | 34,308,172                                     |
| 30 January 2012   | Sharesave                   | 3,810                                      | £2.86                            | 34,311,982                                     |
| 30 January 2012   | EMI                         | 10,331                                     | £3.85                            | 34,322,313                                     |
| 30 January 2012   | EMI                         | 687  | £3.89                            | 34,323,000                                     |
| 27 February 2012  | Sharesave                   | 1,709                                      | £2.86                            | 34,324,709                                     |
| 27 February 2012  | Sharesave                   | 1,045                                      | £2.69                            | 34,325,754                                     |
| 27 February 2012  | EMI                         | 4,080                                      | £3.85                            | 34,329,834                                     |
| 20 March 2012     | EMI                         | 4,187                                      | £3.85                            | 34,334,021                                     |
| 13 April 2012     | EMI                         | 3,754                                      | £3.85                            | 34,337,775                                     |
| 15 May 2012       | EMI                         | 2,549                                      | £3.85                            | 34,340,324                                     |
| 12 July 2012      | LTIP                        | 164,136                                    | £7.80                            | 34,504,460                                     |
| 30 July 2012      | EMI                         | 4,346                                      | £3.85                            | 34,508,806                                     |
| 20 September 2012 | EMI                         | 2,467                                      | £3.85                            | 34,511,273                                     |
| 20 September 2012 | CSOP                        | 22,725                                     | £3.30                            | 34,533,998                                     |
| 17 October 2012   | EMI                         | 883  | £3.85                            | 34,534,881                                     |
| 17 October 2012   | Sharesave                   | 45,458                                     | £2.69                            | 34,580,339                                     |
| 22 November 2012  | Sharesave                   | 5,397                                      | £2.69                            | 34,585,736                                     |
| 28 February 2013  | Sharesave                   | 7,278                                      | 44.83p                           | 207,521,694 <sup>1</sup>                       |
| 28 February 2013  | Sharesave                   | 12,870                                     | 56.33p                           | 207,534,564                                    |
| 28 February 2013  | EMI                         | 10,128                                     | 64.16p                           | 207,544,692                                    |
| 21 March 2013     | Sharesave                   | 8,094                                      | 44.83p                           | 207,552,786                                    |
| 22 May 2013       | Sharesave                   | 5,502                                      | 56.33p                           | 207,558,288                                    |
| 22 May 2013       | Sharesave                   | 2,232                                      | 85.16p                           | 207,560,520                                    |
| 22 May 2013       | Sharesave                   | 318  | 108.83p                          | 207,560,838                                    |
| 23 July 2013      | EMI                         | 20,454                                     | 64.16p                           | 207,581,292                                    |
| 23 July 2013      | EMI                         | 77,124                                     | 64.83p                           | 207,658,416                                    |
| 21 August 2013    | EMI                         | 9,972                                      | 64.16p                           | 207,668,388                                    |
| 12 September 2013 | EMI                         | 8,982                                      | 64.16p                           | 207,677,370                                    |
| 16 October 2013   | Sharesave                   | 544,932                                    | 56.33p                           | 208,222,302                                    |
| 16 October 2013   | EMI                         | 15,000                                     | 28.33p                           | 208,237,302                                    |
| 16 October 2013   | CSOP                        | 28,092                                     | 71.17p                           | 208,265,394                                    |
| 13 November 2013  | Sharesave                   | 92,628                                     | 56.33p                           | 208,358,022                                    |
| 13 November 2013  | CSOP                        | 27,270                                     | 55.00p                           | 208,385,292                                    |
| 27 February 2014  | ESPP                        | 46,295                                     | £1.275                           | 208,431,587                                    |
| 27 February 2014  | Sharesave                   | 21,726                                     | 56.33p                           | 208,453,313                                    |
| 27 February 2014  | Sharesave                   | 1,464                                      | 85.16p                           | 208,454,777                                    |
| 27 February 2014  | Sharesave                   | 594  | 108.83p                          | 208,455,371                                    |
| 13 March 2014     | EMI                         | 7,158                                      | 64.16p                           | 208,462,529                                    |
| 16 April 2014     | EMI                         | 7,793                                      | 64.16p                           | 208,470,322 <sup>2</sup>                       |

| <i>Date</i>      | <i>Reason for allotment</i> | <i>Number of NCC Group shares allotted</i> | <i>Price per NCC Group Share</i> | <i>Total number of NCC Group Shares issued</i>    |
|------------------|-----------------------------|--|----------------------------------|---|
| 22 July 2014     | EMI                         | 5,776                                      | 64.16p                           | 208,476,098 (of which 28,186 are Treasury Shares) |
| 21 August 2014   | EMI                         | 12,660                                     | 64.16p                           | 208,488,758 (of which 28,186 are Treasury Shares) |
| 8 October 2014   | Sharesave                   | 227,268                                    | 85.16p                           | 208,716,026 (of which 28,186 are Treasury Shares) |
| 22 October 2014  | Sharesave                   | 3,174                                      | 85.16p                           | 208,719,200 (of which 28,186 are Treasury Shares) |
| 20 November 2014 | Sharesave                   | 113,346                                    | 85.16p                           | 208,832,546 (of which 28,186 are Treasury Shares) |
| 26 November 2014 | Sharesave                   | 6,354                                      | 85.16p                           | 208,838,900 (of which 28,186 are Treasury Shares) |
| 26 February 2015 | ESPP                        | 44,916                                     | £1.7765                          | 208,883,816 (of which 28,186 are Treasury Shares) |
| 26 February 2015 | EMI                         | 15,000                                     | 64.16p                           | 208,898,816 (of which 28,186 are Treasury Shares) |
| 26 February 2015 | Sharesave                   | 24,150                                     | 85.16p                           | 208,922,966 (of which 28,186 are Treasury Shares) |
| 4 March 2015     | Sharesave                   | 2,328                                      | 85.16p                           | 208,925,294 (of which 28,186 are Treasury Shares) |

1 On 18 December 2012, the shareholders of NCC Group approved a bonus issue resulting in the issue of 172,928,680 NCC Group Shares.

2 On 30 May 2014, NCC Group bought back 600,000 NCC Group Shares to be held as Treasury Shares. On 9 July 2014, 571,814 Treasury Shares were transferred to satisfy LTIP options leaving a balance of 28,186 Treasury Shares.

### 3.3 *Share capital after the Acquisition*

Subject to Admission, pursuant to the Acquisition, the New NCC Group Shares will be issued with a nominal value of 1 pence per New NCC Group Share. This will result in the issued ordinary share capital of NCC Group increasing by approximately 9.8 per cent., based on the number of Accumuli Shares in issue as at the close of business on 1 April 2015 and assuming that (i) all share options under the Accumuli Share Schemes are exercised in full and the resulting Accumuli Shares are exchanged for New NCC Group Shares, and (ii) there are no other issues of Accumuli Shares or NCC Group Shares (including under NCC Group Share Schemes) between 1 April 2015 and the Effective Date.

### 3.4 *Existing shareholder authorities*

The following resolutions of NCC Group were passed at an annual general meeting of NCC Group held on 16 September 2014:

1. The NCC Group Directors were generally and unconditionally authorised pursuant to section 551 of the Companies Act (in substitution for any existing authority to allot shares) to allot:
  - (a) shares in NCC Group and to grant rights to subscribe for or to convert any security into shares in NCC Group up to an aggregate nominal amount of £694,826.37;
  - (b) equity securities (within the meaning of section 560 of the Companies Act) in connection with a rights issue in favour of ordinary shareholders of NCC Group where the equity securities respectively attributable to the interests of all ordinary shareholders of NCC Group are proportionate (as nearly as may be) to the respective numbers of NCC Group Shares held by them up to an aggregate nominal amount of £694,826.37,

provided that the authority shall expire on the conclusion of the next annual general meeting of NCC Group after the passing of this resolution, save that NCC Group 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 NCC Group Directors may allot shares or grant such rights in pursuance of such an offer or agreement as if the authority conferred by this resolution had not expired;
2. The NCC Group Directors were, subject to the passing of the resolution above, empowered pursuant to section 570 of the Companies Act to allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the general authority conferred by the resolution above and empowered pursuant to section 573 of the Companies Act to sell ordinary shares (as defined in section 560 of the Companies Act) held by NCC Group as treasury shares (as defined in section 724 of the Companies Act) for cash, as if section 561(1) of the Companies 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 NCC Group 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 NCC Group 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 £104,238.04, and such power shall expire on the conclusion of the next annual general meeting of NCC Group save that NCC Group 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 NCC Group Directors 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.
3. NCC Group was authorised, pursuant to Article 16 of the NCC Group Articles and pursuant to section 701 of the Companies Act, to make market purchases (as defined in section 693(4) of the Companies Act) of up to 20,844,791 NCC Group Shares (being approximately 10 per cent of the current issued ordinary share capital of NCC Group) on such terms and in such manner as the NCC Group Directors may from time to time determine, provided that:
  - (a) the amount paid for each NCC Group Share (exclusive of expenses) shall not be more than the higher of (1) five per cent above the average market value of the NCC Group Shares as derived from the Daily Official List of London Stock Exchange 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 NCC Group Share; and

- (b) this authority shall expire at the conclusion of the next annual general meeting of NCC Group provided that NCC Group 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 NCC Group may make a purchase of its own shares in pursuance of such contract as if this authority had not expired.

