

Notice of the Annual General Meeting

to be held at the offices of
Ashurst LLP
Broadwalk House
5 Appold Street
London
EC2A 2HA

Wednesday
15 July 2009
at 10.30 am

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This document should be read in conjunction with the accompanying BTG Annual Report and Accounts. 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 manager, solicitor, accountant or independent adviser, who, if you are taking advice in the United Kingdom, is authorised pursuant to the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your ordinary shares in BTG plc, please send this document and accompanying form of proxy 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 transferee.

12 June 2009

Dear Shareholder

Annual General Meeting 2009

I attach the Notice of Meeting for the Annual General Meeting (AGM) of BTG plc. The AGM will be held on Wednesday, 15 July 2009 at 10.30 am at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA.

Business at the AGM will include a presentation on the business and there will be the opportunity to meet and ask questions of the directors. This AGM, being the first since the acquisition of Protherics, will give both groups of shareholders the opportunity to meet the new Board and find out more about the different products and programmes from both businesses and progress with the integration.

If you are unable to attend the meeting, you may appoint a proxy to vote on your behalf at the meeting by returning the enclosed form of proxy. If you hold your shares in CREST you may vote via the CREST system. In each case notice of your appointment of a proxy should reach the Company's Registrar, Capita Registrars, no later than 10.30 am on 13 July 2009.

The Annual Report and Accounts enclosed contains the financial statements and a detailed review of progress in the business over the past year.

Resolutions to be proposed at the meeting include both ordinary and special business. In addition to resolutions proposing that the meeting receive and adopt the accounts and re-appoint the auditor, other resolutions propose the re-election of William Jenkins, who is retiring by rotation, and the election of Rolf Soderstrom and James O'Shea. Rolf Soderstrom joined the Board as Chief Financial Officer on 4 December 2008 and James O'Shea joined on 2 April 2009. As they joined since the last AGM, they are required to resign from the Board and stand for election at the first AGM following appointment. Biographies of all directors currently serving on the Board are on pages 40 to 41 of the Annual Report.

A number of other resolutions are also proposed, as detailed in the accompanying notes to the resolutions, including a proposal to adopt new share plan rules. The existing Share Option and Sharesave plans expired on their tenth anniversary last July and it is proposed to present new rules for the approval of shareholders at the AGM. The opportunity is being taken to update the US Stock Purchase Plan at the same time and also to extend the Sharesave Plan overseas, for example to cover employees based in Australia. A summary of the new rules is shown in Appendix I and II. In addition, a resolution is being proposed to enable the Company to hold general meetings on 14 clear days' notice.

Voting

If you hold your shares in your own name on the Company's share register you will have received a proxy card with this Notice of Meeting. In this instance you may vote using either of the two following methods.

- 1 Complete the enclosed reply paid proxy card and return it to the Company's Registrar.
- 2 Vote via the CREST Proxy Voting Service.

If no proxy card is enclosed, this means that you have been nominated by the registered shareholder, who administers the investment on your behalf, to receive general shareholder communications directly from BTG plc. In this instance you may not send any voting instructions to the Company but should utilise any voting arrangements you have with the registered holder of your shares.

For full details of the above options, see the notes attached to the Notice of the Annual General Meeting. All proxies, however submitted, must be lodged with the Registrars no later than 10.30 am on 13 July 2009. Submitting your proxy will not prevent you attending and voting in person if you wish to do so.

Recommendation

Your directors believe that all the proposals to be considered at the Annual General Meeting are in the best interests of the Company and its shareholders and recommend shareholders vote in favour of the resolutions. The directors will be voting in favour of the resolutions in respect of their own shareholdings.

Boiler room scams

Shareholders in many companies have received unsolicited phone calls or correspondence concerning investment matters, and a number of investors have lost money as a result. The Institute of Chartered Secretaries and Administrators and the Financial Services Authority have issued a warning to shareholders. Please see Appendix IV for further information.

Yours sincerely

John Brown
Chairman

Notice of the Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of BTG plc (the 'Company') will be held at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA on Wednesday, 15 July 2009, at 10.30 am, for the following purposes:

Ordinary business

- 1 To receive and adopt the Directors' Report and Financial Statements for the year ended 31 March 2009, together with the Report of the Auditor.
- 2 To approve the Remuneration Report for the year ended 31 March 2009.
- 3 To re-elect William Jenkins as a director of the Company.
- 4 To elect Rolf Soderstrom as a director of the Company.
- 5 To elect James O'Shea as a director of the Company.
- 6 To re-appoint KPMG Audit Plc as auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which accounts are laid.
- 7 To authorise the directors to fix the remuneration of KPMG Audit Plc.

Special business

To consider and, if thought fit, pass the following resolutions which will be proposed as to resolutions 8 to 12 (inclusive) as ordinary resolutions and as to resolutions 13 and 14 as special resolutions.

