

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 financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser who is authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

If you sell or transfer or have sold or transferred all of your Ordinary Shares, please forward this document, with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the bank, stockbroker or other agent through or to whom the sale or transfer was effected for onward transmission to the purchaser or transferee for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred only part of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.

The London Stock Exchange has not itself examined or approved the contents of this document.

KBC Peel Hunt Ltd, which is authorised and regulated by the Financial Services Authority, is acting for GB Group plc and for no one else in connection with the Proposals and will not be responsible to anyone other than GB Group plc for providing the protections afforded to customers of KBC Peel Hunt Ltd or for affording advice in relation to the Proposals, the contents of this document or any transaction, arrangement or other matter referred to in this document.

GB GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 02415211)

Proposed Move to AIM

Appointment of new Non-Executive Director

Proposed amendments to existing Share Option Schemes

Notice of General Meeting of the Company

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of GB Group plc, which is set out in Part I of this document. The letter contains a recommendation to vote in favour of the resolutions to be proposed at the General Meeting referred to below.

A notice convening a General Meeting of the Company to be held at 11.30 a.m. (or as soon thereafter as the preceding annual general meeting of the Company has been concluded) on 29 July 2010 at GB House, Kingsfield Court, Chester Business Park, Chester CH4 9GB is set out at the end of this document. A Form of Proxy for use at the General Meeting is also enclosed with this document. Whether or not you intend to attend the General Meeting in person, please complete, sign and return the accompanying Form of Proxy in accordance with the instructions printed on it as soon as possible by post or (during normal business hours only) by hand but, in any event, so as to be received by the Company's Registrar no later than 11.30 a.m. on 27 July 2010, being 48 hours before the time appointed for the holding of the meeting. Forms of Proxy received after this time will be invalid. Members wishing to appoint a proxy electronically will require their Voting ID, Task ID and Shareholder Reference Number which is shown in the Form of Proxy. Please ensure you complete your online proxy form by no later than 11.30 a.m. on 27 July 2010. If you hold your Ordinary Shares in uncertificated form (i.e. in CREST) you may appoint a proxy by completing and transmitting a CREST Proxy Instruction, in accordance with the procedures set out in the CREST Manual, so that it is received by the Registrar (under CREST participant ID RA19) by no later than 11.30 a.m. on 27 July 2010. The time of receipt will be taken to be the time from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

No person has been authorised to give any information or make any representations other than those contained in the document and, if given or made, such information or representations must not be relied on as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

DIRECTORS, COMPANY SECRETARY AND ADVISERS

Directors	John Leigh Walker-Haworth (<i>Non-Executive Chairman</i>) Richard Anthony Law (<i>Chief Executive</i>) David John Wilson (<i>Finance Director</i>) Alexander William Green (<i>Non-Executive Director</i>) Richard Martin Linford (<i>Non-Executive Director</i>)
Company Secretary	John Constantin
Registered Office	GB House Kingsfield Court Chester Business Park Chester Cheshire CH4 9GB
Sponsor, Nominated Adviser and Stockbroker	KBC Peel Hunt Ltd 111 Old Broad Street London EC2N 1PH
Solicitors	Hammonds LLP Trinity Court 16 John Dalton Street Manchester M60 8HS
Reporting Accountants	Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
Registrar	Equiniti Aspect House Spencer Road Lancing West Sussex BN99 6DA

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2010

Latest time and date for receipt of Forms of Proxy for the General Meeting to approve the Move to AIM, and amendments to existing Share Option Schemes	11.30 a.m. on 27 July
General Meeting	Immediately following AGM at 11.30 a.m. on 29 July
Expected last day of dealing in Ordinary Shares on the Official List	26 August
Expected date of Admission to AIM and cancellation of listing on the Official List	8.00 a.m. on 27 August
Expiry of period to transfer out of ISA held shares	25 September

Notes:

If any of the above times and/or dates change, the revised times and/or dates will be notified to Shareholders by announcement through a Regulatory Information Service of the London Stock Exchange.

References to times in this document are to London Time.

PART I

LETTER FROM THE CHAIRMAN OF GB GROUP PLC

GB GROUP PLC

(Registered in England and Wales with registered number 02415211)

Directors

John Leigh Walker-Haworth *(Non-Executive Chairman)*
Richard Anthony Law *(Chief Executive)*
David John Wilson *(Finance Director)*
Alexander William Green *(Non-Executive Director)*
Richard Martin Linford *(Non-Executive Director)*

Registered Office

GB House
Kingsfield Court
Chester Business Park
Chester
Cheshire CH4 9GB

5 July 2010

To Shareholders and, for information only, holders of options under the Share Option Schemes

Dear Shareholder

PROPOSED MOVE TO AIM

APPOINTMENT OF NEW NON-EXECUTIVE DIRECTOR

PROPOSED AMENDMENTS TO EXISTING SHARE OPTION SCHEMES AND NOTICE OF GENERAL MEETING OF THE COMPANY

1. Introduction

Today the Company announced its intention to transfer the admission of its Ordinary Shares to AIM from the Official List and trading on the London Stock Exchange's main market for listed securities, the appointment of David Rasche as a Non-Executive Director to the Board with effect from 1 September 2010 and its intention to make certain changes to the Company's employee incentivisation arrangements.