#### **4. NCC Group Articles**

The NCC Group Articles are available for inspection at Eversheds LLP, 70 Great Bridgewater Street, Manchester, M1 5ES. Section 31 of the Companies Act provides that the objects of a company are unrestricted unless any restrictions are set out in its articles. There are no such restrictions in the NCC Group Articles and therefore its objects are unrestricted. The NCC Group Articles were adopted with effect from 8 July 2004 (as amended by special resolutions dated 20 September 2007, 18 September 2008 and 21 September 2010) and contain provisions, *inter alia*, to the following effect:

##### **4.1 Share rights**

Subject to any rights attached to existing shares, NCC Group may issue shares by ordinary resolution with such rights and restrictions as NCC Group may determine or, if NCC Group has not so determined, as the NCC Group Directors determine. NCC Group may also issue shares that are redeemable at the option of NCC Group or a member on such terms and in such manner as may be provided by the NCC Group Board.

##### **4.2 Voting rights**

Subject to any terms as to voting upon which any shares may have been issued or may for the time being be held and to any disenfranchisement in the event of non-compliance with a statutory notice requiring disclosure of interests in shares in NCC Group, at a general meeting of NCC Group:

- every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member, or by proxy shall, on a show of hands, have one vote; and
- every member present in person or by representative (in the case of a corporate member) or by proxy shall, on a poll, have one vote for every share of which he is the holder.

Unless the NCC Group Board otherwise determines, a member shall not be entitled to vote unless all calls or other sums due from him in respect of shares in NCC Group have been paid.

In the case of joint holders of a share, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Seniority shall be determined by the order in which the names of the joint holders appear in NCC Group's register of members.

##### **4.3 Dividends**

Subject to the provisions of the Acts and the Companies Act (as defined in the NCC Group Articles) and of the NCC Group Articles, NCC Group may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests in the profits of NCC Group, but no dividend shall exceed the amount recommended by the NCC Group Board.

Subject to the provisions of the Acts and the Companies Act, the NCC Group Board may declare and pay interim dividends (including any dividend payable at a fixed rate) as appear to the NCC Group Board to be justified by the profits of NCC Group available for distribution.

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid on the record date determined by the NCC Group Board, and all dividends shall be apportioned and paid proportionally to the amounts paid up on such shares during any portion or portions of the period in respect of which the dividend is paid.

All dividends unclaimed for a period of 12 years after having been declared or becoming due for payment shall be forfeited and cease to remain owing by NCC Group.

Without prejudice to the provisions of the NCC Group Articles, the NCC Group Board may, with the authority of an ordinary resolution of NCC Group:

- offer holders of a particular class of ordinary shares the right to elect to receive further shares of that class, credited as fully paid, instead of cash in respect of all or part of any dividend or dividends specified by the ordinary resolution provided that the NCC Group Board shall not proceed with any election unless NCC Group has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be appropriated to give effect to it after the basis of allotment is determined;
- direct that payment of all or part of any dividend declared may be satisfied by the distribution of specific assets.

#### **4.4 *Distribution of assets and winding-up***

On a winding-up, the liquidator may, with the authority of a special resolution of NCC Group and any other sanction required by law, divide among the members in kind the whole or any part of the assets of NCC Group and may value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, transfer any part of the assets of NCC Group to trustees on such trusts for the benefit of members as he may determine. The liquidator shall not, however (except with the consent of the member concerned) distribute to a member any asset to which there is attached a liability or potential liability for the owner.

#### **4.5 *Transfer of shares***

Every transfer of shares which are in certificated form must be in writing in any usual form or in any form approved by the NCC Group Board and shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. Every transfer of shares in uncertificated form must be made by means of a relevant system (as defined in the CREST Regulations).

The NCC Group Board may, in its absolute discretion, refuse to register any transfer of certificated shares if: (a) it is in respect of a share which is not fully paid up; (b) it is in respect of more than one class of share (each class needs a separate share transfer form); (c) it is not duly stamped (if so required); or (d) it is not delivered for registration to the registered office of NCC Group or such other place as the NCC Group Board may from time to time determine, accompanied (except in the case of a transfer by a recognised person (as defined in the NCC Group Articles) where a certificate has not been issued) by the relevant share certificate and such other evidence as the NCC Group Board may reasonably require to show the right of the transferor to make the transfer. The NCC Group Board may, in its absolute discretion, refuse to register any transfer of shares which is in favour of: (a) a child, bankrupt or person of unsound mind; or (b) more than four joint transferees.

#### **4.6 *Variation of rights***

Subject to the provisions of the Acts (as defined in the NCC Group Articles), all or any of the rights or privileges attached to any class of shares in NCC Group may be varied or abrogated in such manner (if any) as may be provided by such rights, or, in the absence of any such provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount of the issued shares



of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of such holders of shares of that class, but not otherwise.

The quorum at any such meeting is two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class in question or, at an adjourned meeting, one person holding shares of the class in question or his proxy. Any holder of shares of the class in question present in person or by proxy may demand a poll. Holders of shares of the class in question shall, on a poll, have one vote for every share of that class held by them.

The foregoing shall apply to the variation or abrogation of the special rights attached to some only of the shares as if each group of the shares of the class differently treated formed a separate class the special rights whereof are to be varied.

The rights attached to any class of shares shall not, unless otherwise expressly provided in the rights attaching to such shares, be deemed to be varied or abrogated by the creation or issue of shares ranking *pari passu* with or subsequent to them or by the purchase or redemption by NCC Group of any of its own shares.

#### **4.7 *Share capital, changes in capital and purchase of own shares***

Subject to the provisions of the Acts (as defined in the NCC Group Articles) and the NCC Group Articles, the power of NCC Group to allot and issue shares shall be exercised by the NCC Group Board at such times and on such terms and conditions as the NCC Group Board may determine.

Subject to the provisions of the Acts and to any rights attached to any existing shares: (a) any share may be issued with such rights or restrictions as NCC Group may from time to time determine by ordinary resolution; (b) NCC Group may issue redeemable shares; and (c) NCC Group may sell treasury shares wholly for cash.

Subject to the provisions of the Acts, NCC Group may by special resolution reduce its share capital, any capital redemption reserve and any share premium account in any way.

Subject to the provisions of the Acts, NCC Group may purchase all or any of its shares of any class (including redeemable shares) in any way and for any price (whether at or above or below par) and may hold such shares as treasury shares.

#### **4.8 *General meetings***

The NCC Group Board may call general meetings whenever it thinks fit and immediately on receipt of a requisition of members pursuant to the Companies Act. Unless consent to short notice is obtained in accordance with the provisions of the Companies Act, (a) an annual general meeting should be called by at least 21 clear days notice and (b) all other general meetings should be called on at least 14 clear days notice (subject to the requirements of the Companies Act). A general meeting may be called by short notice if it is agreed, in the case of an annual general meeting, by all members entitled to attend and vote at the meeting, and, in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being the majority together holding not less than 95% in nominal value of the shares giving that right.

No business shall be transacted at any general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman of the meeting in accordance with the NCC Group Articles, which shall not be treated as part of the business of the meeting. Two members present in person or by proxy and entitled to vote shall be a quorum.

Each NCC Group Director shall be entitled to attend and speak at a general meeting and at a separate meeting of the holders of a class of shares or debentures in NCC Group.

At a general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless before the show of hands, or before or immediately following the declaration of the result of the show of hands, a poll is duly demanded either by the chairman of the meeting, not less than five members present in person or by proxy and entitled to vote, a member or members present in person or by proxy representing in aggregate not less than 1/10th of the total voting rights of all the members having a right to vote at the meeting, or a member or members present in person or by proxy holding shares in NCC Group conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than 1/10th of the total sum paid up on all the shares conferring that right.

On a poll, a member will have one vote for every share held by him and votes may be given in person or by proxy. A member entitled to more than one vote need not, if he votes on the poll, use all his votes or cast all the votes he uses in the same way. If a poll is properly demanded, it shall be taken in such a manner as the chairman of the meeting directs. He may appoint scrutineers, who need not also be members, and may fix a date, time and place for declaring a result of the poll. The result of the poll should be deemed to be the resolution of the meeting at which the poll was demanded.

#### 4.9 ***NCC Group Directors***

##### (A) *Number of NCC Group Directors*

Unless otherwise determined by ordinary resolution, there shall be no maximum number of NCC Group Directors, but the number of NCC Group Directors shall not be less than two.

##### (B) *Appointment of NCC Group Directors*

Subject to the provisions of the Acts (as defined in the NCC Group Articles) and of the NCC Group Articles, NCC Group may by ordinary resolution appoint any person who is willing to act as a NCC Group Director, either to fill a vacancy or as an addition to the existing Board.

Without prejudice to the power of NCC Group to appoint any person to be a NCC Group Director, but subject to the provisions of the Acts and of the NCC Group Articles, the NCC Group Board may, at any time, appoint any person who is willing to act as a NCC Group Director, either to fill a vacancy or as an addition to the existing NCC Group Board.

##### (C) *Retirement by rotation*

At each annual general meeting of NCC Group, there shall be required to retire by rotation: (a) at least two of the NCC Group Directors who are subject to retirement by rotation or, if there are fewer than two NCC Group Directors who are subject to retirement by rotation, one shall retire from office; and (b) in addition, any NCC Group Director who at an annual general meeting shall have been a NCC Group Director at each of the preceding two annual general meetings of NCC Group (provided that he was not appointed or reappointed at either such annual general meeting and he has not otherwise ceased to be a NCC Group Director and been reappointed by general meeting of NCC Group at or since either such annual general meeting), and each such retiring NCC Group Director may, if eligible, offer himself for reelection. The NCC Group Directors to retire by rotation shall first be those who wish to retire and not offer themselves for re-election and secondly those who have been longest in office since their last appointment or reappointment and, in the case of those who have been in office an equal length of time, shall, unless they agree otherwise, be determined by lot. Any NCC Group Director appointed by the NCC Group Board shall hold office only until the next annual general meeting, when he shall be eligible for appointment, but shall not be taken into account in determining the NCC Group Directors to retire by rotation at that meeting.

