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DICOM Group plc

(Incorporated and registered in England and Wales No: 3119779)

Registered Office:-
1 Cedarwood
Chineham Business Park
Basingstoke
Hampshire
RG24 8WD

17th September 2007

NOTICE OF EXTRAORDINARY GENERAL MEETING DICOM Group plc

NOTICE IS HEREBY given that an Extraordinary General Meeting of DICOM Group plc (the “Company”) will be held at the offices of Landsbanki, Beaufort House, 15 St. Botolph Street, London, EC3A 7QR on 2nd October 2007 at 2.00p.m. for the purpose of considering and if thought fit passing the following resolution which will be proposed as an ordinary resolution:-

ORDINARY RESOLUTION

Resolution 1: - That the DICOM Group plc 2007 Long-Term Incentive Plan (the “LTIP”), the principal terms of which are summarised in the Circular to shareholders set out below and the rules of which are produced to the Meeting and initialled by the Chairman for the purpose of identification, be and are hereby approved and that the Directors be authorised to do all acts and things which they may consider necessary or expedient to carry the LTIP into effect.

BY ORDER OF THE BOARD

Stefan Gaiser

Company Secretary

Dated: 17th September 2007

Registered Office:

1 Cedarwood
Chineham Business Park
Basingstoke
Hampshire
RG24 8WD

Notes:

- 1) Only persons entered on the register of members not later than 48 hours before the time appointed for the meeting are entitled to attend, speak and vote at the meeting either in person or by proxy and the number of shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the meeting.
- 2) A member entitled to attend, speak and vote at the meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member.
- 3) Forms of proxy should be completed in accordance with the notes on the enclosed form and should be received by the Company’s registrars, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, BR3 4ZB not later than 48 hours before the time appointed for the meeting together with, if appropriate, the power of attorney or other authority under which it is signed or a notarially certified or office copy of such power of attorney or other authority.
- 4) Completing and returning a form of proxy will not prevent a member from attending in person at the meeting and voting should he so wish.
- 5) The rules of the DICOM Group plc 2007 Long-Term Incentive Plan will be available for inspection at the office of Halliwell Consulting, 53 New Broad Street, London EC2M 1SL and at the registered office of the Company, 1 Cedarwood, Chineham Business Park, Basingstoke, Hampshire, RG24 8WD during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this Notice until the conclusion of the Extraordinary General Meeting and will be available for inspection at the place of the Extraordinary General Meeting for at least 15 minutes prior to and during the Meeting.

LETTER FROM THE CHAIRMAN
DICOM Group plc
(Incorporated and resident in England and Wales No. 3119779)

To the holders of Ordinary Shares of 2.5p each in the Company

Dear Shareholder,

Extraordinary General Meeting (“EGM”) – Resolution to adopt the DICOM Group plc 2007 Long-Term Incentive Plan (the “LTIP”)

I am writing to explain the Company's proposed new policy on long term incentives for the Executive Directors and other senior executives of the Company (“Executives”).

The Remuneration Committee (“the Committee”) in conjunction with the Company's remuneration consultants, Halliwell Consulting, recently conducted a review of the existing share arrangements for Executives. The main conclusion drawn from the review was a need to introduce a new share incentive arrangement for the Company's Executives.

The Company currently operates an option scheme for Executives. The Remuneration Committee is of the opinion that the option scheme is no longer achieving its objectives of:-

- providing the Remuneration Committee with a tool with which to attract and retain exceptional individuals who can drive shareholder value; and
- aligning the performance of the executives with the generation of value for shareholders.