- 8 That the rules of the BTG Executive Share Option Plan 2009 (the 'New Plan') as summarised in Appendix I to the Notice of Annual General Meeting dated 12 June 2009 and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the directors be authorised to:
 - (a) make such modifications to the New Plan as they may consider appropriate to take account of HM Revenue & Customs, the U.S. Internal Revenue Code of 1986 and best practice and for the implementation of the New Plan and to adopt the New Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the New Plan; and
 - (b) establish further schedules to, or plans based on, the New Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further schedules or plans are treated as counting against the limits on individual or overall participation in the New Plan.
- 9 That the rules of the BTG Sharesave Plan 2009 (the 'Sharesave Plan') as summarised in Appendix II to the Notice of Annual General Meeting dated 12 June 2009 and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the directors be authorised to:
 - (a) make such modifications to the Sharesave Plan as they may consider appropriate to take account of HM Revenue & Customs and best practice and for the implementation of the Sharesave Plan and to adopt the Sharesave Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the Sharesave Plan; and
 - (b) establish further schedules to, or plans based on, the Sharesave Plan but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any shares made available under such further schedules or plans are treated as counting against the limits on individual or overall participation in the Sharesave Plan.
- 10 That the rules of the BTG U.S. Employee Stock Purchase Plan 2009 (the 'US Plan') as summarised in Appendix II to the Notice of Annual General Meeting dated 12 June 2009 and produced in draft to this meeting and, for the purposes of identification, initialled by the Chairman, be approved and the directors be authorised to make such modifications to the US Plan as they may consider appropriate to take account of the requirements of the U.S. Internal Revenue Code of 1986, best practice and for the implementation of the US Plan and to adopt the US Plan as so modified and to do all such other acts and things as they may consider appropriate to implement the US Plan.

Notice of the Annual General Meeting continued

11 That:

in accordance with section 366 of the Companies Act 2006 (the '2006 Act'), the Company and its subsidiaries be and are authorised:

- (a) to make political donations (as defined in section 364 of the 2006 Act) to political parties and/or independent election candidates (as defined in section 363 of the 2006 Act), not exceeding £25,000 in total;
- (b) to make political donations (as defined in section 364 of the 2006 Act) to political organisations other than political parties (as defined in section 363 of the 2006 Act), not exceeding £25,000 in total; and
- (c) to incur political expenditure (as defined in section 365 of the 2006 Act) not exceeding £25,000 in total,

in each case during the period beginning with the date of passing this resolution and ending at the end of the next Annual General Meeting of the Company or on 14 October 2010, whichever is the sooner. In any event, the aggregate amount of political donations and political expenditure made and incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed £50,000.

12 That:

- (a) subject to and in accordance with Article 6 of the Company's Articles of Association, the directors be authorised to allot relevant securities (within the meaning of section 80 of the Companies Act 1985) up to a maximum nominal value of £5,148,000;
- (b) this authority shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date which is fifteen months from the date of this resolution; and
- (c) all previous authorities under Section 80 of the Companies Act 1985 shall cease to have effect.

13 That:

- (a) subject to and in accordance with Article 7 of the Company's Articles of Association, the directors be given power to allot equity securities for cash;
- (b) the directors be empowered to allot equity securities for cash within Section 94(3A) of the Companies Act 1985 as if Section 89(1) of the Companies Act 1985 did not apply;
- (c) the powers under paragraph (a) above (other than in connection with a rights issue) and paragraph (b) above shall be limited to the allotment of equity securities having a maximum nominal amount of £1,283,000;
- (d) these powers shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date which is fifteen months from the date of this resolution; and
- (e) all previous authorities under Section 95 of the Companies Act 1985 shall cease to have effect.

14 That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice such authority to expire on the date of the next Annual General Meeting of the Company.

By order of the Board

Rolf Soderstrom
Secretary

5 Fleet Place
London
EC4M 7RD

12 June 2009

Notice of the Annual General Meeting continued

Notes

- 1 A member entitled to attend and vote at the Annual General Meeting (AGM) may appoint one or more proxies (who need not be members of the Company) to attend, speak and vote on his or her behalf. A form of proxy is enclosed for use by shareholders. In order to be valid, an appointment of proxy must be returned to the Company's Registrars by one of the following methods and in accordance with the notes to the proxy form:
 - In hard copy form (together with the power of attorney or other authority, if any, under which it is signed) by post, by courier or by hand not later than 10.30 am on 13 July 2009 to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU; or
 - In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in Appendix III of this document. The Form of Proxy must be received by the Registrar not later than 10.30 am on 13 July 2009.