No person shall be or become incapable of being appointed a NCC Group Director by reason of his having attained the age of 70 or any other age and no special notice shall be required in connection with the appointment or the approval of the appointment of any such person, nor

shall a NCC Group Director be required to retire by reason of his having attained that or any other age.

(D) *Removal of NCC Group Directors*

NCC Group may by ordinary resolution remove any NCC Group Director before the expiration of his period of office and (subject to the NCC Group Articles) by ordinary resolution appoint another person in his place.

(E) *Vacation of office*

The office of a NCC Group Director shall be vacated if:

- he resigns by notice delivered to the secretary at NCC Group's registered office or tendered at a NCC Group Board meeting and the NCC Group Board resolves to accept such offer;
- he ceases to be a NCC Group Director by virtue of any provision of the Acts (as defined in the NCC Group Articles), is removed from office pursuant to the NCC Group Articles or becomes prohibited by law from being a director;
- he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or composition with his creditors generally or applies to the court for an interim order under the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
- either: (i) a registered medical practitioner who is treating that person gives a written opinion to NCC Group stating that the person has become physically or mentally incapable of acting as a NCC Group Director and may remain so for more than 3 months; or (ii) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have, and the NCC Group Board resolves that his office be vacated;
- both he and his alternate director (if any) appointed pursuant to the provisions of the NCC Group Articles have been absent, without the permission of the NCC Group Board, from NCC Group Board meetings for six consecutive months, and the NCC Group Board resolves that his office be vacated;
- his contract for his services as a NCC Group Director expires or is terminated for any reason and is neither renewed nor a new contract granted within 14 days; or
- he is removed from office by a notice addressed to him at his last known address and signed by all his co-NCC Group Directors.

(F) *Proceedings of NCC Group Board*

The NCC Group Board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit.

Any NCC Group Director may summon a NCC Group Board meeting at any time by notice (which need not be in writing) served on the members of the NCC Group Board in accordance with the provisions of the NCC Group Articles.

The quorum for a NCC Group Board meeting may be determined by the NCC Group Board and, until otherwise determined, shall be two NCC Group Directors.

The NCC Group Board may appoint one of its members as chairman to preside at every NCC Group Board meeting at which he is present.

Questions arising at any NCC Group Board meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

A resolution in writing signed by all the NCC Group Directors entitled to receive notice of a NCC Group Board meeting shall be as valid and effective for all purposes as a resolution duly passed at a meeting of the NCC Group Board.

The NCC Group Board may delegate any of its powers, authorities and discretions (with power to sub-delegate) (including powers or discretions relating to the remuneration of or benefits given to the NCC Group Directors) for such time, on such terms and subject to such conditions as it thinks fit to any committee consisting of one or more NCC Group Directors.

(G) *Permitted interests of NCC Group Directors*

Subject to the provisions of the Acts (as defined in the NCC Group Articles) and provided that he has disclosed to the NCC Group Directors the nature and extent of any interest, a NCC Group Director:

- may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with NCC Group or in which NCC Group is otherwise interested;
- may hold any other office or place of profit under NCC Group (except that of auditor or auditor of a subsidiary of NCC Group) in conjunction with the office of director and may act by himself or through his firm in a professional capacity to NCC Group, and be remunerated accordingly;
- may be a director or other officer, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by NCC Group or in which NCC Group is otherwise interested or as regards which NCC Group has any powers of appointment; and
- shall not be liable to account to NCC Group for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal.

(H) *Restrictions on voting*

Save as otherwise provided by the NCC Group Articles, a NCC Group Director shall not vote on, or be counted in the quorum in relation to, any resolution of the NCC Group Board or of a committee of the NCC Group Board concerning any contract, arrangement, transaction or proposal to which NCC Group is or is to be a party and in which he (together with any person connected with him) is to his knowledge materially interested, directly or indirectly (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, NCC Group); provided that a NCC Group Director shall be entitled to vote and be counted in the quorum in circumstances where the resolution relates:

- (a) to the giving of any guarantee, security or indemnity in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of NCC Group or any of its subsidiary undertakings or (ii) a debt or obligation of NCC Group or any of its subsidiary undertakings for which the director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (b) to an offer of securities of NCC Group or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (c) to another company in which he and any persons connected with him has a direct or indirect interest of any kind, provided that he and any persons connected with him do

not to his knowledge hold an interest in shares representing one per cent. or more of either any class of equity share capital (excluding any shares held as treasury shares), or the voting rights, in such company;

- (d) to any arrangement for the benefit of employees of NCC Group or of any of its subsidiary undertakings which does not award the NCC Group Director any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and
- (e) to any proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.

A NCC Group Director shall not vote or be counted in the quorum on any resolution of the NCC Group Board or any committee of the NCC Group Board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of any office or place of profit with NCC Group or any company in which NCC Group is interested.

(I) *Remuneration*

Unless otherwise determined by NCC Group by ordinary resolution, the NCC Group Directors (other than alternate directors) who do not hold executive office shall be paid for their services as NCC Group Directors such aggregate fees (not exceeding £300,000 per annum) as the NCC Group Board may decide, to be divided among the NCC Group Directors in such proportion and manner as it may determine or, in default of determination, equally. Such maximum level of fees shall be increased in line with the increase in the General Index of Retail Prices. Any fee payable shall accrue from day to day and shall be distinct from any salary, remuneration or other amounts payable to a NCC Group Director pursuant to other provisions of the NCC Group Articles.

Each NCC Group Director shall be entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director, including any expenses incurred in attending meetings of the NCC Group Board or of any committees of the NCC Group Board or general meetings or separate meetings of the holders of any class of shares or debentures of NCC Group. Any NCC Group Director who performs special services for NCC Group may be paid such extra remuneration by way of additional fees, salary, percentage of profits or otherwise as the NCC Group Board may determine.

(J) *Requirement to hold shares*

NCC Group Directors shall not be required to hold any shares in NCC Group.

#### 4.10 ***Borrowing powers***

Subject to the provisions of the Acts (as defined in the NCC Group Articles), the NCC Group Board may exercise all the powers of NCC Group to borrow money, to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, to issue debentures and other securities and to give security, either outright or as collateral security for any debt, liability or obligation of NCC Group or of any third party.

The NCC Group Board shall restrict the borrowings of NCC Group and, insofar as it is able, of its subsidiary undertakings, so as to procure that the aggregate principal amount outstanding in respect of borrowings by the Group shall not, without an ordinary resolution of NCC Group, exceed a sum equal to three times the aggregate of the amount paid up or credited as paid up on NCC Group's issued share capital and the total amount standing to the credit of the capital and revenue reserves of NCC Group as shown in the latest audited balance sheet of NCC Group, after such adjustments and deductions as are specified in the NCC Group Articles.

#### **4.11 *Pensions and benefits***

The NCC Group Board may exercise all the powers of NCC Group to provide pensions or other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities, by insurance or otherwise, for any person who is, or has at any time been, a director of or employed by or in the service of NCC Group or of any company which is a subsidiary company of NCC Group, or is allied to or associated with NCC Group or any such subsidiary, or any predecessor in business of NCC Group or any such subsidiary, and for any member of his family (including a spouse or former spouse) or any person who is, or was, dependent on him.

#### **4.12 *Untraced shareholders***

NCC Group may sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission on the death or bankruptcy of a member or otherwise by operation of law if: (a) all dividends, warrants and cheques sent, or funds transferred, to such member or person have remained uncashed or been returned to NCC Group, respectively, for a period of 12 years; (b) NCC Group has paid at least three cash dividends in respect of those shares during such period; and (c) NCC Group has, on the expiration of such period given notice of its intention to sell such shares in a national newspaper and an appropriate local newspaper, if the shares are listed a notice is to be sent to the relevant listing authority prior to the placing of such advertisement, and no indication is received as to the whereabouts or existence of such member or persons.

NCC Group shall account to the member or other person entitled to such shares for the net proceeds of such sale by carrying all monies in respect of that sale to a separate account.

### **5. *Litigation***

Save as described below there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which NCC Group is aware) during the period covering the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on the financial position or profitability of NCC Group.

NCC Group is the plaintiff in an ongoing contractual dispute with CIBER UK Limited which is a subsidiary of CIBER Inc. NCC Group engaged CIBER UK Limited to design implement and integrate an IT solution for NCC Group and NCC Group holds CIBER UK Limited responsible for the failure of that solution. The dispute has been ongoing since 2012. The parties continue to follow a mediation process although it has not to date resulted in the settlement of the dispute.

### **6. *NCC Group material contracts***

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group: (a) in the two years immediately preceding the date of this document and are, or may be, material to NCC Group as at the date of this document; or (b) at any time which contain provisions under which any member of the Group has any obligation or entitlement which is material to NCC Group as at the date of this document:

#### **6.1 *Revolving credit facility and overdraft***

A fifth amendment and restatement agreement relating to a facility agreement originally dated 26 July 2010 (and as amended and restated on 12 October 2010, 21 October 2011, 15 April 2013 and 21 January 2015) dated 19 March 2015 was entered into between, amongst others, NCC Group, certain companies in the Group and National Westminster Bank plc (acting through Royal Bank of Scotland) the “Royal Bank of Scotland Finance Documents”) pursuant to which Royal Bank of Scotland agreed to make available to NCC Group a multicurrency revolving credit facility of up to £68 million (“Facility A”), a further revolving credit facility B of up to £10 million (“Facility B”) and a £2 million working capital multicurrency overdraft (together the “Royal Bank of Scotland Facilities”).