As a result of the review, the Remuneration Committee proposes to make changes to the way it operates long-term incentives for Executives through a recommendation to shareholders to adopt the DICOM Group plc 2007 Long-Term Incentive Plan (the “LTIP”) as the principal delivery mechanism for equity incentives. The proposed LTIP is designed to:-

- provide the Remuneration Committee with a flexible tool with which to attract and recruit exceptional talent who are critical to driving shareholder value;
- align the Executives' interests more closely with those of shareholders;
- focus the Executives on the long-term performance of the Company by focusing on achieving stretching corporate performance targets rather than soft targets and short-term movements in the share price;
- ensure a more appropriate balance in the Executives' compensation between the fixed and performance based elements;
- adhere to corporate governance legislation and changes in the publicised opinions of institutional shareholders and their representative bodies about long term incentives; and
- ensure the best cost-v-benefit ratio for the Company and shareholders with the new accounting rules for share schemes.

The proposed LTIP consists of an award of conditional shares or nil-cost options that vest after three years subject to continued employment and meeting stretching comparative total shareholder return and other financial metrics linked to key corporate fundamentals which drive the creation of shareholder value.

Full details of the LTIP are set out in the attached Appendices.

A copy of the rules of the LTIP are available for inspection at the offices of Halliwell Consulting, 53 New Broad Street, London, EC2M 1SL and at the registered office of the Company, 1 Cedarwood, Chineham Business Park, Basingstoke, Hampshire, RG24 8WD, at any time during normal business hours on weekdays (excluding public

holidays) from the date of this Notice and up to and including the day of the Extraordinary General Meeting and at the place of the Extraordinary General Meeting for at least 15 minutes prior to and during the Meeting.

Recommendation from the Board

The Board believes that the new arrangements will give the Committee a flexible tool with which to recruit executives of exceptional talent and genuinely incentivising them to pursue strategies which will increase long-term shareholder value and more closely align their interests with those of shareholders. The Board considers these arrangements to be in the best interests of the Company and the shareholders as a whole and unanimously recommends that you vote in favour of the resolution.

Yours faithfully,

Greg Lock
Chairman

Appendix 1 – Operation of Plan

Summary of Current and Proposed Remuneration Policy

The following table show the principal changes between the current equity incentive policy operated by the Company and the proposed policy:-

Detail	Current Policy	Proposed Policy
Delivery Mechanism	Options. Granted on an “as and when” basis.	Whole Share Awards (conditional shares or nil-cost options) linked to long term performance. Awards will be granted on an annual basis.
Individual Limits	Six times earnings.	200% of salary (or 400% in exceptional circumstances such as recruitment of a new senior executive).
Performance Conditions	EPS targets not in line with earnings expectations.	A comparative TSR hurdle with the main performance condition linked to key corporate fundamentals which drive the creation of shareholder value.
Vesting Conditions	Options begin to vest after one year with the balance vesting in quarterly instalments over the remaining three years of the vesting period.	Awards will only be released at the end of the three year performance period.
Change of Control	Full vesting on change of control.	On a change of control the amount of the award released will be at the discretion of the Remuneration Committee taking into account the exit price achieved on the change of control and the extent to which the attached performance conditions have been achieved. The Remuneration Committee will have discretion as to whether to take into account the amount of time elapsed since the date of award.
Shareholding Guidelines	None.	Yes.

The Remuneration Committee will review on an annual basis participation in the LTIP, as an award in one year will not guarantee future participation.

Performance Conditions

There are two performance conditions attached to the release of LTIP shares:-

Threshold Performance Condition - Comparative TSR:-

No LTIP Award will released to an executive unless the Company's comparative TSR performance is above the median of that of a peer group of international quoted software companies with similar corporate attributes to the Company (the “Comparator Group”). The Company will provide details of the constituents of the comparator group in the RNS Announcement at the date of grant.

This performance measure has been selected for the following reasons:-

- the Remuneration Committee is keen that senior executives are encouraged to focus on ensuring that the Company's return to shareholders is competitive compared to comparable companies;
- the Committee believes that the value of the Company's senior executives and the strategy they are implementing will be reflected in the share price of the Company going forward; and
- comparative TSR is a measure operated in conjunction with the majority of whole share plans in the Sector.