Appointment of a proxy does not preclude a member of the Company from attending the AGM and voting in person. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy instructions also apply in relation to amended instructions. Where you have appointed a proxy using the hard copy form and would like to change the instructions using another hard copy form, please contact Capita Registrars at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
- 2 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, in order to be able to attend and vote at the AGM or any adjourned meeting (and also for the purposes of calculating how many votes a person may cast), a person must have his/her name entered on the register of members of the Company by close of business on 13 July 2009 (or close of business on the date two days before any adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 3 Copies of the directors' service contracts (together with any amendments) with the Company, the non-executive directors' letters of appointment and the register of interests of the directors and their families in the share capital of the Company are available for inspection at the registered office of the Company during usual business hours (Saturdays, Sundays and public holidays excepted) and will be available at the place of the AGM at least 15 minutes prior to and during the AGM. Copies of the BTG Executive Share Option Plan 2009, BTG Sharesave Plan 2009 and the BTG US Employee Stock Purchase Plan 2009 will be available for inspection at the registered office of the Company from the date of this Notice until the close of the AGM and will be available at the place of the AGM at least 15 minutes prior to and during the AGM.
- 4 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the company in accordance with section 146 of the Companies Act 2006 ('nominated persons'). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.
- 5 In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – www.icsa.org.uk – for further details of this procedure. The guidance includes a sample form of representative letter if the Chairman is being appointed as described in (i) above.
- 6 You may not use any electronic address provided in this Notice or in the form of proxy to communicate with the Company for any purposes other than those expressly stated.
- 7 As at 12 June 2009 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 256,633,095 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 12 June 2009 are 256,633,095.

Notice of the Annual General Meeting continued

Information on resolutions**Resolution 1: To receive and adopt the Directors' Report and the Financial Statements for the year ended 31 March 2009, together with the Report of the Auditor**

The Company is required to present the Directors' Report, audited Financial Statements and the independent auditor's report at a General Meeting.

Resolution 2: Approval of Remuneration Report

In accordance with the Directors Remuneration Report Regulations 2002, shareholders are invited to vote on the Remuneration Report, which is set out on pages 52 to 64 of the Annual Report and Accounts.

Resolutions 3 to 5: Retirement and re-election of directors

The Company's Articles of Association require that directors stand for election at the first AGM following their appointment and at least every three years thereafter. William Jenkins is retiring by rotation and standing for re-election. Rolf Soderstrom was appointed to the Board on 4 December 2008 and James O'Shea joined on 2 April 2009. All those appointed since the last AGM are standing for election at this AGM for the first time.

William Jenkins joined the Company in September 2002 as a non-executive director. As explained in his biography, William Jenkins has extensive experience in the life sciences industry over many years. He provides valuable advice and experience to Board discussions and is also available to give individual advice and input to staff in various parts of the business. The Board has reviewed his performance and believe that he continues to provide a valuable contribution and commitment to the Company. The Board therefore recommends his re-election. This is proposed in Resolution 3.

Rolf Soderstrom joined the Board on 4 December 2008 as Chief Financial Officer, following the acquisition of Protherics PLC where he fulfilled the same role as Finance Director. As explained in his biography, Rolf Soderstrom has extensive experience in a number of different types of business. Since joining the Company he has been heavily involved in the integration and reorganisation of the two companies, realising the cost savings and refocusing the business for its future development. Following a review of his performance since joining the Company, the Board recommends his election as a director of the Company and, being eligible, he offers himself for election. This is proposed in Resolution 4.

James O'Shea joined the Board on 2 April 2009 as a non-executive director. He has extensive experience in the US pharmaceutical industry having been Vice Chairman of Sepracor, Inc, a US research-based pharmaceutical company, from 2007 to 2008, having previously been President and Chief Operating Officer from 1999 to 2007. Prior to that he held various senior positions with Zeneca Pharmaceuticals. The Board recommends his election as a director of the Company and, being eligible, he offers himself for election. This is proposed in Resolution 5.

Biographical details of all the current directors are shown on pages 40 and 41 of the Annual Report and Accounts.

Resolutions 6 and 7: Re-appointment of the auditor and approval of its remuneration

The Board is proposing the re-appointment of KPMG Audit Plc (KPMG) as the Company's auditor and KPMG has expressed its willingness to continue in office. Resolution 6 proposes KPMG's re-appointment and resolution 7 authorises the directors to fix its remuneration.

Notice of the Annual General Meeting continued

Special Business**Resolution 8: Approval of new share option plan**

During the year the Remuneration Committee has reviewed the long-term incentive plans operated for senior executives (including executive directors) and wishes to introduce a new plan, the BTG Executive Share Option Plan 2009 (the New Plan). The objectives of the proposed long-term incentive arrangements are as follows:

- to place a heavier weight on longer-term performance given the strategy to transition the business from an R&D-focused biotech company to an earnings-driven specialty pharma company
- to ensure that packages for the executive directors include a strong emphasis on the absolute growth in shareholder value (by the use of share option grants); and
- to ensure that the Company is in line with corporate governance best practice through operating performance conditions on an inter-dependent rather than independent basis.