The purpose of the Royal Bank of Scotland Facilities is to fund the general corporate and working capital of the Group (including permitted acquisitions, as defined in the Royal Bank of Scotland Facilities).

Drawdowns under the Royal Bank of Scotland Facilities are subject to conditions precedent, which are typical for facilities of this type.

#### *Interest*

The rate of interest is calculated depending on margin and LIBOR (or, in relation to any loan in euro, EURIBOR). The margin for Facility A and Facility B is: (i) prior to the delivery of financial statements and a compliance certificate for the period ending 31 May 2015, 1.6% per annum; and (ii) thereafter and assuming no event of default has occurred and is continuing, calculated by reference to the Group's net debt/EBITDA ratio and varying from 1.5% to 2.25% per annum. Default interest will be payable in the event of failure by NCC Group to repay an amount due under the Royal Bank of Scotland Finance Documents.

#### *Repayment, prepayment and cancellation*

Any loans drawn down under the Royal Bank of Scotland Finance Documents must be repaid by the borrower on the last day of the interest period agreed for that loan.

In any case, all the commitments under the Royal Bank of Scotland Finance Documents are required to be repaid prior to 31 July 2016, being the Royal Bank of Scotland Facilities termination date.

There are standard provisions in relation to prepayment and cancellation which may occur in situations which include illegality, change of control, voluntary cancellation and voluntary prepayment. In particular, in the event of a change of control or a sale of all or substantially all of the assets of the Group, Royal Bank of Scotland may, by not less than 30 days' notice (in the case of a change of control) or 5 business days (in the case of an asset sale), cancel the commitment and declare all outstanding loans (plus accrued interest) immediately due and payable. In such an event, the commitment will be cancelled and all outstanding amounts will become immediately due and payable.

#### *Security Guarantee and Indemnities*

The Royal Bank of Scotland Facilities are guaranteed by NCC Group, NCC Group (Solutions) Limited, NCC Group SDLC Limited, NCC Group Audit Limited, Artemis Internet Limited, NCC Group Escrow Limited, NCC Group Performance Testing Limited, NCC Services Limited and NCC Group Security Services Limited. All of such companies have also provided security for the Royal Bank of Scotland Facilities by way of an all monies debenture.

There are a number of standard indemnities, including a tax and a currency indemnity, provided by NCC Group.

#### *Fees*

NCC Group paid a commitment fee calculated at the rate of 40% of the borrowing margin on the available facility for the availability period for the relevant facility.

#### *Covenants, warranties and representations*

There are standard representations and warranties given by NCC Group including, but not limited to, the base case model, no default, no conflict, *pari passu* ranking of the security and power and authority to enter into the Royal Bank of Scotland Facilities.

There are general undertakings given by NCC Group which include, but are not limited to, information undertakings, negative pledge, compliance with law, the nature of the business and restrictions on disposals, mergers and acquisitions. The fifth amendment and restatement agreement ensures that the Acquisition is a permitted acquisition.

There are also financial covenants testing leverage (net debt to adjusted EBITDA) and interest cover (EBITDA to net finance charges).

#### *Events of default*

The Royal Bank of Scotland Finance Documents have standard provisions in relation to events of default including, amongst others non-payment of any amount payable; breach of undertakings to Royal Bank of Scotland; financial covenants being left unsatisfied, misrepresentation, cross default, insolvency events, change of ownership, litigation and material adverse change.

#### *Governing law*

The Royal Bank of Scotland Facilities and all disputes arising out of it are governed by English law.

### **6.2 *Acquisition of the Open Registry group of companies***

A sale and purchase agreement dated 19 January 2015 was entered into between (among others) certain members of the Group (as buyers) and certain individuals and corporate entities (as sellers), under which the Group acquired the entire issued share capital of Open Registry S.A., Clearinghouse for Intellectual Property S.A., Nexperteam CVBA and Sensirius CVBA.

The initial consideration was £7,900,000 paid in cash at completion. The agreement provided for two instalments of additional consideration to become payable over approximately 36 months from completion dependent upon Open Registry S.A. and Clearinghouse Intellectual Property S.A. attaining certain financial targets, such additional consideration being subject to a maximum amount payable of £7,000,000. The additional consideration is payable in cash.

The sellers gave the Group warranties and indemnities as may be considered usual for a transaction of this nature. The liability of the sellers under the warranties is limited to (i) for each of the founder sellers, 100% of the total consideration they receive and (ii) for each of the other sellers, 50% of the total consideration they receive.

### **6.3 *Acquisition of FortConsult***

A sale and purchase agreement dated 1 May 2014 was entered into between (among others) NCC Group Solutions Limited (as buyer) and Fortress Group ApS and others (as sellers), under which NCC Group acquired the entire issued share capital of FortConsult A/S (“FortConsult”).

The initial consideration was £2,000,000 paid in cash at completion. The agreement provided for one instalment of additional consideration to become payable approximately 24 months after completion dependent upon FortConsult attaining certain financial targets, such additional consideration being subject to a maximum amount payable of £2,000,000. The additional consideration is payable in cash.

The sellers gave NCC Group warranties and indemnities as may be considered usual for a transaction of this nature. The aggregate liability of all sellers under the warranties is limited to 100% of the total consideration.

### **6.4 *Irrevocable undertakings***

NCC Group has received irrevocable undertaking to vote, or procure the vote, in favour of the Scheme at the Court Meeting and/or, as relevant, in favour of the Special Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of an Acquisition Offer, to accept the Acquisition Offer) as follows:

- in favour of the Scheme at the Court Meeting, from those Accumuli Directors who hold Accumuli Shares and are entitled to vote those shares at the Court Meeting, in respect of their own beneficial holdings amounting, in aggregate, to 1,955,546 Accumuli Shares, representing approximately 1.2 per cent. of the Scheme Shares entitled to vote at the Court Meeting;

- in favour of the Special Resolution to be proposed at the General Meeting, from all those Accumuli Directors who hold Accumuli Shares, in respect of their own beneficial holdings amounting, in aggregate, to 3,304,068 Accumuli Shares, representing approximately 2.1 per cent. of the existing issued share capital of Accumuli; and
- in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting, from certain other Accumuli Shareholders, in respect of, in aggregate, 88,738,039 Accumuli Shares representing, respectively, approximately 56.1 per cent. of the Scheme Shares entitled to vote at the Court Meeting and 55.6 per cent. of the existing issued share capital of Accumuli.

In aggregate, therefore, NCC Group has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting in respect of a total of 90,693,585 Accumuli Shares, representing approximately 57.3 per cent. of the Scheme Shares entitled to vote at the Court Meeting and irrevocable undertakings to vote in favour of the Special Resolution to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of an Acquisition Offer, to accept the Acquisition Offer) in respect of a total of 92,042,107 Accumuli Shares, representing approximately 57.7 per cent. of the existing issued share capital of Accumuli.

For the purposes of the Court Meeting, Nick Kingsbury, Gavin Lyons and Ian Winn, being certain of the directors of Accumuli, will (because of the cash bonus long term incentivisation awards payable to them on the Scheme becoming Effective) be treated as a separate class of Accumuli Shareholders and will not vote their Accumuli Shares at the Court Meeting but will instead consent to be bound by the Scheme.

## **7. Related party transactions**

Other than as disclosed in the financial information incorporated by reference into this document for the years ended 31 May 2014, 31 May 2013 and 31 May 2012, as well as the interim report for the six months ended 30 November 2014, there are no related party transactions by NCC Group or members of the Group that were entered into during the years ended 31 May 2014, 31 May 2013 and 31 May 2012 or the six months ended 30 November 2014. Details of related party transactions are set out on:

- Page 151 of NCC Group's Annual Report and Accounts for the year ended 31 May 2014 (note 25 to the consolidated financial statements);
- page 109 of NCC Group's Annual Report and Accounts for the year ended 31 May 2013 (note 26 to the consolidated financial statements);
- page 113 of NCC Group's Annual Report and Accounts for the year ended 31 May 2012 (note 27 to the consolidated financial statements); and
- page 20 of NCC Group's interim results for the six months ended 30 November 2014 (note 9 to the interim financial statements).

Except as set out below, there have been no additional related party transactions by NCC Group or members of the Group that were entered into during the period between 1 December 2014 and 1 April 2015 (being the latest practicable date prior to the publication of this document).

In relation to the Group's acquisition of the Open Registry Group of Companies, Rickitt Mitchell received a corporate finance advisory fee of £223,500. In relation to the Acquisition, Rickitt Mitchell will receive a corporate finance advisory fee of £525,000.

## 8. Dividends

The following table sets out the dividend per NCC Group Share paid in respect of each of the years ended 31 May 2014, 2013 and 2012 and for the six month periods ended 30 November 2014, 2013 and 2012:

|  | 2014 | 2013 | 2012 |
|--|------|------|------|
| Final dividend per NCC Group Share for each year ended 31 May (pence)              | 2.36 | 2.12 | 1.83 |
| Interim dividend per NCC Group Share for each six months ended 30 November (pence) | 1.3  | 1.14 | 0.98 |

## 9. Working capital

NCC Group is of the opinion that, after taking into account existing available facilities, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this document.