Primary Performance Condition – Corporate Fundamentals

Once the Threshold Performance Condition has been satisfied the first LTIP Awards will be released in accordance with the Company's performance as measured against some or all of the following corporate fundamentals:-

- growth in licence revenue;
- growth in EBIT;
- growth in re-occurring revenue;
- cash conversion of profits; and
- EPS growth.

These corporate fundamentals have been selected for the following reasons:-

- the Committee is of the opinion that the above measures are directly relevant to the Company's strategy at its current stage of development and that the executives should be rewarded on this basis;
- the Company's two largest shareholders acknowledge that focussing on the above metrics are critical to driving shareholder value over the medium to long term and agree that these measures should be used for the LTIP; and
- it provides the Remuneration Committee with the flexibility to ensure that the interest of all participants in the LTIP are closely aligned with the those shareholders.

It should be noted that for reasons of commercial sensitivity the Remuneration Committee does not intend to publicly disclose specific details of the targets and the weighting between each metric. However, the Remuneration Committee will ensure that only 10% of an LTIP Award is released for achieving an "acceptable" level performance and that full release will only occur for exceptional performance against the relevant metric.

The Remuneration Committee will also undertake to ensure that the level of stringency with regard to the attainment of the performance targets is maintained for each and every grant. In addition where there is a change in accounting policy which affects how one of the corporate fundamentals is calculated the Remuneration Committee will ensure that such target is measured on a like for like basis.

To give comfort to shareholders that there is integrity of process in relation to the application of the performance targets and the operation of the LTIP the Remuneration Committee will lodge full details of the targets with its auditors prior to the date of grant. At the end of the performance period the auditors will measure the level of payout of the LTIP Awards against the pre-defined targets set at the date of grant of the LTIP Award. The Committee will disclose details of the targets in the Company's Remuneration Report following the end of the relevant performance period.

The Rules of the LTIP provide the Remuneration Committee with the discretion to amend the existing performance targets, where an event occurs (e.g. a corporate transaction which is significantly earnings dilutive) which means that these targets become impractical. In such circumstances (provided such discretion is exercised fairly and reasonably) the Committee will amend the targets so that in their opinion they are no more or less difficult to satisfy than at the date of grant. Any changes to the original performance targets will be also lodged with the Company's auditors.

Shareholding Guidelines

Shareholdings across the executive team are not uniform, with more recent additions to senior management of the Company having significantly less exposure to the effects of the share price of the Company. The Remuneration Committee therefore intends to introduce minimum shareholding guidelines to encourage substantial long-term share ownership throughout the executive team. The guidelines will require that over a five year period executive directors participating in the LTIP will be required to build up a minimum shareholding equivalent to 100% of salary. Senior executives will be required to build a minimum shareholding equivalent to 50% of salary.

Whilst the Company's share schemes will require the Executives to retain a certain amount of shares (measured by a percentage of salary), the Executives will have the ability to receive these shares through the schemes' operation and the flexibility to acquire shares through other ways should they desire, e.g. market purchases. However, it is intended that the Executives shall be able to build up the necessary shareholding through the LTIP by attaining the necessary performance criteria.

Appendix 2

Terms and Conditions of the DICOM Group plc 2007 Long-Term Incentive Plan (the “LTIP”)

Operation

The Remuneration Committee (the “Committee”), the members of which are non-executive directors, supervise the operation of the LTIP in respect of the Participants.

Eligible Employees

Any employee of the Company selected by the Committee, typically the Executive Directors and senior executives within the business. Non-executive directors are not eligible to participate in the LTIP.

Grant of Awards

LTIP Awards will normally be granted to each Participant within a 42 day period following the date of publication of the interim or annual results of the Company. No awards will be granted during a Close Period. LTIP Awards will either be conditional grants of Shares or nil cost options. LTIP Awards may also be granted by the trustees of an employee benefit trust (see below).

Conditions Attaching to LTIP Awards

LTIP Awards are subject to a holding period of no less than three years from the date of grant. For LTIP Awards to be granted in respect of the financial year ending 31st December 2007 the holding period has been set at three years. The release of LTIP Awards will be subject to the satisfaction of performance conditions.