The main terms of the New Plan are summarised in Appendix I and a resolution for its adoption is set out in the Notice of AGM as Resolution 8. The New Plan has three parts. Part A is intended to allow options to be granted which benefit from favourable tax treatment for which the Company is seeking HM Revenue & Customs ('HMRC') approval. Part B will be used for grants of options in excess of HMRC limits under Part A or to overseas employees and Part C will allow for Incentive Share Options to be awarded to US employees on a tax favourable basis in accordance with the US Internal Revenue Service code of 1986.

Under the New Plan selected eligible employees may be granted awards of market value options the vesting of which will normally be dependent upon performance conditions measured over a period of not less than three years. Options will typically be limited to 100% of base salary per financial year under the New Plan, although, in exceptional circumstances, there will be an individual limit on each award of 150% of base salary.

Performance conditions

Initially, the Remuneration Committee intends that awards made under the New Plan will have performance conditions based on a combination of earnings before interest, tax, depreciation and amortisation (EBITDA) and on a total shareholder return (TSR) measure comparing the Company's TSR with that of a peer group comprising FTSE 250 companies excluding investment trusts, companies in the financial services sector (banking, insurance, broking, fund management etc.) and companies in the consumer discretionary sector (non-food retail, media, leisure, gambling). The two measures will be combined as shown in the table in Appendix I on page 08. It will be noted that:

- the rewards for achievement against the EBITDA metric are very limited if relative TSR is materially below median;
- the matrix is more stretching than a typical additive approach plan based 50% on relative TSR and 50% on a financial condition;
- interdependent performance conditions are in line with best practice as endorsed by the ABI.

The Remuneration Committee is satisfied that these conditions are stretching and that the full award will only vest if exceptional performance has been achieved.

Resolutions 9 and 10: Approval of new sharesave and stock purchase plans

The Company's existing UK all-employee sharesave plan expired on its tenth anniversary in July 2008. It is proposed to set up a new sharesave plan and introduce a new updated US Employees Stock Purchase Plan at the same time. The new sharesave plan includes a section to cover international employees and will allow the Board to extend participation to the Group's Australian staff should it wish to do so. The principal terms of the two new sharesave plans are summarised in Appendix II to this circular and resolutions for their approval are set out in the notice of AGM as Resolutions 9 and 10.

Resolution 11: Political donations and political expenditure

Provisions of the Companies Act 2006 (the '2006 Act') relating to political donations and expenditure came into force on 1 October 2007 (replacing the equivalent provisions of the Companies Act 1985), and amongst other things prohibit the Company and its subsidiaries from making donations to an EU political party or other EU political organisation or to an independent election candidate in the EU of more than £5,000 in any 12 month period unless they have been authorised to make donations by the Company's shareholders.

Notice of the Annual General Meeting continued

It has been our practice not to make payments to political parties and we intend that this will remain the case. However, the legislation remains very broadly drafted and may catch activities such as funding seminars and other functions to which politicians are invited, supporting certain bodies involved in policy review and law reform and matching employees' donations to certain charities.

Accordingly, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the 2006 Act through the undertaking of routine activities which would not normally be considered to result in the making of political donations and political expenditure being incurred. Therefore, the directors have decided to seek shareholders' authority for political donations and political expenditure in case any of our normal activities are caught by the legislation. The authority sought would be capped at £50,000 for the next year. The authority will expire at the conclusion of the next AGM or on 14 October 2010, if earlier. The directors will continue to seek to renew their authority at each AGM, in accordance with current best practice.

Resolutions 12 and 13: Powers to allot securities

Resolution 12 proposes granting the directors authority to allot the unissued shares of the Company (not exceeding £5,148,000 in nominal value). The nominal amount to which this authority relates, represents approximately 20.1% of the nominal amount of the issued ordinary share capital of the Company as at 12 June 2009. The authority will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date which is fifteen months from the date of this resolution. It is the directors' intention to seek renewal of this authority annually. Other than the allotment of ordinary shares for the purposes of fulfilling the Company's obligations under its various share plans, the directors have no present intention of exercising this authority. The Company does not hold any shares in treasury.

Resolution 13 gives the directors the power, in certain limited circumstances, to allot shares for cash without first being required to offer such shares to the existing shareholders in proportion to their existing holdings. The £1,283,000 nominal amount of equity securities to which this authority relates represents 5% of the issued ordinary share capital of the Company as at 12 June 2009 although it is not intended, without prior consultation with the Investment Committees of the Association of British Insurers and the National Association of Pension Funds, to issue or transfer in this way more than 7.5% of the share capital in any rolling three year period. The authority will expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, the date which is fifteen months from the date of this resolution. It is the directors' intention to seek renewal of this authority annually. It is standard for most UK companies to propose this resolution each year.