The transfer to AIM and cancellation of admission to the Official List and to trading on the London Stock Exchange's main market for listed securities and the proposed changes to the Company's employee incentivisation arrangements require the prior approval of Shareholders. Your approval of these proposals is being sought at a General Meeting of the Company to be held at 11.30 a.m. (or as soon thereafter as the preceding AGM has been concluded) on 29 July 2010 at GB House, Kingsfield Court, Chester Business Park, Chester CH4 9GB. A notice of the General Meeting is set out at the end of this document. A summary of the action you should take is set out in Section 9 of Part I this letter and on the Form of Proxy that accompanies this document.

The purpose of this document is to explain the background to and reasons for the Proposals and why the Board believes them to be in the best interests of GB Group and its shareholders and to recommend that you vote in favour of the Resolutions at the General Meeting.

You will find definitions for capitalised terms used in this letter and the rest of this document in Part IV of this document.

Shareholders should read the whole of this document and not just rely on the summarised information set out in this letter.

2. Background to and reasons for the Proposals

Under the leadership of Richard Law, who became Chief Executive in 2002, GB has evolved from an offline customer data and marketing services organisation to a leading online provider of identity management software and services with particular strengths in electronic identity verification, customer data capture and tracing. These developments have significantly increased the scale, and performance of the Group resulting in a profitable business which is cash positive and pays dividends.

During this period, and in particular over the last 3 years, the management team has been strengthened with the recruitment of managing directors for both of its operating business units and of a new finance director.

Building upon these foundations and capitalising on its proven capabilities in these developing markets, the Board has been focusing on the next stage of its development which is to accelerate revenue growth both organically and potentially through the acquisition of further complementary businesses in order to drive profit growth.

The Directors believe that it is important that senior management and employees be rewarded in accordance with the performance of the Company and encouraged to identify their interests with those of the Company's shareholders. The Board has been looking at the Company's employee incentivisation arrangements to improve their fit with the Company's current position and strategy. The Board is seeking to balance the need to provide meaningful and well aligned incentives to key employees with the need to limit shareholder dilution. It is, therefore, proposed that the steps be taken in respect of the Company's employee incentivisation arrangements as set out in paragraph 5 below. The Board has consulted with the Company's largest shareholders in respect of these proposals.

At the same time, as part of its growth strategy, the Company has appointed David Rasche as a Non-Executive Director to the Board with effect from 1 September 2010. As further described below, David is Chairman of SSP, a company he founded and developed both organically and through acquisition, and which is now one of the largest specialist insurance software houses in the world.

The Board believes that the Proposals, as detailed below, are important to the successful implementation of this strategy.

3. Background to and reasons for the move to AIM

The Board appreciates that AIM has the benefit of lower transactional costs, similar ongoing costs and simpler administration and regulatory requirements more appropriate to a company of GB's size and which will make the implementation of GB's plans for the next stage of growth easier.

In particular, the Board believes that a move to AIM will offer much greater flexibility to supplement organic growth with complementary acquisitions since corporate transactions can be executed more quickly and cost effectively compared to the main market. The Board believes this is likely to be a significant benefit to GB going forward.

The Board, however, envisages no significant alteration in the standards of reporting and governance which the Group has always achieved. Thus, the Board sees the Company as being attractive to specialist institutional investors while the AIM tax regime, referred to in more detail below, will also make the Company potentially attractive to the AIM specific funds as well as to the retail investor.

AIM was launched in June 1995 as the London Stock Exchange's market specifically designed for smaller companies, with a more flexible regulatory regime. More than 3,100 companies have been admitted to AIM and over £67 billion has been raised in new and secondary fundraisings making AIM an internationally recognised market.

Following Admission, the Company will be subject to the regulatory and disciplinary controls of the AIM Rules. Details of the main obligations of a company whose shares are traded on AIM are set out at Section 6 of this Part I below.

4. Appointment of David Rasche

As part of the strategy described above, the Company is pleased to announce that David Rasche has been appointed to the Board as a Non-Executive Director to be effective from 1 September 2010. David brings a wealth of experience to GB through his involvement in senior positions in the technology sector. The Board feels that David's experience and knowledge has a strong overlap with the Group's strategy. David was the founder of Software Solutions Partners (SSP) in 2001 and built the company up through strong organic growth and a series of corporate acquisitions and buyouts. SSP was admitted to AIM in October 2006 with a market capitalisation of £68 million and in September 2008 was the subject of a management buy-out valuing the company at £198 million.

David is the Chairman of SSP which has offices in the UK, Australia, South Africa and India as well as sales offices in Europe and the USA. With a current turnover in excess of £75 million, SSP is one of the largest specialist insurance software houses in the world.