Limits

The maximum market value of Shares subject to an LTIP Award at the relevant date of grant shall not exceed in aggregate 200% of the Participant’s salary in any calendar year. However in exceptional circumstances (such as on recruitment of an executive director) the limit will be 400% of salary.

The Company may issue up to 15% of its Shares within a ten year period to satisfy awards to Participants in the LTIP and any other share plan operated by the Company under which Shares are issued. It should be noted that where the Company uses treasury Shares to satisfy its obligations under such Share arrangements they shall be added to the number of Shares issued for the purposes of these limits. The Company is aware of the dilutive impact of its current incentive arrangements and will use market purchased shares to satisfy awards under the LTIP in order to bring the dilution limits down to a more acceptable level..

Release of LTIP Awards

LTIP Awards will normally be released at the end of the applicable holding period, subject to the satisfaction of the performance conditions, and any other conditions, determined at the date of grant of the relevant LTIP Award.

The release (or exercise in the case of a nil-cost option) of LTIP Awards is conditional upon the Participant paying any taxes due as a result of such a release. It is the current intention that the Company will pay employers' social taxes.

If the performance conditions are not satisfied or are only partially satisfied at the end of the holding period, the LTIP Award or the balance of the LTIP Award (as appropriate) not released shall lapse. There will be no re-testing of the performance conditions.

Allotment and Transfer of Shares

Shares subscribed will not rank for dividends payable by reference to a record date falling before the date on which the Shares are acquired but will otherwise rank pari passu with existing Shares. Application will be made for the admission of the new Shares to be issued to the Official List of, and to trading on, the London Stock Exchange plc’s markets for listed securities following the release of an LTIP Award.

Cessation of Employment

If a Participant leaves employment prior to the expiry of the holding period then the LTIP Award will normally lapse unless the Committee in its absolute discretion decides otherwise.

In applying this discretion, the Committee shall pro-rate the number of Shares subject to the LTIP Award which shall be released dependent upon the proportion of the relevant holding period completed on the date of cessation. Further, LTIP Awards shall only be released if the attached performance conditions are proportionately satisfied on the date of cessation.

Change of Control

In the event of a takeover, reconstruction, amalgamation or winding up of the Company then the number of Shares subject to the LTIP Awards, which will be released, shall be at the discretion of the Remuneration Committee taking into account the exit price achieved for the Company and the extent to which the attached performance conditions have been satisfied on the date of the occurrence of the event. In addition, the Remuneration Committee may in its discretion take into account the amount of the relevant holding periods of LTIP Awards completed on the change of Control in determining the number of Shares released.

In certain circumstances, LTIP Awards may be exchanged for awards over shares in the acquiring company.

It should be noted that LTIP Awards will only be released on a reconstruction or amalgamation of the Company in circumstances where the reconstruction or amalgamation amounts to a proper change in Control of the Company i.e. new ownership of the Company. In the event of a merger or demerger of the Company, the Committee may determine that all LTIP Awards may be released provided that the above change of control provisions are applied. Further, for these provisions to apply, the merger or demerger must amount to a proper change in Control of the Company. Alternatively, the number of Shares comprised in an LTIP Award may be adjusted, as the Committee in its discretion shall determine and the advisors of the Company confirm to be fair and reasonable.

Adjustment of Awards

On a variation of the capital of the Company, the number of Shares subject to an LTIP Award may be adjusted in such manner as the Committee in its discretion shall determine and the advisors of the Company confirm to be fair and reasonable.

Duration

The Committee may not grant awards under the LTIP more than five years after its approval.

Amendments

Amendments to the Rules may be made at the discretion of the Committee. However, the provisions governing eligibility requirements, equity dilution, share utilisation and individual participation limits and the adjustments that may be made following a rights issue or any other variation of capital together with the limitations on the number of Shares that may be issued cannot be altered to the advantage of Participants without prior shareholder approval, except for minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Participants or for the Group.