Resolution 14: Notice of general meetings

This resolution is required to reflect the proposed implementation in August 2009 of the Shareholder Rights Directive. It is likely that the regulation implementing this Directive will increase the notice period for general meetings of the Company to 21 days. The Company is currently able to call general meetings (other than an AGM) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so after August 2009, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 14 seeks such approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

Appendix I

Summary of the Main Terms of the BTG Executive Share Option Plan 2009

Introduction

The BTG Executive Share Option Plan 2009 (the 'New Plan') includes three parts: Part A of the New Plan will be approved by HMRC and provides for the grant of UK tax-advantaged options; Part B provides for the grant of unapproved options; and, Part C provides for the grant of tax-advantaged options to employees in the US (otherwise known as 'incentive stock options' or 'ISOs').

The following is a summary of the principal terms of Part A of the New Plan. The principal terms of Parts B and C are substantially the same unless expressly indicated to the contrary below.

Operation

The Remuneration Committee of the Board of directors of the Company (the 'Committee') will supervise the operation of the New Plan. The New Plan is not an 'all-employee' plan and will be operated by the Committee on a discretionary basis.

Eligibility

Any employee (including an executive director) of the Company and its subsidiaries will be eligible to participate in the New Plan at the discretion of the Committee.

Grant of options

The Committee may grant options to acquire ordinary shares in the Company ('Shares') within six weeks following the Company's announcement of its results for any period. The Committee may also grant options within six weeks of shareholder approval of the New Plan or the date that Part A of the New Plan is approved by HMRC or at any other time if the Committee considers there are exceptional circumstances which justify the granting of options.

An option may not be granted more than ten years after shareholder approval of the New Plan.

No payment is required for the grant of an option. Options are not transferable, except on death. Options are not pensionable.

Individual participation

An employee may not receive options in any financial year over Shares with a market value exceeding 100% of his annual base salary in that financial year. In exceptional circumstances, including but not limited to recruitment or retention, this limit is increased to 150% of an employee's annual base salary.

In addition, participants may not hold outstanding tax-approved options under Part A of the Plan or any other similar tax-approved executive plan established by the Company or a group company over shares that have an aggregate option price in excess of the limits prescribed under Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 (currently £30,000).

Option price

The price per Share payable upon exercise of an option will not be less than:

- (a) the middle market price of a Share on the London Stock Exchange on the dealing day immediately before the date of grant (or such other dealing day(s) as the Committee may decide); and
- (b) if the option relates only to new issue Shares, the nominal value of a Share.

Exercise of options

An option will normally be exercisable between three and five years from the date of grant provided that the specified performance condition has been satisfied and provided the participant remains employed in the Company's group.

Appendix I continued

The Committee will impose a performance condition on the exercise of options. The performance condition applicable to the first grant is based on a combination of earnings before interest, tax, depreciation and amortisation (EBITDA) and on a total shareholder return (TSR) measure comparing the Company's TSR with that of a peer group comprising FTSE 250 companies excluding investment trusts, companies in the financial services sector (banking, insurance, broking, fund management etc.) and companies in the consumer discretionary sector (non-food retail, media, leisure, gambling). The two measures will be combined as shown in the table below.

	Relative TSR									
	10th highest decile percentile 1-10 %	9th highest decile percentile 11-20 %	8th highest decile percentile 21-30 %	7th highest decile percentile 31-40 %	6th highest decile percentile 41-50 %	5th highest decile percentile 51-60 %	4th highest decile percentile 61-70 %	3rd highest decile percentile 71-80 %	2nd highest decile percentile 81-90 %	Highest decile percentile 91-100 %
	EBITDA									
Above Stretch	–	–	15	30	45	60	80	100	100	100
Target to Stretch	–	–	–	20	35	50	60	80	100	100
Threshold to Target	–	–	–	–	–	30	40	60	65	80
Below threshold	–	–	–	–	–	–	20	40	45	60

The EBITDA and TSR based performance conditions will be measured over a three-year performance period. There will be no re-testing of the performance conditions following the expiry of the performance period.

The Committee can set different performance conditions and targets from those described above for future options provided that, in the reasonable opinion of the Committee, the new targets are not materially less challenging in the circumstances than those described above.

The Committee may also vary the performance conditions applying to existing options if an event has occurred which causes the Committee to consider that it would be appropriate to amend the performance conditions, provided the Committee considers the varied conditions are fair and reasonable and not materially less challenging than the original conditions would have been but for the event in question.

Early exercise is permitted if employment ceases by reason of injury, disability, redundancy, retirement, severance under a compromise agreement or overseas equivalent, or on sale or transfer of his employing company or business out of the Company's group subject to satisfaction of the relevant performance condition. The number of options which may vest will normally be pro rated based on the amount of time which has elapsed between the date of grant and the date of cessation.

In the event of the death of a participant all outstanding options will vest immediately in full.

If employment ceases for any other reason the option will normally lapse unless the Committee decides otherwise in which circumstances the option may vest early subject to the satisfaction of the performance conditions and a time pro rata reduction as described above.

In exceptional circumstances, the Committee may also permit an option to be exercised early, subject to the satisfaction of the performance conditions and a time pro rata reduction, in the event that a participant is transferred to work within the group overseas and as a result of that transfer the participant would be subject to a tax disadvantage or restrictions on the ability to acquire or dispose of shares.