David has been in the IT industry for 37 years, with the last 27 years leading software businesses in the areas of local government, manufacturing and retail finance before founding SSP.

He was awarded Yorkshire Business Leader of the Year in late 2008 and Quoted Company Chairman of the Year in early 2009. He has an economics degree from Nottingham University and a diploma in Company Direction.

5. Share option arrangements

The Board's proposal in respect of the Company's employee incentivisation arrangements, as recommended by the Remuneration Committee, comprises the following key elements:

1. The amendment of the current Share Option Schemes so that the aggregate dilution limit applicable to options granted under the Company's schemes during a ten year rolling period is increased from 10 per cent. to 15 per cent. of the issued ordinary share capital of the Company.
2. The amendment of the Executive Share Option Scheme to create a new Section D Scheme that will have the same terms as the Section C Scheme except that instead of the total shareholder return performance condition that applies to awards under the Section C Scheme, awards under the Section D Scheme will be subject to a performance condition requiring a compound annual normalised EPS growth rate of 20 per cent..
3. The grant of options now to the four senior executives under the Section D Scheme over 1.50 million Ordinary Shares in aggregate representing 1.75 per cent. of the issued share capital of the Company.
4. An amendment to the calculation of dilution limits under the Share Option Schemes to allow the awards outlined above and further ordinary course awards in the medium term.

The Board believes that these steps provide the right current option holding structure and framework and are in line with market practice amongst companies of a similar profile to the Company. The earnings per share performance condition is set at a challenging level and will provide a direct link between the financial performance of the Company and the achievement of awards under the Section D Scheme. The Remuneration Committee will have the authority to amend the level of EPS performance criteria for new awards as the Company develops.

In the course of reviewing the incentive arrangements, the Board has become aware that due to a misinterpretation of the rules of the Share Option Schemes, it has in the past granted more options than it would otherwise have intended. In calculating the position under the applicable dilution limits, options granted within the past ten years and already exercised had been disregarded. There are currently options representing 9.56 per cent. (of options that are capable of vesting this figure is reduced to 9.0 per cent.) of the current issued share capital outstanding split between the Executive Share Option Scheme and the Sharesave Scheme. In addition options over a further 6.98 per cent. of the current issued share capital have been both granted and already exercised within the past ten years. This reflects the history of the Company and in particular the rise in the share price by 2006 from depressed levels in 2002/3. It was in 2005/6 that a large number of the 2002/2003 awards were exercised.

Whilst the Board could satisfy outstanding options through the purchase of existing shares using an employee benefit trust, it is the desire and intention of the Board primarily to continue to use new shares to satisfy the exercise of option awards. In order that the awards outlined above can be implemented, a further amendment to the Share Options Schemes is requested to carve out from dilution calculations options which were granted within the past ten years but which were exercised before September 2006. This carves out from the dilution calculation options over 4.2 million shares, constituting 4.88 per cent. of the issued share capital. This is proposed to provide headroom for the current and future awards whilst maintaining an appropriate ongoing dilution limit (15 per cent.) for the future.

Against the proposed new dilution limit of 15 per cent., the carve out of options exercised prior to September 2006 and the proposed award of options over 1.50 million shares, as described above, the Company would have options issued and outstanding that can vest of 10.75 per cent. and 2.1 per cent.

options exercised since September 2006, leaving a further 2.15 per cent. for the future incentivisation of new and existing employees.

Further background to the proposals are set out in Part II of this document.

6. Obligations of an AIM company

The obligations of a company whose shares are traded on AIM are similar to those of companies whose shares are listed on the Official List, with certain exceptions, including those referred to below.

1. Under the Listing Rules, a company is required to appoint a 'sponsor' for the purposes of certain corporate transactions, such as when undertaking a large transaction or capital raising. The responsibilities of the sponsor include providing assurance to the FSA when required that the responsibilities of the listed company have been met. Corporate transactions on the Official List often require approval of shareholders and the engagement of a sponsor to oversee the process and liaise with the UK Listing Authority. In particular, on a proposed acquisition, where the size of the target represents 25 per cent. or greater of the listed company on certain class tests (such as comparative turnover, gross assets or consideration for the acquisition to market capitalisation of the listed company) a circular to shareholders is required explaining the transaction and seeking the consent of shareholders. For the Company this may mean that a relatively small transaction may result in significant additional complexity and large transaction costs to meet the requirements of the Listing Rules and, therefore, prove prohibitive.

Under the AIM Rules, a 'nominated adviser' is required to be engaged by the Company at all times and has ongoing responsibilities to both the Company and the London Stock Exchange. On Admission to AIM, the Company intends to appoint KBC Peel Hunt as the Company's nominated adviser.