The Committee may add to, vary or amend the Rules of the LTIP by way of a separate schedule in order that the LTIP may operate to take account of local legislative and regulatory treatment for Participants or the relevant Group Company, provided that the parameters of these arrangements will provide no greater benefits than the rules of the LTIP as summarised above.

General

Shares acquired, awards and any other rights granted pursuant to the LTIP are non-pensionable.

Non-Transferability of LTIP Awards

LTIP Awards are not transferable except in the case of a Participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the Participant.

Employee Benefit Trust

The Company intends to establish or utilise an existing discretionary employee benefit trust to be used in conjunction with the LTIP (the "Employee Trust"). The Employee Trust has been established as an employees' share scheme within the meaning of s.743 of the Companies Act and will have full discretion with regard to the application of the trust fund (subject to recommendations from a committee of the Board). The Company will be able to fund the Employee Trust to acquire shares in the market and/or to subscribe for shares at nominal value in order to satisfy Awards granted under the LTIP from time to time. Any shares issued to the Employee Trust in order to satisfy LTIP Awards will be treated as counting towards the dilution limits that apply to the LTIP (see above). For the avoidance of doubt, any shares acquired by the Employee Trust in the market will not count towards these limits. In addition, unless prior shareholders' approval is obtained, the Employee Trust will not hold more than 5% of the issued share capital of the Company at any one time (other than for the purposes

of satisfying LTIP Awards that it has granted).

Note: This Appendix 2 summarises the main features of the LTIP but does not form part of it and should not be taken as affecting the interpretation of the detailed terms and conditions constituting the Rules. Copies of the Rules will be available for inspection at the offices of Halliwell Consulting, 53 New Broad Street, London, EC2M 1SL and at the registered office of the Company, 1 Cedarwood, Chineham Business Park, Basingstoke, Hampshire, RG24 8WD during usual office hours (Saturdays, Sundays and bank holidays excepted) from the date of despatch of the Chairman's letter up to and including the date of the EGM and at the meeting itself. The Directors reserve the right, up to the time of the meeting, to make such amendments and additions to the Rules as they consider necessary or desirable, provided that such amendments and additions do not conflict in any material respect with the summary set out in this Appendix 2.

Appendix 3

Cost-Benefit Analysis of the proposed LTIP (illustrative only)

The tables in this Appendix 3 show the potential value of the awards granted to around 12 participants under the proposed LTIP and the corporate benefits to the Company and its shareholders based on the following assumptions:-

Corporate Performance	Share Price Growth p.a. (Excluding any p/e re-rating)	Level of Performance Condition Satisfaction
Threshold	12% (not a performance condition but an assumption used in the modelling).	It has been assumed that threshold performance by the Company constitutes achieving an acceptable level of performance against the pre-defined performance targets attaching to the LTIP Awards (and the Company has satisfied the TSR underpin over each performance period). For this level of performance 10% of the LTIP award will be released over each performance period.
Exceptional	25% (not a performance condition but an assumption used in the modelling)	It has been assumed that the relevant performance conditions attaching to the LTIP Awards have been satisfied in full and the Company has satisfied the TSR underpin over each performance period. For this level of performance 100% of the LTIP Award will be released over each performance period.

The following table sets out the level of awards granted to participants in the LTIP:-

	Salary	Initial Grant	Ongoing
CEO (indicative)	£325,000	300%	150%
Senior Executives (x11)	£150,000	200%	100%

The assumptions used are based on historical analysis and therefore there is no guarantee that the actual value of awards released or corporate performance set out above will be achieved. The Company is setting out the figures purely to illustrate the relationship between the rewards provided to the senior executives for a given level of performance and the corresponding benefit to the Company and its shareholders.