Special provisions also allow early exercise in the event of takeover, reconstruction or winding up of the Company subject to the satisfaction of the performance conditions. The number of options which may vest will normally be pro rated based on the amount of time which has elapsed from the date of grant and the date of the relevant corporate event.

In the event of an internal corporate reorganisation, options will be replaced by equivalent new options over shares in a new holding company unless the Committee decides that options should become exercisable on the basis which would apply in the case of a takeover as described above.

Appendix I continued

If a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the market price of Shares to a material extent, then the Committee may decide that awards will vest on the basis which would apply in the case of a takeover as described above.

Rights attaching to Shares

Any Shares allotted when an option is exercised will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Variation of capital

In the event of a variation in the share capital of the Company the Board may make such adjustments as it considers appropriate to the number of shares under option and the price at which they may be acquired. Adjustments to the terms of options under Part A only must be approved by HMRC.

Overall limit

The New Plan may operate over new issue Shares, treasury Shares or Shares purchased in the market.

In any ten calendar year period, the Company may not issue (or grant rights to issue) more than:

- (a) 10% of the issued ordinary share capital of the Company under the New Plan and any other employee share plan adopted by the Company; and
- (b) 5% of the issued ordinary share capital of the Company under the New Plan and any other executive share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of these limits unless the institutional investors decide that they need not count.

Amendments

The Committee may amend the New Plan provided that the prior approval of shareholders is obtained for any amendment to the advantage of participants in respect of eligibility, limits on participation and overall dilution limits, the basis for determining entitlement to, and terms of shares, or cash provided under the New Plan and the adjustment of options. No approval is required for minor amendments to benefit the administration of the New Plan, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company. Amendments to key terms under Part A only require the prior approval of HMRC.

Overseas plans

The shareholder resolution to approve the New Plan will allow the Board, without further shareholder approval, to establish further plans for overseas territories, any such plan to be similar to the New Plan, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the New Plan.

Appendix I continued

Part B

This is intended for grants of options in excess of the HMRC £30,000 limit described above or to overseas employees. The principal terms of Part B of the New Plan are substantially the same as the terms of Part A of the New Plan described above, subject to the alterations described below.

Grant of options

The Committee may also grant cash-based options under Part B of the New Plan only of an equivalent value to options.

Variation of capital

Options may also be adjusted in the event of a demerger, special dividend or other similar event which materially affects the market price of Shares.

Cash equivalent

Following the exercise of any option granted under Part B the Company may elect, instead of or transferring issuing shares, to pay an amount equivalent to the excess, if any, of the market price of a share on the day before the option was exercised and the price payable for such shares on exercise of the option, less applicable withholding taxes.

Part C

This will allow the Company to grant US tax qualified Incentive Stock Options in accordance with section 422 of the US Internal Revenue Code of 1986. The principal terms of Part C of the New Plan are substantially the same as the terms of Parts A (as varied by Part B) of the New Plan described above, subject to the alterations described below.

Eligibility

For the purposes of granting an ISO to an eligible employee of a US subsidiary, any subsidiary must qualify as a 'subsidiary' as defined by the US tax code.

Grant of options

An ISO may not be granted in the US after the earlier to expire of the tenth anniversary of either the date of approval of the New Plan by shareholders in general meeting or the date of approval and adoption by the Board of Directors of the Company.

Individual participation limits

In addition to the individual participation limits described above, Part C of the New Plan (i.e. ISOs) provides that the aggregate market value of Shares with respect to which ISOs first become exercisable by a participant in any calendar year may not exceed US\$100,000.

Overall limits

In addition to the Overall limits described above regarding the use of new issue and treasury Shares under the New Plan (i.e. the 10% and 5% in ten year limits), ISOs may only be granted under Part C of the New Plan over a total of five (5) million Shares. This limit may be adjusted following any variation of the Company's share capital as described in Parts A and B above.

Appendix II

Summary of the principal terms of the BTG Sharesave Plan 2009 and the BTG U.S. Employee Stock Purchase Plan 2009

Introduction

The following is a summary of the principal terms of the BTG Sharesave Plan 2009 (the 'Sharesave Plan') and the BTG U.S. Employee Stock Purchase Plan 2009 (the 'US Plan') (together known as the 'Plans').

The Sharesave Plan includes two parts. Part A of the Sharesave Plan provides for the grant of tax-advantaged options to employees in the UK. It is intended that Part A will be approved by HMRC. Part B of the Sharesave Plan will not be approved by HMRC and may be used to grant options to employees within the BTG Group to whom Part A does not extend. In particular, Part B of the Sharesave Plan will give the Company the opportunity to grant options on an 'all-employee' basis to employees in certain overseas jurisdictions, e.g. Australia, subject to participants agreeing to enter into a savings contract or equivalent arrangements.