Under the AIM Rules, prior shareholder approval is required only for transactions with a much larger size threshold, being (1) reverse takeovers (being an acquisition or acquisitions in a twelve month period which either (a) exceed 100 per cent. on various size tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company; or (b) result in a fundamental change in the Company's business, board or voting control) and (2) disposals that result in a fundamental change of business (being disposals that exceed 75 per cent. of various size tests, such as the ratio of the transaction consideration to the market capitalisation of the AIM company). Under the Listing Rules, a broader range of transactions require prior shareholder approval.

2. There is no requirement under the AIM Rules for a prospectus or an admission document to be published for further issues of securities to investors, except when seeking admission for a new class of securities or as otherwise required by law.
3. Certain securities laws will no longer apply to the Company following Admission, for example, the Disclosure and Transparency Rules and the Prospectus Rules. This is because AIM is not regulated market for the purposes of the European Union's directives relating to its securities.
4. Although the Combined Code does not apply directly to companies whose shares are traded on AIM, the Company intends to continue to comply with the Combined Code as it does today, but will review this from time to time having regard to the size, nature and resources of the Group.
5. The ABI Guidelines, which regulate issues such as executive compensation and share-based remuneration, corporate governance, share capital management and the issue and allotment of shares on a pre-emptive or non pre-emptive basis, do not apply to companies whose shares are traded on AIM.

Liquidity on AIM is currently provided by market makers who are member firms of the London Stock Exchange and are obliged to quote a share price for each company for which they make a market between 8.00 a.m. and 4.30 p.m. on business days. The Directors believe that AIM has demonstrated that it can provide a liquid trading platform for shares.

It is emphasised that the Move to AIM will have no impact on the assets and liabilities of the Group and it will continue to have the same business and operations following Admission. Furthermore, save for the appointment of David Rasche, details of which are described below, there will be no changes to the Board or management of the Company following Admission.

Companies whose shares trade on AIM are deemed to be unlisted for the purposes of certain areas of UK taxation. Following the Move to AIM, individuals who hold Ordinary Shares may, after two years, therefore be eligible for certain inheritance tax benefits. Shareholders and prospective investors should consult their own professional advisers on whether an investment in an AIM security is suitable for them, or whether the tax benefit referred to above may be available to them. In particular, they should note that it is not possible to hold shares traded on AIM in ISAs. The Directors understand that, following Admission, Shareholders will, under current HMRC guidance, have 30 days to decide whether to transfer their shareholding in the Company into their own name or to sell the holding and retain the proceeds within the relevant ISA.

The comments on the tax implications described in this document are based on the Directors' current understanding of tax law and practice, are not tailored to any individual circumstances and are primarily directed at individuals who are UK resident and domiciled. Tax rules can change and the precise tax implications for you will depend on your particular circumstances. If you are in any doubt as to your tax position, you should consult your own independent professional adviser.

Conditional on Resolution 1 being approved at the General Meeting, the Company will apply to cancel the listing of the Ordinary Shares on the Official List and to trading on the London Stock Exchange's main market for listed securities and will apply to the London Stock Exchange for admission of the Ordinary Shares to AIM. It is anticipated that the listing of the Ordinary Shares on the Official List will be cancelled at 8.00 a.m. on 27 August 2010, being not less than 20 Business Days from the passing of the AIM Resolution. Admission is expected to take place and dealings are expected to commence on AIM at 8.00 a.m. on 27 August 2010.

Because the Company is currently on the Official List, the AIM Rules do not require a full admission document to be published by the Company in connection with the Admission. However, the Company has today published an announcement which complies with the requirements of Schedule One and the supplement to Schedule One to the AIM Rules for Companies comprising information required to be disclosed by companies moving from the Official List to AIM. This announcement can be found at www.gb.co.uk.

Following the Delisting and the Admission, Ordinary Shares that are held in uncertificated form will continue to be held and dealt through CREST. Share certificates representing those Ordinary Shares held in certificated form will continue to be valid and no new share certificates will be issued.

7. General Meeting

A notice is set out at the end of this document convening a General Meeting of the Company to be held at 11.30 a.m. (or as soon thereafter as the proceeding AGM has been concluded) on 29 July 2010 at GB House, Kingsfield Court, Chester Business Park, Chester CH4 9GB at which the Resolutions will be proposed. Resolution 1 will be proposed as a special resolution and resolutions 2 and 3 will be proposed as ordinary resolutions.

Resolution 1 – Approval of the Move to AIM

The first resolution seeks the authority for the Company to carry out the Delisting and subsequent Admission. The passing of the AIM Resolution requires a majority of 75 per cent. of the votes cast at the General Meeting in respect of the AIM Resolution to be in favour of the resolution.

Resolution 2 – Amendment of dilution limits applicable to Share Option Schemes

The second resolution seeks the authority for the Company to amend the current Share Option Schemes so that the schemes are subject to an aggregate dilution limit of 15 per cent. of the issued ordinary share capital of the Company and that options exercised prior to September 2006 are excluded from the calculation for the purposes of the dilution limits.

Resolution 3 – Amendment of Executive Share Option Scheme to create new Section D Scheme with EPS performance target

The third resolution seeks the authority for the Company to amend the Executive Share Option Scheme to create a new Section D Scheme with a performance condition based on EPS growth.