NCC Group is of the opinion that, after taking into account existing available facilities, the working capital available to the Enlarged Group is sufficient for its present requirements, that is for at least the next 12 months from the date of publication of this document.

## 10. No significant change

Other than as set out below, there has been no significant change in the trading or financial position of the Group since 30 November 2014, being the date to which NCC Group's interim financial information was prepared.

On 19 January 2015, the Group acquired the Open Registry Group of Companies for a maximum consideration of £14.9m (€19.5m), of which £7.9m (€10.3m) was paid on completion. Two further payments of up to £7.0m (€9.2m) in total may be payable over a period of approximately 36 months from completion depending upon whether performance related targets are met. Further details are set out in section 6.2 of this Part VII.

On 19 March 2015, the Group increased its banking facilities with the Royal Bank of Scotland to £80 million, comprising of a multicurrency revolving credit facility of up to £68 million, a further revolving credit facility of up to £10 million and a £2m working capital multicurrency overdraft on the same terms. Interest on the facilities is charged between 1.5% and 2.25% over LIBOR based on the Group's net debt/EBITDA ratio. Further details are set out in section 6.1 of this Part VII.

In the first nine months of the financial year to 31 May 2015, Group revenues were 14% ahead of the same period last year at £92.3 million (February 2014: £81.0 million). Approximately 47% of the Group's revenues are now outside the UK with the majority in North America. The Group remains on course to meet the NCC Group Board's expectations for the financial year.

## 11. Significant shareholdings

11.1 As at 1 April 2015 (being the latest practicable date prior to the publication of this document), NCC Group had been notified in accordance with DTR 5 of the Disclosure and Transparency Rules of the following interests in the NCC Group Shares:

|                                       | <i>Number<br/>of NCC<br/>Group Shares</i> | <i>Percentage<br/>interest<br/>of issued<br/>NCC Group<br/>share capital</i> |
|---------------------------------------|---|--|
| Mawer Investment Management           | 25,138,989                                | 12.0   |
| Liontrust Asset Management            | 24,612,463                                | 11.8   |
| Montanaro Asset Management            | 21,202,706                                | 10.1   |
| Legal & General Investment Management | 15,917,590                                | 7.6  |
| Capital Research Global Investors     | 10,840,000                                | 5.2  |
| SEB Asset Management (Stockholm)      | 6,687,074                                 | 3.2  |
| Aviva Investors                       | 6,333,742                                 | 3.0  |

- 11.2 Save as disclosed in this section 11, NCC Group is not aware of any person who, as at 1 April 2015 (being the latest practicable date prior to the publication of this document), directly or indirectly, has a holding which is notifiable under English law.
- 11.3 NCC Group is not aware of any person who, as at 1 April 2015 (being the latest practicable date prior to the publication of this document), directly or indirectly, jointly or severally, exercises or could exercise control over NCC Group nor is it aware of any arrangements the operation of which may at a subsequent date result in a change of control of NCC Group.
- 11.4 None of the NCC Group Shareholders referred to in this section 11 has different voting rights from any other holder of NCC Group Shares in respect of any NCC Group Shares held by them.

## 12. Subsidiaries

NCC Group is the parent company of the Group. The following table contains a list of the principal (but not necessarily direct) subsidiaries of NCC Group (each of which is considered by NCC Group to be likely to have a significant effect on the assessment of the assets, liabilities, financial position and/or profits and losses of NCC Group):

| <i>Name</i>                                  | <i>Percentage ownership interest</i> | <i>Country of incorporation</i> | <i>Registered office</i> |
|--|--------------------------------------|---------------------------------|--------------------------|
| <b>Principal NCC Group subsidiaries</b>      |                                      |                                 |                          |
| NCC Group (Solutions) Limited                | 100                                  | UK                              | UK                       |
| NCC Services Limited                         | 100                                  | UK                              | UK                       |
| NCC Group Performance Testing Limited        | 100                                  | UK                              | UK                       |
| NCC Group Security Services Limited          | 100                                  | UK                              | UK                       |
| NCC Group SDLC Limited                       | 100                                  | UK                              | UK                       |
| NCC Group Escrow Europe BV                   | 100                                  | Netherlands                     | Netherlands              |
| NCC Group Escrow Europe (Switzerland) AG     | 100                                  | Switzerland                     | Switzerland              |
| NCC Group GmbH                               | 100                                  | Germany                         | Germany                  |
| FortConsult A/S                              | 100                                  | Denmark                         | Denmark                  |
| iSEC Partners Inc                            | 100                                  | USA                             | USA                      |
| NCC Group Escrow Associates LLC              | 100                                  | USA                             | USA                      |
| Matasano Security LLC                        | 100                                  | USA                             | USA                      |
| NCC Group Domain Services, Inc.              | 100                                  | USA                             | USA                      |
| NCC Group Inc.                               | 100                                  | USA                             | USA                      |
| Open Registry S.A.                           | 100                                  | Luxembourg                      | Luxembourg               |
| Clearinghouse for Intellectual Property S.A. | 100                                  | Luxembourg                      | Luxembourg               |
| Nexperteam CVBA                              | 100                                  | Belgium                         | Belgium                  |
| Sensirius CVBA                               | 100                                  | Belgium                         | Belgium                  |

## 13. Mandatory takeover bids, squeeze-out rules, sell-out rules and takeover bids

### 13.1 *Mandatory takeover bids*

The City Code on Takeovers and Mergers applies to NCC Group. Under the City Code, if an acquisition of interests in NCC Group Shares were to increase the aggregate holding of an acquirer and persons acting in concert with it to an interest in NCC Group Shares carrying 30 per cent. or more of the voting rights in NCC Group, the acquirer and, depending upon the circumstances, persons acting in concert with it, would be required (except with the consent of the Panel) to make a cash offer for the outstanding NCC Group Shares at a price not less than the highest price paid for any interest in NCC Group Shares by the acquirer or his concert parties during the previous 12 months. A similar obligation to make such a mandatory offer would also arise on the acquisition of an interest in NCC Group Shares by a person holding (together with any persons acting in concert) an interest in NCC Group Shares carrying between 30 per cent. and 50 per cent. of the voting rights in NCC Group if the effect of such acquisition were to increase that person's percentage of the voting rights.

### 13.2 *Squeeze-out rules*

Under the Companies Act, if a “takeover offer” (as defined in section 974 of the Companies Act) is made for NCC Group Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the shares to which the offer relates (the “Offer Shares”) and not less than 90 per cent. of the voting rights attached to the Offer Shares, within three months of the last day on which its offer can be accepted, it could acquire compulsorily the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding shareholders telling them that it will acquire compulsorily their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to NCC Group, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

### 13.3 *Sell-out rules*

The Companies Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the NCC Group Shares and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. of the NCC Group Shares to which the offer relates, any holder of NCC Group Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those NCC Group Shares. The offeror is required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his or her rights, the offeror is bound to acquire those NCC Group Shares on the terms of the offer or on such other terms as may be agreed.

### 13.4 *Takeover bids*

No public takeover bid has been made in relation to NCC Group during the last financial year or the current financial year.

## 14. **Consents**

- 14.1 Peel Hunt, whose address is 120 Moor House, London, EC2Y 5ET, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 14.2 Rickitt Mitchell & Partners Limited, whose address is Centurion House, 129 Deansgate, Manchester, M3 3WR, has given and has not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.

## 15. **General**

- 15.1 The financial information concerning NCC Group contained in this document does not constitute statutory accounts within the meaning of section 434(3) of the Companies Act. The consolidated financial statements of NCC Group in respect of the two years ended 31 May 2013 and 31 May 2012 incorporated by reference in this document were reported on by Ernst & Young LLP, the previous auditors of NCC Group, and the consolidated financial statements of NCC Group in respect of the year ended 31 May 2014 incorporated by reference in this document were reported on by KPMG LLP, the current auditors of NCC Group within the meaning of section 495 of the Companies Act for the period of the historical financial information set out in this document. The previous and current auditors of NCC Group made reports under section 503 of the Companies Act in respect of the three years ended 31 May 2014, 31 May 2013 and 31 May 2012 incorporated by reference in this document and such reports were unqualified reports within the meaning of sections 836 to 841 of the Companies Act.



- 15.2 NCC Group remains subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash, and the provisions of section 561 of the Companies Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to any further issuances of share capital of NCC Group.
- 15.3 The Existing NCC Group Shares are in registered form, are capable of being held in uncertificated form and are admitted to the premium listing segment of the Official List of the UK Listing Authority and are traded on the main market for listed securities of the London Stock Exchange.
- 15.4 The New NCC Group Shares will be in registered form and, from Admission, will be capable of being held in uncertificated form and title to such shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where New NCC Group Shares are held in certificated form, share certificates will be sent to the registered members by first-class post. Where New NCC Group Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The New NCC Group Shares have the ISIN GB00B01QGK86.
- 15.5 NCC Group will make an appropriate announcement(s) to a Regulatory Information Service if the Acquisition becomes Effective, which is expected to be on or about 30 April 2015.
- 15.6 The aggregate costs and expenses of the Acquisition payable by NCC Group are estimated to be £1.9 million (exclusive of VAT).