The US Plan will be drafted to comply with the requirements of Section 423 of the U.S. Internal Revenue Code of 1986 (the 'Code') and will provide for the grant of tax-advantaged options to employees in the US.

The principal terms of both Parts A and B of the Sharesave Plan and the US Plan are substantially the same unless expressly indicated to the contrary below.

Operation

The operation of the Plans will be supervised by the Board of directors of the Company (the 'Board'). The Sharesave Plan and the US Plan are intended to operate on an 'all-employee' basis (i.e. they are not discretionary plans).

Eligibility

Employees and full-time directors of the Company and any designated participating subsidiary are eligible to participate in the Plans.

The Plans provide that the Board may require employees to have completed a qualifying period of employment (a 'Qualifying Period') before the grant of options. The Sharesave Plan and the US Plan provide that the Board may specify a Qualifying Period of up to five years and two years respectively.

All eligible employees of participating companies must be invited to participate. However, the Board may allow other employees to participate.

Grant of options

Options may only be granted to employees who enter into a savings contract, or (in the case only of Part B of the Sharesave Plan) such other similar savings arrangement, as approved by the Board, under which monthly savings are normally made over a period of three or five years, or a period of up to two years under the US Plan only.

Under the terms of Part B of the Sharesave Plan the Board may, in its discretion, decide to grant cash-based options of an equivalent value to share-based options or to satisfy share based options in cash.

Options under the Sharesave Plan will normally be granted within 30 days (or 42 days if applications are scaled back) of the first day by reference to which the option price is set (see 'Option price' below). Invitations under the US Plan may be issued within six weeks following the Company's announcement of its results for any period or within six weeks of shareholder approval of the US Plan or at any other time if the Committee considers there are exceptional circumstances. Options under the US Plan will normally be granted within 30 days (or 42 days if applications are scaled back) of the date of the invitation. The number of Shares over which an option is granted will be such that the total option price payable for those Shares will correspond to the proceeds on maturity of the related savings contract or arrangement.

No option may be granted under the Plans after 14 July 2019. Options are not transferable, except on death. Options are not pensionable.

Appendix II continued

Individual participation

Subject to the limits set out below, the Board will determine the maximum amount that an employee may contribute under a savings contract or arrangement linked to options granted under the Plans.

Monthly savings by an employee under Part A of the Sharesave Plan and all savings contracts linked to options granted under any HMRC approved sharesave plan established by the Company or a group company may not exceed the statutory maximum (currently £250 per month). Similarly, monthly savings by an employee under Part B of the Sharesave Plan and all savings contracts linked to options granted under Part B of the Sharesave Plan and any other sharesave plan established by the Company or a group company may not exceed the statutory maximum amount as may from time to time be permitted under Part A of the Sharesave Plan (or the relevant overseas currency equivalent of the relevant statutory amount). The US Plan includes a similar limit to that under Part B of the Sharesave Plan and restricts an employee's aggregate monthly savings under all savings contracts linked to the grant of an option under a sharesave plan established by the Company or a group company to the statutory maximum under Part A of the Sharesave Plan (or the relevant US dollars equivalent of the relevant statutory amount).

In addition to the above limits, under the US Plan no options shall be granted which permit an individual's rights to purchase shares under the US Plan or any other employee stock purchase plan established by the Company or a subsidiary of the Company in accordance with section 423 of the Code to accrue at a rate that exceeds US\$25,000 (calculated by reference to the fair market value of a share on grant) for each calendar year in which such option remains outstanding.

Option price

The price per Share payable upon the exercise of an option under the Sharesave Plan must be:

- (a) not manifestly less than 80% (or such other percentage as may be specified by statute in relation to HMRC approved options) of the market value of a Share on either the day immediately preceding the date on which invitations are issued to employees; or
- (b) a date specified in the invitation.

For the purposes of the Sharesave Plan, the market value of a Share on any day means:

- (a) the middle market quotation of shares for that day;
- (b) if the Board decides, the average of the middle-market quotations of Shares over the three dealing days ending on that day; or
- (c) the middle market quotation of Shares on such other dealing day(s) agreed with HMRC.

The price per Share payable upon the exercise of an option to subscribe for new issue Shares will not be less than the nominal value of those Shares, subject to adjustment following a variation of the share capital of the Company.

The option price under the Sharesave Plan may only be determined by reference to dealing days falling:

- (a) within the period of six weeks starting on:
 - (i) the day on which Part A of the Sharesave Plan is approved by HMRC; or
 - (ii) the day on which the Sharesave Plan is approved by the Company's shareholders in general meeting; or
 - (iii) the day after the day on which the Company announces its results for any period, or the day on which a new savings contract is announced or comes into force; or
- (b) at any other time when the circumstances are considered by the Board to be sufficiently exceptional.

The price per Share payable upon the exercise of an option under the US Plan will not be less than 85% (or such other percentage as may be specified by the Code) of the middle-market quotation of an ordinary share on the London Stock Exchange either on the date of grant of an option or the dealing day immediately preceding the date of grant of an option, as determined by the Committee.