8. Further information

Your attention is drawn to the further information set out in Parts II and III of this document. You should read the whole of this document.

9. Action to be taken

You will find enclosed a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it as soon as possible and in any case so as to be received by the Company's Registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6ZX no later than 11.30 a.m. on 27 July 2010.

You may, if you wish, register the appointment of a proxy electronically by logging on to www.sharevote.co.uk. To use this service you will need your voting ID, Task ID and Shareholder Reference Number which are printed on your Form of Proxy. Full details of the procedure are given on the website. Your vote must be received before 11.30 a.m. on 27 July 2010.

If you hold shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Equiniti (CREST Participant ID RA19) so that it is received by no later than 11.30 a.m. on 27 July 2010.

The return of the Form of Proxy or transmission of a CREST Proxy Instruction will not prevent you from attending the meeting and voting a person if you wish.

If Shareholders are in any doubt as to how to complete the Form of Proxy (or CREST Proxy Instruction), please contact Equiniti on 0871 384 2367 within the UK (calls cost 8p per minute from a BT landline, other telephony provider costs may vary) or +44 121 415 7047 from overseas. Calls to the helpline from outside the UK will be charged at applicable international rates. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Equiniti will not be able to provide advice on the merits of the Disposals or the Move to AIM, or give any financial advice. For financial advice, you will need to contact your own independent professional adviser.

10. Recommendation

The Board is of the opinion that the Proposals are in the best interests of the Company and Shareholders as a whole.

The Board recommends Shareholders to vote in favour of the Resolutions as they intend to do in respect of their own shareholdings which amount to in aggregate 2,745,252 Ordinary Shares (representing approximately 3.21 per cent of the existing issued share capital of the Company as at 2 July 2010). Richard Law shall not vote in respect of Resolutions 2 and 3 due to his personal interest in such matters.

Yours faithfully,

John Walker-Haworth
Non-Executive Chairman

5 July 2010

PART II

FURTHER INFORMATION ON AMENDMENT OF SHARE OPTION SCHEMES

1. **Executive Share Option Scheme**

The Company has operated the Executive Share Option Scheme since 1993 under which executive directors, managers and staff of the Company are granted options over Ordinary Shares at the prevailing market price at the date of grant.

Under the Executive Share Option Scheme, options are granted to executive directors and employees at the discretion of the Remuneration Committee and on the basis of performance. Options are granted at the full market value of the shares at the time of grant and are exercisable between three and ten years from the date of grant. The options vest when the Company's earnings per share growth is greater than the growth of the Retail Price Index (RPI) over a three year period to the date of exercise. The number of new Ordinary Shares over which options may be granted over a ten year period pursuant to the Executive Share Option Scheme (ignoring the Section C Scheme) and other executive schemes may not exceed 5 per cent. of the issued ordinary share capital of the Company (ignoring options which have lapsed or been cancelled). The number of new Ordinary Shares over which options may be granted over a ten year period pursuant to the Executive Share Option Scheme (including the Section C Scheme) and all other employee share schemes may not exceed 10 per cent. of the issued ordinary share capital of the Company (ignoring options which have been cancelled or lapsed).

In 2003 shareholder approval was given to create the Section C Scheme under which senior executives of the Company could be granted options over Ordinary Shares at the discretion of the Remuneration Committee and on the basis of performance. Options are again granted at the full market value of the shares at the time of grant and are exercisable between three and ten years from the date of grant. These Section C Scheme options, however, only become exercisable to the extent that they have vested at the date of exercise based on more stringent performance criteria. A minimum of 50 per cent. of the options will vest if the total shareholder return (TSR) performance of the Company, as compared to the TSR of the FTSE Computer and CPU Services Sub-Sector over a three-year period, matches or exceeds the median company of the FTSE Computer and CPU Services Sub-Sector. The percentage of shares subject to an option in respect of which that option vests will then increase on a sliding scale so that the option will become exercisable in full if top quartile performance is achieved.

Since the performance conditions attaching to options granted pursuant to the Section C Scheme are more stretching than those otherwise granted pursuant to the Executive Share Option Scheme, shareholder approval was given to grant options over new Ordinary Shares under the Section C Scheme over up to an additional 5 per cent. of the issued share capital of the Company (i.e. this is in addition to the 5 per cent. limit referred to above that applies to the Executive Share Option Scheme excluding the Section C Scheme). There is therefore an aggregate dilution limit of 10 per cent. of the issued ordinary share capital of the Company that applies to the Executive Share Option Scheme (including the Section C Scheme), and any other employee share scheme of the Company, as a whole over a ten year period.