## **16. Sources of information and bases of calculations**

In this document:

- 16.1 Unless otherwise stated financial information relating to NCC Group has been extracted or derived (without any material adjustment) from the audited annual report and accounts for NCC Group for the year ended 31 May 2014 and NCC Group's announcement dated 22 January 2014 of its results for the half year ended 30 November 2014 (which are unaudited).
- 16.2 The value of the Acquisition is calculated:
- (A) by reference to: (i) the price of 220 pence per NCC Group Share, being the Closing Price on 23 March 2015, the last Business Day prior to the publication of the Acquisition Announcement or (as the context permits) (ii) the price of 199 pence per NCC Group Share, being the closing price on 1 April 2015, the last Business Day prior to the publication of this document; and
  - (B) on the basis of the fully diluted number of Accumuli Shares in issue referred to in section 16.4 below.
- 16.3 The statements that the Acquisition is expected to be earnings enhancing for NCC Group relate to future actions and circumstances which, by their nature, involve risks, uncertainties and other factors. These statements do not constitute a profit forecast and should not be interpreted to mean that earnings for the year to 31 May 2015 or any subsequent financial period would necessarily match or be greater than those for any preceding financial period. Earnings in this context represent net after tax earnings before the amortisation of intangible assets and non-operating items.
- 16.4 The number of New NCC Group Shares to be issued pursuant to the Scheme, being 20,389,472 is based on (i) 159,609,527 Accumuli Shares in issue as at the date of the Acquisition Announcement (less 100,000 Accumuli Shares held by the trustee of the Accumuli Employee Benefit Trust) (ii) all share options under the Accumuli Share Schemes being exercised in full and the resulting Accumuli Shares being exchanged for New NCC Group Shares under the Acquisition, and (iii) there are no other issues of Accumuli Shares or NCC Group Shares (including under NCC Group Share Schemes) between 1 April 2015 and the Effective Date.
- 16.5 All share prices are expressed in pence and all percentages have been rounded to one decimal place.

- 16.6 Where information has been sourced from a third party, NCC Group confirms that the information has been accurately reproduced and, as far as NCC Group is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used, the source of such information has been identified wherever it appears in this document.

## **17. Documents available for inspection**

Copies of the following documents:

- 17.1 the existing memorandum and articles of association of NCC Group;
- 17.2 the audited consolidated accounts of NCC Group for the three years ended 31 May 2012, 31 May 2013 and 31 May 2014 and the unaudited interim results for the six months ended 30 November 2013 and 30 November 2014;
- 17.3 the consent letters referred to in section 14 of this Part VII above;
- 17.4 the irrevocable undertakings referred to in section 15 of Part I (Letter From Chairman of NCC Group) of this document;
- 17.5 the Scheme Document; and
- 17.6 this document,

are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the period from the date of publication of this document until Admission at:

- (A) the registered office of NCC Group, Manchester Technology Centre, Oxford Road, Manchester, M1 7EF; and
- (B) the offices of Eversheds LLP, 70 Great Bridgewater Street, Manchester, M1 5ES.

Copies of the above documents are also available for inspection at NCC Group's website [www.nccgroup.trust](http://www.nccgroup.trust) for the period from the date of publication of this document until Admission.

## PART VIII

### INFORMATION INCORPORATED BY REFERENCE

The following documents, which have been approved by, filed with or notified to the FCA, and which are available for inspection in accordance with section 17 of Part VII (Additional Information), contain information about NCC Group which is relevant to this document:

- NCC Group's Interim Results 2015, containing NCC Group's unaudited consolidated interim financial statements for the six months ended 30 November 2014;
- NCC Group's Annual Report and Accounts 2014, containing NCC Group's audited consolidated financial statements in respect of the financial year ended 31 May 2014, together with the audit report in respect of that period and a discussion of NCC Group's financial performance;
- NCC Group's Annual Report and Accounts 2013, containing NCC Group's audited consolidated financial statements in respect of the financial year ended 31 May 2013, together with the audit report in respect of that period and a discussion of NCC Group's financial performance; and
- NCC Group's Annual Report and Accounts 2012, containing NCC Group's audited consolidated financial statements in respect of the financial year ended 31 May 2012, together with the audit report in respect of that period and a discussion of NCC Group's financial performance.

The table below sets out the sections of these documents which are incorporated by reference into, and form part of, this document, and only the parts of the documents identified in the table below are incorporated into, and form part of, this document. The parts of these documents which are not incorporated by reference are either not relevant for investors or are covered elsewhere in this document. To the extent that any part of any information referred to below itself contains information which is incorporated by reference, such information shall not form part of this document.

| <i>Reference document</i>                                 | <i>Information incorporated by reference into this document</i> | <i>Page number(s) in reference document</i> |
|---|---|---|
| <b>For the six months ended 30 November 2014</b>          |   |   |
| Interim Results for the six months ended 30 November 2014 | Chief Executive's Review  | 2-3   |
| Interim Results for the six months ended 30 November 2014 | Financial Review  | 3-6   |
| Interim Results for the six months ended 30 November 2014 | Operational Review  | 6-10  |
| Interim Results for the six months ended 30 November 2014 | Group Condensed Income Statement                                | 11  |
| Interim Results for the six months ended 30 November 2014 | Group Condensed Statement of Comprehensive Income               | 12  |
| Interim Results for the six months ended 30 November 2014 | Group Condensed Statement of Financial Position                 | 12-13                                       |
| Interim Results for the six months ended 30 November 2014 | Group Condensed Statement of Cash Flows                         | 14  |
| Interim Results for the six months ended 30 November 2014 | Group Condensed Statement of Changes in Equity                  | 15  |

| <i>Reference document</i>                   | <i>Information incorporated by<br/>reference into this document</i> | <i>Page number(s)<br/>in reference<br/>document</i> |
|---|---|---|
| <b>For the year ended 31 May 2014</b>       |   |   |
| NCC Group's Annual Report and Accounts 2014 | Overview  | 3   |
| NCC Group's Annual Report and Accounts 2014 | About NCC Group   | 4-7   |
| NCC Group's Annual Report and Accounts 2014 | Chairman's Statement  | 8-10  |
| NCC Group's Annual Report and Accounts 2014 | The Strategic Report  | 11-13   |
| NCC Group's Annual Report and Accounts 2014 | Business and Financial Review<br>for 2014                           | 14-20   |
| NCC Group's Annual Report and Accounts 2014 | Year End Outlook  | 21  |
| NCC Group's Annual Report and Accounts 2014 | Principle Risks and Uncertainties                                   | 21-24   |
| NCC Group's Annual Report and Accounts 2014 | Corporate Social Responsibility                                     | 26-30   |
| NCC Group's Annual Report and Accounts 2014 | Governance  | 31  |
| NCC Group's Annual Report and Accounts 2014 | Board of Directors  | 31-34   |
| NCC Group's Annual Report and Accounts 2014 | Directors' Report   | 35-39   |
| NCC Group's Annual Report and Accounts 2014 | Corporate Governance Report   | 41-48   |
| NCC Group's Annual Report and Accounts 2014 | Audit Committee Report  | 49-55   |
| NCC Group's Annual Report and Accounts 2014 | Nomination Committee Report   | 56-57   |
| NCC Group's Annual Report and Accounts 2014 | Remuneration Committee Report                                       | 58-82   |
| NCC Group's Annual Report and Accounts 2014 | Statement of Director's Responsibilities                            | 84-85   |
| NCC Group's Annual Report and Accounts 2014 | Independent Auditors Report to the<br>Members of NCC Group plc      | 86-89   |
| NCC Group's Annual Report and Accounts 2014 | Consolidated Income Statement                                       | 91  |
| NCC Group's Annual Report and Accounts 2014 | Consolidated Statement of<br>Comprehensive Income                   | 92  |
| NCC Group's Annual Report and Accounts 2014 | Consolidated Statement of Financial<br>Position                     | 93  |
| NCC Group's Annual Report and Accounts 2014 | Company Statement of Financial<br>Position                          | 94  |
| NCC Group's Annual Report and Accounts 2014 | Consolidated Statement of Cash Flows                                | 95  |
| NCC Group's Annual Report and Accounts 2014 | Statements of Changes in Equity – Group                             | 96  |
| NCC Group's Annual Report and Accounts 2014 | Statements of Changes in Equity –<br>Company                        | 97  |
| NCC Group's Annual Report and Accounts 2014 | Notes to the Financial Statements                                   | 98-153  |
| NCC Group's Annual Report and Accounts 2014 | Company Information   | 154   |