The following points should be considered when looking at the potential value of awards:-

- the modelling assumes that the proposed level of future ongoing awards will continue throughout the modelled period of five grants under the proposed LTIP;
- no senior executive will receive any benefit unless the corporate performance conditions are satisfied and they remain employed at the end of the three year performance periods (subject to change of control and good leaver provisions);

In addition, for benefits to be paid in consecutive years the level of performance must be **achieved for each grant**.

The tables do not include basic salary, annual bonus, pension or other benefits in kind paid to senior executives.

For the purposes of this Appendix 3 we have assumed that the current issued share capital is 88.931m and a current share price of £1.83.

The following table summarises the cost and benefits of the new policy for the two levels of corporate performance:-

	Total Benefit to Participants £	Total Charge to the P&L Account £	Value Created for Shareholders £
Summary Details			
Threshold Performance	1,959,669	911,331	178,459,681
Exceptional Performance	21,340,639	9,113,306	555,474,285

Notes:-

- 1) Total Benefit to Participants equates to the aggregate market value on release of all LTIP Awards at the end of the performance period.
- 2) Total charge to the P/L account equates to the charge arising from the operation of the new LTIP.
- 3) Value created is calculated by taking the market capitalisation on the date of award in 2007 from the market capitalisation in 2014.

Charge to the Profit and Loss Account

It should be noted that the charge to the profit and loss account has been based on IFRS 2. This requires the Company to spread the fair market value of any share instruments it grants to executives on the date of grant over the vesting period.

For the LTIP awards the fair market value has been calculated using the market value of all conditional shares awarded at the date of grant adjusted to take into account the TSR performance condition. Consistent with accounting treatment under IFRS 2 we have assumed that the TSR condition reduces the fair market value of the LTIP Award by 20%.

To account for the non-market performance conditions applying to the LTIP awards, the annual P&L charge will be adjusted to take into account the estimated number of shares which will be released based on the Company's performance at each balance sheet date. For threshold performance we have assumed that 10% of the fair market value would be charged to the P&L and exceptional performance equates to 100% of the fair market value being charged to the P&L.

Annual P&L Charge	2007	2008	2009	2010	2011	Total
	£	£	£	£	£	£
Threshold Performance	114,000	173,850	236,693	188,677	198,111	911,331
Exceptional Performance	1,140,000	1,738,500	2,366,925	1,886,771	1,981,110	9,113,306

Expected Benefit to Participants

For the purposes of calculating the benefit accruing to the participants, the benefit arising from the LTIP is calculated as the total market value of the number of shares which are released to a senior executive based on the satisfaction of the attached performance conditions (measured three years following the date of award) in accordance with the assumptions set out above.

For example, a senior executive on a basic salary of £150,000 is granted an LTIP award over shares with an equivalent value of 200% of basic salary in 2007 when the share price is £1.83. This equates to an award of 163,934 shares (i.e. (£150,000 x 200%) / £1.83). After three years the Company's performance is such that 50% of the LTIP award will be released. On release the share price is £2.52. Therefore the benefit to the senior executive will be 163,934 x 50% x £2.52 = £206,559.

The following table sets out the expected future benefit to the participants under the proposed new policy for both levels of corporate performance:-

Expected Future Benefit	2010	2011	2012	2013	2014	TOTAL	
	£	£	£	£	£	£	
Threshold Performance	Executives						
	CEO	136,980	71,915	75,510	79,286	83,250	446,942
Exceptional Performance	Senior Executive	42,148	22,128	23,234	24,396	25,615	137,521
	CEO	1,904,297	999,756	1,049,744	1,102,231	1,157,342	6,213,370
Exceptional Performance	Senior Executive	421,478	221,276	232,340	243,957	256,155	1,375,206

Dilution

The Company is aware of the dilutive impact of its current incentive arrangements and will use market purchased shares to satisfy awards under the LTIP in order to bring the dilution limits down to a more acceptable level. However all share schemes will operate within the current agreed dilution limit of 15% of the ordinary share capital of the Company in issue on a fully diluted basis immediately prior to the date of grant of the share award.