2. **Sharesave Scheme**

The Company also operates the Sharesave Scheme, which is open to all employees. Under such scheme the employees save on a monthly basis, over a three or five year period, towards the purchase of Ordinary Shares pursuant to an option at a fixed price which is determined when the option is granted. The price is usually set at a discount of 20 per cent. to the market price at the time of grant. The option must be exercised within six months of the maturity of the savings contract otherwise it lapses. The number of new Ordinary Shares over which options may be granted over a ten year period pursuant to the Sharesave Scheme and all other employee share schemes may not exceed 10 per cent. of the issued ordinary share capital of the Company (ignoring options which have been cancelled or lapsed).

3. **Amendment of dilution limits**

Shareholder approval is sought to make appropriate amendments to the rules of the Share Option Schemes so that the dilution limits currently applicable to the schemes (other than the 5 per cent. dilution limit applicable to Sections A and B of the Executive Share Option Scheme) are replaced by an aggregate dilution limit of 15 per cent. of the issued ordinary share capital of the Company over a rolling ten year period. Shareholder approval is also sought to carve out from the computation of dilution limits options which were granted within the past ten years but which were exercised before September 2006. This is proposed to provide headroom for the current and future awards whilst maintaining an appropriate dilution limit (15 per cent.) for the future.

The current dilution limits applicable to the Share Option Schemes do not specifically allow for subsisting options to be ignored to the extent that they cannot possibly vest (i.e. because the performance target applicable to them has not been satisfied or fully satisfied). To clarify the position, it is proposed that the Share Option Schemes be amended to make it clear that any such options will be ignored for the purpose of the dilution limits to the extent that they are incapable of exercise due to the failure to satisfy the relevant performance target.

4. **Amendment of Executive Share Option Scheme to create new Section D Scheme with EPS performance target**

The Remuneration Committee believes that TSR criteria, as applicable to the Section C Scheme, are more commonly applied to companies which are substantially larger than the Company and sees difficulties in constructing a fair and appropriate comparator group for the next phase of the Company's development. The Remuneration Committee believes that an EPS based performance criteria would better align the achievement of awards with the financial performance of the Company and the performance of its executives as well as better reflecting the profile of the Company.

It is therefore proposed that the Executive Share Option Scheme be amended to create a new Section D Scheme. The vesting of awards under the Section D Scheme will be subject to the achievement of normalised EPS growth at an annual compound rate of 20 per cent. over the performance period. The base year for the purposes of the EPS target will be the financial year of the Company ended immediately prior to the grant of the award. The performance period will be the three financial years following the base year. Section D Scheme options will only become exercisable to the extent they have vested in accordance with the EPS target.

The Remuneration Committee believes that this condition represents challenging and stretching performance and appropriately reflects the profile of the Company.

A normalised EPS figure will be used under the Section D Scheme which reflects the underlying business performance. For example, it will exclude exceptional gains and costs, the accounting costs of share based payments and the impairment of acquired intangible assets.

The Remuneration Committee will have the authority to amend the level of the EPS performance criteria for new awards as the Company develops.

The terms of existing options previously granted under the Section C Scheme will not be affected and will continue to be subject to the TSR criteria that apply to the Section C Scheme. The Remuneration Committee does not propose to grant any further options under the Section C Scheme.

PART III
ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear on page 2 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the 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. Consents

KBC Peel Hunt Ltd has given and has not withdrawn its written consent to the inclusion herein of the references to its name in the form and context in which it is included.

3. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Company's registered office, GB House, Kingsfield Court, Chester Business Park, Chester, Cheshire CH4 9GB and at the offices of Hammonds LLP, 7 Devonshire Square, London EC2M 4YH, from the date of this document up to and including the date of the General Meeting:

- (a) the written consent referred to in paragraph 2 of this Part III;
- (b) proposed amendments to the rules of the Share Option Schemes;
- (c) this document and the Form of Proxy.

5 July 2010

PART IV

DEFINITIONS

The following terms have the following meanings throughout this document unless the context otherwise requires:

“ABI Guidelines”	the guidelines published by the Association of British Insurers and other members of the Institutional Shareholders Committee;
“Act”	the applicable provisions of the Companies Act 1985 and the Companies Act 2006 from time to time in force and as they are supplemented and amended;
“Admission”	admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules;
“adopted IFRS”	International Financial Reporting Standards as adopted by the European Union;
“AGM”	the annual general meeting of the Company to be held at 11.00 a.m. on 29 July 2010 at GB House, Kingsfield Court, Chester Business Park, Chester CH4 9GB or any reconvened meeting following any adjournment thereof;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Resolution”	the special resolution numbered 1 to be proposed at the General Meeting to approve the Move to AIM, as set out in the Notice of General Meeting;
“AIM Rules”	the AIM rules issued by the London Stock Exchange in relation to AIM traded securities;
“Articles”	the Company’s articles of association;
“Board” or “Directors”	the board of directors of the Company;
“Business Day”	any day (other than a Saturday, Sunday or a bank or public holiday) during which clearing banks are open for business in the City of London;
“certificated” or “certificated form”	not in uncertificated form (that is not in CREST);
“Circular”	this document;
“Combined Code”	the UK Corporate Governance Code issued by the Financial Reporting Council dated June 2010;
“Company” or “GB Group”	GB Group plc, a company registered in England and Wales under number 02415211;
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which Euroclear is the operator (as defined in the CREST Regulations);
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof;