| <i>Reference document</i>                   | <i>Information incorporated by<br/>reference into this document</i> | <i>Page number(s)<br/>in reference<br/>document</i> |
|---|---|---|
| <b>For the year ended 31 May 2013</b>       |   |   |
| NCC Group's Annual Report and Accounts 2013 | Highlights  | 3-4   |
| NCC Group's Annual Report and Accounts 2013 | Group Profile   | 5-7   |
| NCC Group's Annual Report and Accounts 2013 | Chairman's Statement  | 8-10  |
| NCC Group's Annual Report and Accounts 2013 | Operational and Financial Review                                    | 11-26   |
| NCC Group's Annual Report and Accounts 2013 | Directors and Senior Management                                     | 27-30   |
| NCC Group's Annual Report and Accounts 2013 | Directors' Report   | 31-34   |
| NCC Group's Annual Report and Accounts 2013 | Corporate Governance  | 35-42   |
| NCC Group's Annual Report and Accounts 2013 | Directors' Remuneration Report                                      | 43-50   |
| NCC Group's Annual Report and Accounts 2013 | Statement of Director's Responsibilities                            | 51-52   |
| NCC Group's Annual Report and Accounts 2013 | Corporate Social Responsibility Report                              | 53-56   |
| NCC Group's Annual Report and Accounts 2013 | Independent Auditors Report to the<br>Members of NCC Group plc      | 57-58   |
| NCC Group's Annual Report and Accounts 2013 | Consolidated Income Statement                                       | 60  |
| NCC Group's Annual Report and Accounts 2013 | Consolidated Statement of<br>Comprehensive Income                   | 61  |
| NCC Group's Annual Report and Accounts 2013 | Group Balance Sheet   | 62  |
| NCC Group's Annual Report and Accounts 2013 | Company Balance Sheet   | 63  |
| NCC Group's Annual Report and Accounts 2013 | Group Cash Flow Statement   | 64  |
| NCC Group's Annual Report and Accounts 2013 | Company Cash Flow Statement   | 65  |
| NCC Group's Annual Report and Accounts 2013 | Statements of Changes in Equity                                     | 66-67   |
| NCC Group's Annual Report and Accounts 2013 | Notes   | 68-110  |
| NCC Group's Annual Report and Accounts 2013 | Company Information   | 111-112   |
| <b>For the year ended 31 May 2012</b>       |   |   |
| NCC Group's Annual Report and Accounts 2012 | Highlights  | 3-4   |
| NCC Group's Annual Report and Accounts 2013 | Group Profile   | 5-10  |
| NCC Group's Annual Report and Accounts 2012 | Chairman's Statement  | 11-14   |
| NCC Group's Annual Report and Accounts 2012 | Operational and Financial Review                                    | 15-30   |
| NCC Group's Annual Report and Accounts 2012 | Directors and Senior Management                                     | 31-34   |
| NCC Group's Annual Report and Accounts 2013 | Director' Report  | 35-38   |
| NCC Group's Annual Report and Accounts 2012 | Corporate Governance  | 39-46   |
| NCC Group's Annual Report and Accounts 2012 | Directors' Remuneration Report                                      | 47-54   |
| NCC Group's Annual Report and Accounts 2012 | Statement of Director's Responsibilities                            | 55-56   |
| NCC Group's Annual Report and Accounts 2012 | Corporate Social Responsibility Report                              | 57-60   |
| NCC Group's Annual Report and Accounts 2012 | Independent Auditors Report to the<br>Members of NCC Group plc      | 61-62   |
| NCC Group's Annual Report and Accounts 2012 | Consolidated Income Statement                                       | 64  |
| NCC Group's Annual Report and Accounts 2012 | Consolidated Statement of<br>Comprehensive Income                   | 65  |
| NCC Group's Annual Report and Accounts 2012 | Group Balance Sheet   | 66  |
| NCC Group's Annual Report and Accounts 2012 | Company Balance Sheet   | 67  |
| NCC Group's Annual Report and Accounts 2012 | Group Cash Flow Statement   | 68  |
| NCC Group's Annual Report and Accounts 2012 | Company Cash Flow Statement   | 69  |
| NCC Group's Annual Report and Accounts 2012 | Statements of Changes in Equity                                     | 70-71   |
| NCC Group's Annual Report and Accounts 2012 | Notes   | 72-114  |
| NCC Group's Annual Report and Accounts 2012 | Company Information   | 115-116   |

## APPENDIX I

### DEFINITIONS

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

|   |   |
|---|---|
| <b>Accumuli</b>   | means Accumuli plc, a public limited company incorporated in England and Wales with company number 4178393 with its registered office at Tuscany House, White Hart Lane, Basingstoke, RG21 4AF;   |
| <b>Accumuli Board or Accumuli Board of Directors or Board of Accumuli</b> | means the board of directors of Accumuli;   |
| <b>Accumuli Directors</b>   | means the directors of Accumuli, and “Accumuli Director” means any one of them;   |
| <b>Accumuli Employee Benefit Trust</b>                                    | means an employee benefit trust established by Accumuli pursuant to a trust deed dated 30 January 2009;   |
| <b>Accumuli Group</b>   | means Accumuli and its subsidiary undertakings and, where the context permits, each of them;  |
| <b>Accumuli Share Schemes</b>   | means rights granted in respect of Accumuli Shares whether pursuant to an employee share scheme or otherwise;   |
| <b>Accumuli Shareholders</b>  | means holders of Accumuli Shares;   |
| <b>Accumuli Shares</b>  | means the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 0.25 pence each in the capital of Accumuli and any further such shares which are unconditionally allotted or issued on or prior to the Effective Date;  |
| <b>Acquisition</b>  | means the proposed acquisition of the entire issued and to be issued share capital of Accumuli by NCC Group to be implemented by way of (i) the Scheme or (ii) the Acquisition Offer (as the case may be);  |
| <b>Acquisition Announcement</b>   | means the joint announcement made by NCC Group and Accumuli, dated 24 March 2015, of the terms of the Acquisition pursuant to Rule 2.7 of the City Code;  |
| <b>Acquisition Offer</b>  | means, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the recommended offer to be made by or on behalf of NCC Group to acquire the entire issued and to be issued share capital of Accumuli and, where the context admits, any subsequent revision, variation, extension or renewal of such offer; |
| <b>Admission</b>  | means admission of the New NCC Group Shares to the premium listing segment of the Official List in accordance with the Listing Rules and to trading on the London Stock Exchange’s main market for listed securities in accordance with the Admission and Disclosure Standards;   |
| <b>Admission and Disclosure Standards</b>                                 | means the requirements contained in the publication “Admission and Disclosure Standards” dated April, 2002 (as amended from time to time) containing, amongst other things, the admission   |



|  |   |
|--|---|
|  | requirements to be observed by companies seeking admission to trading on the London Stock Exchange's market for listed securities;  |
| <b>AIM</b>                               | means the market of that name operated by the London Stock Exchange;  |
| <b>Audit Committee</b>                   | means the audit committee of the NCC Group Board;   |
| <b>AIM Rules</b>                         | means the Rules and Guidance notes for AIM Companies and their nominated advisers issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;                                 |
| <b>Business Day</b>                      | means any day (other than a Saturday, Sunday, public or bank holiday) on which banks generally are open for business in London (other than solely for settlement and trading in Euro);  |
| <b>City Code</b>                         | means the City Code on Takeovers and Mergers of the United Kingdom;   |
| <b>Closing Price</b>                     | means the closing middle market price of a NCC Group Share or an Accumuli Share as derived from the Daily Official List for NCC Group and the AIM appendix to the Daily Official List for Accumuli;                                 |
| <b>Companies Act</b>                     | means the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time;   |
| <b>Conditions</b>                        | means the conditions to the implementation of the Acquisition and "Condition" means any one of them;  |
| <b>Consent</b>                           | means any authorisation, order, recognition, grant, consent, licence, confirmation, clearance, permission or approval;  |
| <b>Court</b>                             | means the High Court of Justice in England and Wales;   |
| <b>Court Meeting</b>                     | means the meeting of Scheme Shareholders, as convened by order of the Court under section 896 of the Companies Act, to consider and, if thought fit, approve (with or without modification) the Scheme and any adjournment thereof; |
| <b>CREST</b>                             | means the system operated by Euroclear for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations;  |
| <b>CREST Regulations</b>                 | means the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;  |
| <b>CSOP</b>                              | means the company share option plan adopted by NCC Group further details of which are set out in section 12 of Part VI;   |
| <b>Daily Official List</b>               | means the daily official list of the London Stock Exchange;   |
| <b>DB Plan</b>                           | means the deferred bonus sub-plan adopted by NCC Group further details of which are set out in section 12 of Part VI;   |
| <b>Disclosure and Transparency Rules</b> | means the rules and regulations made by the FCA and contained in the FCA's publication of the same name;  |
| <b>Domain Assured Project</b>            | has the meaning given in section 3 of Part III of this document;  |

|  |   |
|--|---|
| <b>EBITA</b>                           | means operating profit before amortisation and non-recurring costs after writing off bidding and mobilisation costs incurred;   |
| <b>EEA State</b>                       | means a member state of the European Economic Area;   |
| <b>Effective</b>                       | means, if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms;  |
| <b>Effective Date</b>                  | means the date on which the Acquisition becomes Effective, which is expected to be 30 April 2015;   |
| <b>EMI</b>                             | means the enterprise management incentive plan adopted by NCC Group further details of which are set out in section 12 of Part VI;  |
| <b>Enlarged Group</b>                  | means the Group including the Accumuli Group following the Acquisition becoming Effective;  |
| <b>EPS</b>                             | means underlying earnings per share, before non-recurring items;  |
| <b>ESPP</b>                            | means the employee stock purchase plan adopted by NCC Group further details of which are set out in section 12 of Part VI;  |
| <b>Euroclear</b>                       | means Euroclear UK & Ireland Limited, incorporated in England and Wales with registered number 2878738;   |
| <b>Excluded Shares</b>                 | means: <ul style="list-style-type: none"> <li>(i) any Accumuli Shares beneficially owned by NCC Group or any subsidiary undertaking (as defined in the Companies Act) of NCC Group;</li> <li>(ii) any unissued shares in the capital of Accumuli; and</li> <li>(iii) any Accumuli Shares held by the trustee of the Accumuli Employee Benefit Trust;</li> </ul> |
| <b>Existing NCC Group Shareholders</b> | means holders of Existing NCC Group Shares;   |
| <b>Existing NCC Group Shares</b>       | means NCC Group Shares in issue as at the date of this document;  |
| <b>FCA</b>                             | means the UK Financial Conduct Authority;   |
| <b>Financial Advisers</b>              | means Peel Hunt and Rickitt Mitchell;   |
| <b>Form of Election</b>                | means the form of election relating to the Mix and Match Facility sent to the holders of Accumuli Shares in certificated form other than Overseas Shareholders in Restricted Jurisdictions;   |
| <b>FSMA</b>                            | means the Financial Services and Markets Act 2000, as amended from time to time;  |
| <b>General Meeting</b>                 | means the general meeting of Accumuli scheduled to be held on 23 April 2015 immediately following the Court Meeting and any adjournment thereof;  |
| <b>Group</b>                           | means NCC Group plc and its subsidiary undertakings and where the context permits, each of them;  |
| <b>gTLDs</b>                           | means generic top level domains;  |
| <b>HMRC</b>                            | means Her Majesty's Revenue & Customs and, where relevant, any predecessor today which carried out part of its functions and  |