Exercise of options

Options granted under the Sharesave Plan will normally be exercisable for a six month period from the third, fifth or seventh anniversary of the commencement of the related savings contract. Options granted under the US Plan will normally be exercisable following completion of the linked savings contract (which shall not be longer than 24 months in duration) and up until the expiry of the period of 27 months commencing on the date of grant of the option.

Earlier exercise of options under the Plans is permitted in the following circumstances:

- following cessation of employment by reason of death, injury, disability or redundancy (or its overseas equivalent);

Appendix II continued

- retirement on or after reaching age 60;
- retirement at any other age at which the employee is bound to retire under his terms of employment, except in relation to options granted under the US Plan;
- the business or company that the employee works for ceasing to be part of the Company's group;
- when an employee reaches 60;
- where employment ceases more than three years from grant for any reason other than dismissal for misconduct, except in relation to options granted under the US Plan;
- in the event of a takeover, amalgamation, reconstruction or winding-up of the Company, except in the case of an internal corporate re-organisation when the Board may decide to offer exchange of existing options for equivalent new options over shares in a new holding company; and
- in the case of options only under the US Plan, where the participant remains a group employee but ceases to be employed by the company through whose employment he was eligible to participate in the US Plan.

Except where stated above, options will lapse in the event that a participant ceases to be an employee or director within the Company's group.

Shares will be allotted or transferred to participants within 30 days of exercise.

Overall plan limits

The Plans may operate over new issue Shares, treasury Shares or Shares purchased in the market. In any ten calendar year period, the Company may not issue (or create the possibility of issuing) more than 10% of the issued ordinary share capital of the Company under the Plans and any other employee share plan adopted by the Company.

Treasury Shares will count as new issue Shares for the purposes of these limits unless the institutional investors decide that they need not count.

In addition to the 10% in ten year limit summarised above, options may only be granted under the US Plan over a total of five (5) million shares (equal to approximately 2% of the current issued ordinary share capital of the Company), subject to adjustment following a variation of the Company's ordinary share capital.

Variation of capital

In the event of any variation in the Company's share capital, the Board may, subject to the prior approval of HMRC in respect of Part A only of the Sharesave Plan, make such adjustment as it considers appropriate to the number of Shares under option and/or the price payable on the exercise of an option. In addition and in the case only of the US Plan the total number of shares over which options may be granted under the US Plan (i.e. the five million Shares limit) may be adjusted following any variation to the share capital of the Company.

Rights attaching to Shares

Any Shares allotted when an option is exercised under the Plans will rank equally with Shares then in issue (except for rights arising by reference to a record date prior to their allotment).

Alterations to the Plan

The Board may, at any time, amend the provisions of the Plans in any respect, provided that the prior approval of shareholders is obtained for any amendments that are to the advantage of participants in respect of the rules governing eligibility, limits on participation, the overall limits on the issue of Shares or the transfer of treasury Shares, the basis for determining a participant's entitlement to, and the terms of, the Shares or cash to be acquired or provided and the adjustment of options.

The requirement to obtain the prior approval of shareholders will not, however, apply to any minor alteration made to benefit the administration of the Plans, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any company in the Company's group.

Overseas plans

The shareholder resolution to approve the Sharesave Plan will allow the Board, without further shareholder approval, to establish further plans or schedules to the Sharesave Plan for overseas territories, any such plan or schedule to the Sharesave Plan to be similar to the Sharesave Plan, but modified to take account of local tax, exchange control or securities laws, provided that any Shares made available under such further plans are treated as counting against the limits on individual and overall participation in the Sharesave Plan.

Appendix III

Voting via the CREST electronic proxy appointment service

CREST members who wish to appoint a proxy through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction using CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ('EUI') specifications and must contain the information required for such instructions, as described in the CREST Manual. 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 so as to be received by Capita Registrars (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Capita Registrars 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 EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

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

Appendix IV



WARNING TO SHAREHOLDERS – BOILER ROOM SCAMS

Over the last year, many companies have become aware that their shareholders have received unsolicited phone calls or correspondence concerning investment matters. These are typically from overseas based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares in US or UK investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive, and a 2006 survey by the Financial Services Authority (FSA) has reported that the average amount lost by investors is around £20,000.

It is not just the novice investor that has been duped in this way; many of the victims had been successfully investing for several years. Shareholders are advised to be very wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FSA before getting involved by visiting www.fsa.gov.uk/register
- Report the matter to the FSA either by calling 0845 606 1234 or visiting www.moneymadeclear.fsa.gov.uk
- If the calls persist, hang up.

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FSA can be contacted by completing an online form at www.fsa.gov.uk/pages/doing/regulated/law/alerts/overseas.shtml

Details of any share dealing facilities that the company endorses will be included in company mailings.

More detailed information on this or similar activity can be found on the FSA website www.moneymadeclear.fsa.gov.uk