“CREST Proxy Instruction”	a properly authenticated CREST message appointing and instructing a proxy to attend and vote in the place of the Shareholder at the General Meeting and containing the information required to be contained therein by the CREST Manual;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended;
“Delisting”	the cancellation of the listing of the Ordinary Shares on the Official List and from trading on the London Stock Exchange’s main market for listed securities;
“Disclosure Rules”	the disclosure and transparency rules of the FSA made under Part VI of FSMA;
“EPS”	earnings per share calculated as basic earnings per share from continuing operations;
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST;
“European Union”	the confederation of European nations created by the Treaty for European Union;
“Executive Share Option Scheme”	the Company’s Executive Share Option Scheme;
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting;
“FSA”	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List;
“FSMA”	the Financial Services and Markets Act 2000, as amended;
“General Meeting”	the General Meeting of the Company convened by the Notice of General Meeting to be held at 11.30 a.m. (or as soon thereafter as the proceeding AGM has been concluded) on 29 July 2010 at GB House, Kingsfield Court, Chester Business Park, Chester CH4 9GB or any reconvened meeting following any adjournment thereof;
“Group”	GB Group and its subsidiaries and subsidiary undertakings;
“GB Group” or “Company”	GB Group plc whose registered office is at GB House, Kingsfield Court, Chester Business Park, Chester, Cheshire CH4 9GB;
“IFRS”	International Financial Reporting Standards;
“Independent Directors”	John Walker-Haworth, Alexander Green and Richard Linford
“ISA”	Individual Savings Account
“KBC Peel Hunt”	KBC Peel Hunt Ltd, of 111 Old Broad Street, London EC2N 1PH;
“Listing Rules”	the rules and regulations made by the FSA under Part VI of FSMA (as amended from time to time);
“London Stock Exchange”	London Stock Exchange plc;
“Move to AIM”	the Delisting and subsequent Admission;
“Non-Executive Directors”	the non-executive directors of the Company;

“Notice of General Meeting”	the notice of the General Meeting set out at the end of this document;
“Official List”	the Official List of the FSA;
“Ordinary Share Register”	the register of members of the Company;
“Ordinary Shares”	ordinary shares of 2.5 pence each in the capital of the Company;
“Proposals”	the Move to AIM, the appointment of David Rasche as a Non-Executive Director, and the amendments to the Share Option Schemes;
“Prospectus Rules”	the prospectus rules made by the FSA from time to time;
“Registrar”	Equiniti, a trading name of Equiniti Limited;
“Resolutions”	the special resolution numbered 1 to be proposed at the General Meeting to approve the Move to AIM and the ordinary resolutions numbered 2 and 3 to be proposed at the General Meeting to approve the amendments to the Share Option Schemes, as set out in the Notice of General Meeting;
“Remuneration Committee”	the remuneration committee of the Board;
“Section C Scheme”	Section C of the Executive Share Option Scheme;
“Section D Scheme”	the proposed new Section D of the Executive Share Option Scheme;
“Share Option Schemes”	the existing share option schemes of the Company as at the date of this document being the Executive Share Option Scheme, and the Sharesave Scheme;
“Shareholders”	holders of Ordinary Shares;
“Sharesave Scheme”	the Company’s Savings Related Share Option Scheme;
“Statutes”	the Act and every other statute (including subordinate legislation made under them) for the time being in force concerning companies and affecting the Company;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated” or “in uncertificated form”	a share the title of which is recorded in the relevant register of the share concerned 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.

GB GROUP PLC

(Registered in England and Wales with registered number 02415211)

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of GB Group plc (the “**Company**”) will be held at 11.30 a.m. (or as soon thereafter as the proceeding annual general meeting of the Company has been concluded) on 29 July 2010 at GB House, Kingsfield Court, Chester Business Park, Chester CH4 9GB for the purpose of considering and, if thought fit, passing the following resolutions, of which resolution 1 will be proposed as a special resolution and resolutions 2 and 3 will be proposed as ordinary resolutions:

1. THAT the listing of the ordinary shares of 2.5 pence each in the capital of the Company on the Official List and admission to trading on the London Stock Exchange’s market for listed securities be cancelled and application be made for admission of the said ordinary shares to trading on AIM.
2. THAT the current dilution limits applicable to the GB Group plc Executive Share Option Scheme 2002 (the “Executive Share Option Scheme”) and the Company’s Savings Related Share Option Scheme (the “Sharesave Scheme”), other than the 5 per cent. dilution limit applicable to Sections A and B of the Executive Share Option Scheme, be replaced with a provision in each of the schemes to the effect that the number of new Ordinary Shares over which options may be granted over a ten year period pursuant to the relevant scheme and all other employee share schemes may not exceed 15 per cent. of the issued ordinary share capital of the Company (ignoring for the purposes of the new aggregate dilution limit and the 5 per cent. dilution limit applicable to Sections A and B of the Executive Share Option Scheme options which have been cancelled or lapsed, options to the extent that they are incapable of being exercised due to the failure to fully satisfy any applicable performance target and options exercised prior to 1 September 2006), and the directors of the Company be and are hereby authorised to amend the rules of such schemes and do all such other acts and things as they may consider appropriate to implement such amendments to such dilution limits.
3. THAT the rules of the Executive Share Option Scheme be amended to create a new Section D that has the same terms as Section C of the scheme except that instead of the total shareholder return performance condition that applies to awards under Section C, awards under Section D will be subject to a performance condition based on earnings per share growth as set out in more detail in Part II of a circular to shareholders dated 5 July 2010, and the directors of the Company be and are hereby authorised to amend the rules of the Executive Share Option Scheme and do all such other acts and things as they may consider appropriate to implement such amendments to the scheme rules.

By order of the Board:
John Constantin
Company Secretary

Registered Office:
GB House
Kingsfield Court
Chester Business Park
Chester
Cheshire CH4 9GB

5 July 2010

Notes:

1. A member entitled to attend and vote at the above mentioned meeting is entitled to appoint a Proxy or Proxies to attend, speak and vote in his/her place. A member may appoint more than one Proxy in relation to the meeting provided that each Proxy is appointed to exercise rights attached to a different share or shares held by the member. To do this, a member must complete a separate Form of Proxy for each Proxy, indicating the number of shares for which each Proxy is being authorised to act on his/her behalf. Members can either copy the original Form of Proxy, or obtain additional Forms of Proxy from the Company’s Registrars. A Proxy need not be a member of the Company. Completion and return of a Form of Proxy will not prevent a member from attending and voting at the meeting in person.
2. A Form of Proxy is enclosed with this Notice. To be valid, the Form of Proxy (together, if appropriate, with the power of attorney or other written authority under which it is signed or an office copy or a certified copy of such power or authority) must be received at the office of the Company’s Registrars, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6ZX not later than 48 hours before the time appointed for holding the meeting.
3. A person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a “Nominated Person”) may, under an agreement between him/her and the member by whom he/she was

nominated, have a right to be appointed (or to have someone else appointed) as a Proxy for the meeting. If a Nominated Person has no such Proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of Proxies in Notes 1 and 2 above do not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.

4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders in the register of members of the Company as at 6 p.m. on 27 July 2010 shall be entitled to attend and vote at the meeting in respect of the number of Ordinary Shares registered in their name at that time. Changes to the entries in the register of members of the Company after 6 p.m. on 27 July 2010 will be disregarded in determining the rights of any person to attend or vote at the meeting.
5. As at 2 July 2010 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consists of 85,535,692 Ordinary Shares carrying one vote each of which no shares are held in treasury. Therefore the total voting rights in the Company as at 2 July 2010 are 85,535,692.
6. CREST members who wish to appoint a Proxy or Proxies through the CREST Electronic Proxy Appointment Service may do so for the meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
7. In order for a Proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("Euroclear") specifications and must contain the information required for such instructions, as described in the CREST Manual (available at www.euroclear.com/CREST). The message, regardless of whether it constitutes the appointment of a Proxy or an amendment to the instruction given to a previously appointed Proxy must, in order to be valid, be transmitted as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of Proxy appointments specified in Note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. You may, if you wish, register the appointment of a proxy electronically by logging on to www.sharevote.co.uk. To use this service you will need your voting ID, Task ID and Shareholder Reference Number which are printed on your Form of Proxy. Full details of the procedure are given on the website.
9. A member of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the meeting. In accordance with the provisions of the Act, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative (as was previously recommended by the Institute of Chartered Secretaries and Administrators guidance published in relation to corporate representatives).
10. Copies of the following documents will be available for inspection at the Company's registered office, GB House, Kingsfield Court, Chester Business Park, Chester CH4 9GB and at the offices of Hammonds LLP, 7 Devonshire Square, London EC2M 4YH, during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of the Circular up to and including the date of the meeting:
 - (a) the written consents referred to above in paragraph 3 of Part III of this document;
 - (b) proposed amendments to the rules of the Share Option Schemes;
 - (c) this document and the Form of Proxy.
11. As soon as practicable following the meeting, the results of the voting at the meeting and the numbers of Proxy votes cast in respect of the Resolutions will be announced via a Regulatory Information Service and also placed on the Company's website (www.gb.co.uk). A summary of the business transacted at the meeting will be available from the Company Secretary on written request.
12. Under section 319A of the Companies Act 2006, a member attending the meeting has the right to ask questions in relation to the business of the meeting. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
13. Any electronic address provided either in this Notice or any related documents (including the Chairman's letter and Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
14. A copy of this Notice of General Meeting, and other information required by section 311A of the Companies Act 2006, can be found at www.gb.co.uk/investors.