|  |  |
|--|--|
|  | references to any approval by HMRC shall, where appropriate, include approval by an officer of Her Majesty's Revenue & Customs;  |
| <b>ICANN</b>                                       | means Internet Corporation for Assigned Names and Numbers;   |
| <b>IFRS</b>  | means the International Financial Reporting Standards;   |
| <b>ISO Plan</b>                                    | means the incentive stock option plan adopted by NCC Group further details of which are set out in section 12 of Part VI;  |
| <b>LTIP</b>  | means the long term incentive plan adopted by NCC Group further details of which are set out in section 12 of Part VI;   |
| <b>KPMG</b>  | means KPMG LLP;  |
| <b>Listing Rules</b>                               | means the rules and regulations made by the FCA in its capacity as the UK Listing Authority under FSMA and contained in the UK Listing Authority's publication of the same name;   |
| <b>London Stock Exchange</b>                       | means London Stock Exchange plc;   |
| <b>Mix and Match Facility</b>                      | means the mix and match facility under which Accumuli Shareholders (other than certain Overseas Shareholders) may elect, subject to equal and opposite elections made by other Accumuli Shareholders, to vary the proportions in which they receive New NCC Group Shares and cash under the Acquisition; |
| <b>NCC Group</b>                                   | means NCC Group plc, a public limited company incorporated in England and Wales with company number 4627044 with its registered office at Manchester Technology Centre, Oxford Road, Manchester, M3 7EF;   |
| <b>NCC Group Articles</b>                          | means the articles of association of NCC Group;  |
| <b>NCC Group's Annual Report and Accounts 2012</b> | means NCC Group's Annual Report and Accounts 2012 containing NCC Group's audited consolidated financial statement in respect of the financial year ended 31 May 2012, together with the audit report in respect of that period and a discussion of NCC Group's financial performance;                    |
| <b>NCC Group's Annual Report and Accounts 2013</b> | means NCC Group's Annual Report and Accounts 2013 containing NCC Group's audited consolidated financial statement in respect of the financial year ended 31 May 2013, together with the audit report in respect of that period and a discussion of NCC Group's financial performance;                    |
| <b>NCC Group's Annual Report and Accounts 2014</b> | means NCC Group's Annual Report and Accounts 2014 containing NCC Group's audited consolidated financial statement in respect of the financial year ended 31 May 2014, together with the audit report in respect of that period and a discussion of NCC Group's financial performance;                    |
| <b>NCC Group Board</b>                             | means the board of directors of NCC Group;   |
| <b>NCC Group Directors</b>                         | means the directors of NCC Group at the date of this document;   |
| <b>NCC Group's Interim Results 2015</b>            | means NCC Group's interim results for the six months ended 30 November 2014;   |
| <b>NCC Group Senior Managers</b>                   | means the persons set out in section 3 of Part VI of this document;  |

|  |   |
|--|---|
| <b>NCC Group Share Schemes</b>           | means the LTIP, DB Plan, Sharesave Plan, EMI, CSOP, ISO Plan and ESPP;  |
| <b>NCC Group Shareholders</b>            | means holders of NCC Group Shares;  |
| <b>NCC Group Shares</b>                  | means ordinary shares of 1 pence each in the capital of NCC Group (including, if the context requires, the New NCC Group Shares);   |
| <b>net cash</b>                          | net cash excludes finance leases and includes short-term bank loans;  |
| <b>New NCC Group Shares</b>              | means NCC Group Shares proposed to be issued fully paid to Accumuli Shareholders pursuant to the Acquisition;   |
| <b>Nomination Committee</b>              | means the nomination committee of NCC Group Board;  |
| <b>Official List</b>                     | means the official list of the UK Listing Authority;  |
| <b>Open Registry Group of Companies</b>  | means Open Registry S.A., Clearinghouse for Intellectual Property S.A., Nexperteam CVBA and Sensirius CVBA;   |
| <b>Overseas Shareholders</b>             | means Accumuli Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;  |
| <b>Panel</b>                             | means the United Kingdom Panel on Takeovers and Mergers;  |
| <b>Peel Hunt</b>                         | means Peel Hunt LLP, in its capacity as sponsor, joint financial adviser and broker to NCC Group;   |
| <b>Prospectus Rules</b>                  | means the Prospectus Rules brought into effect on 1 July 2005 pursuant to Commission Regulation (EC) No. 809/2004 as amended;   |
| <b>Registrar of Companies</b>            | means the Registrar of Companies in England and Wales;  |
| <b>Regulatory Information Service</b>    | means a service approved by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange website;   |
| <b>Remuneration Committee</b>            | means the remuneration committee of the NCC Group Board;  |
| <b>Restricted Jurisdiction</b>           | means any jurisdiction where the relevant action would constitute a violation of the relevant laws and/or regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which NCC Group or Accumuli regards as unduly onerous or would result in significant risk or civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available in that jurisdiction (in accordance with Rule 23.2 of the City Code); |
| <b>Rickitt Mitchell</b>                  | means Rickitt Mitchell & Partners Limited, in its capacity as joint financial adviser to NCC Group;   |
| <b>Royal Bank of Scotland</b>            | means Royal Bank of Scotland plc;   |
| <b>Royal Bank of Scotland Facilities</b> | means the facilities provided Royal Bank to Scotland to the Group, further details of which are set out in section 6.1 of Part VII;   |
| <b>Scheme</b>                            | means the proposed scheme of arrangement under Part 26 of the Companies Act between Accumuli and Scheme Shareholders to implement the Acquisition, with or subject to any modification,   |

|  |   |
|--|---|
|  | addition or condition approved or proposed by the Court and/or agreed to by Accumuli and NCC Group;   |
| <b>Scheme Court Hearing</b>                  | means the hearing by the Court of the claim form to sanction the Scheme;  |
| <b>Scheme Court Order</b>                    | means the order of the Court sanctioning the Scheme under section 899 of the Companies Act;   |
| <b>Scheme Document</b>                       | means the document to be despatched to Scheme Shareholders including the particulars required by section 897 of the Companies Act;  |
| <b>Scheme Record Time</b>                    | 6.00 p.m. on the day immediately preceding the Scheme Court Hearing;  |
| <b>Scheme Shareholders</b>                   | means registered holders of Scheme Shares;  |
| <b>Scheme Shares</b>                         | means the Accumuli Shares: <ul style="list-style-type: none"> <li>(i) in issue at 6.00 p.m. on 2 April 2015;</li> <li>(ii) (if any) issued after 6.00 p.m. on 2 April 2015 and before the Voting Record Time; and</li> <li>(iii) (if any) issued at or after the Voting Record Time and at or before the Scheme Record Time, either on terms that the original or any subsequent holders of such shares shall be bound by the Scheme, or in respect of which the original or any subsequent holders of such shares are, or shall have agreed in writing to be, bound by the Scheme,</li> </ul> in each case, excluding any Excluded Shares; |
| <b>Sharesave Plan</b>                        | means the sharesave plan adopted by NCC Group further details of which are set out in section 12 of Part VI;  |
| <b>SEC</b>                                   | means the US Securities and Exchange Commission;  |
| <b>Special Resolution</b>                    | means the special resolution to be proposed at the General Meeting in connection with, inter alia, the approval of the Scheme;  |
| <b>subsidiary and subsidiary undertaking</b> | have the meanings given to them in the Companies Act;   |
| <b>Third Party</b>                           | means any central bank, government, government department or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body or authority, court, stock exchange, trade agency, professional association, institution, employee representative body or any other body or person whatsoever in any jurisdiction;   |
| <b>Treasury Shares</b>                       | means ordinary shares of 1 pence each in the capital of NCC Group held in treasury;   |
| <b>UK or United Kingdom</b>                  | means the United Kingdom of Great Britain and Northern Ireland;   |
| <b>UK Corporate Governance Code</b>          | means the UK Corporate Governance Code on the Principles of Good Governance and Code of Best Practice published in September 2012 by the Financial Reporting Council in the UK;   |

|  |   |
|--|---|
| <b>UK Listing Authority</b>                            | means the United Kingdom Financial Conduct Authority in its capacity as the competent authority for listing under Part VI of the FSMA;  |
| <b>uncertificated or in uncertificated form</b>        | means registered 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>underlying profit before tax</b>                    | means profit before tax, amortisation and non-recurring costs;  |
| <b>US or United States or United States of America</b> | means the United States of America, its territories and possessions, any state of the United States of America, any other areas subject to jurisdiction and the District of Columbia; |
| <b>US Exchange Act</b>                                 | means the United States Securities Exchange Act of 1934, as amended;  |
| <b>US Securities Act</b>                               | means the United States Securities Act of 1933, as amended; and   |
| <b>Voting Record Time</b>                              | means 6.00 p.m. on 21 April 2015 or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two days immediately before the date fixed for the adjourned meeting.           |

All references to legislation in this document are to the legislation of England and Wales unless the contrary is indicated. Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

References to “£”, “Pound sterling”, “p” and “pence” are to the lawful currency of the United Kingdom.