BTG

BTG plc

Notice of the

Annual General Meeting

to be held at the offices of

Stephenson Harwood LLP
1 Finsbury Circus,
London EC2M 7SH

Tuesday, 16 July 2013 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.

Registered in England and Wales: No. 2670500
Registered Office: 5 Fleet Place, London, EC4M 7RD

BTG plc
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UK

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www.btgplc.com

14 June 2013

Dear Shareholder

Annual General Meeting 2013

I am pleased to enclose the Notice of Meeting for the Annual General Meeting (the AGM) of BTG plc (the Company or BTG). The AGM will be held on Tuesday,16 July 2013 at 10.30 am at the offices of Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH. The formal notice convening the meeting is set out on pages 3 to 7 of this document. This document describes and gives a detailed explanation of each resolution to be proposed at the AGM.

Business at the AGM will include a presentation on the business of the Company and there will be the opportunity to meet and ask questions of the directors. If you are unable to attend the meeting, you may appoint a proxy to vote on your behalf at the meeting by returning the form of proxy sent to you in paper form. Alternatively, you may elect to vote online. If you choose to submit your proxy online you can access the voting site through the website of our registrar, Capita Registrars, at www.capitashareportal.com. Further instructions are provided on Capita's website. 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 Capita Registrars no later than 10.30 am on Friday, 12 July 2013. Submitting your proxy will not prevent you attending and voting in person if you wish to do so.

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. 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.

The Annual Report and Accounts for the year ended 31 March 2013 (the Annual Report and Accounts), a copy of which is enclosed and which also may be found in the Investors/Report and Accounts section of the Company's website (www.btgplc.com), contains the financial statements and a detailed review of progress in the business over the past year.

Matters to be voted on at the AGM include resolutions to receive the Annual Report and Accounts, to appoint KPMG LLP as auditor and elect or re-elect the directors. A number of other resolutions are also proposed, including seeking approval for amendments to the rules of the BTG Performance Share Plan 2006 (the PSP) and approval of the terms of new performance conditions. Explanatory notes for all the business of the AGM are given on pages 8 to 11 of this document and, in respect of the business proposed in relation to the PSP, in the Appendix attached to the Notice of AGM.

In accordance with the UK Corporate Governance Code, all the directors of the Company will stand for election or re-election annually. The Board is proposing the election of Richard Wohanka, as he was appointed to the Board since the last AGM, and the re-election of the other directors. Biographies of all current directors are on pages 42 to 43 of the Annual Report and Accounts.

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 that shareholders vote in favour of the resolutions. The directors will be voting in favour of the resolutions in respect of their own shareholdings.

Yours sincerely

Garry Watts
Chairman
BTG plc

Registered in England & Wales: No. 2670500
Registered office: 5 Fleet Place, London EC4M 7RD

Share Fraud Warning

We have advised previously that some of our shareholders have been called by a company purporting to be a major US bank offering to buy shares and warrants from shareholders at inflated prices on behalf of a Canadian company. If shareholders receive such unsolicited calls from anyone, we recommend that you read the Fraud Warning for Shareholders issued by the Institute of Secretaries and the Financial Services Authority. This can be found on our website under the Investors/Share Fraud Warning section (www.btgplc.com).

BTG plc
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 Stephenson Harwood LLP, 1 Finsbury Circus, London EC2M 7SH on Tuesday, 16 July 2013, at 10.30 am, to consider and, if thought fit, pass the following resolutions.

It is intended to propose resolutions 1 to 15 as ordinary resolutions and 16 to 17 as special resolutions.

Ordinary Resolutions

1 To receive and adopt the accounts for the financial year ended 31 March 2013, together with the reports of the directors and auditor thereon. (Resolution 1)

2 To approve the remuneration report for the year ended 31 March 2013. (Resolution 2)

3 To elect Richard Wohanka as a director of the Company. (Resolution 3)

4 To re-elect Garry Watts as a director of the Company. (Resolution 4)

5 To re-elect Louise Makin as a director of the Company. (Resolution 5)

6 To re-elect Rolf Soderstrom as a director of the Company. (Resolution 6)

7 To re-elect Giles Kerr as a director of the Company. (Resolution 7)

8 To re-elect Melanie Lee as a director of the Company. (Resolution 8)

9 To re-elect Ian Much as a director of the Company. (Resolution 9)

10 To re-elect James O’Shea as a director of the Company. (Resolution 10)

11 To appoint KPMG LLP as auditor to the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which accounts are laid. (Resolution 11)

12 To authorise the directors to fix the remuneration of KPMG LLP. (Resolution 12)

Special business

13 ***Donations to political organisations and political expenditure***

That in accordance with section 366 and 367 of the Companies Act 2006 (the Act), the Company and all companies which are subsidiaries of the Company during the period when this resolution has effect be and are hereby authorised:

(a) to make political donations to political parties and/or independent election candidates, not exceeding £25,000 in total;

(b) to make political donations to political organisations other than political parties, not exceeding £25,000 in total; and

(c) to incur political expenditure 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 16 October 2014, 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. For the purposes of this resolution the terms ‘political donation’, ‘political parties’, ‘independent election candidates’, ‘political organisation’ and ‘political expenditure’ have the meanings given by sections 363 to 365 of the Act. (Resolution 13)

14 ***Approval of amendments to the rules of the BTG Performance Share Plan 2006 and new performance conditions***

That the amendments to the rules of the BTG Performance Share Plan 2006 (the PSP) and the terms of the new three and five year PSP performance conditions, as summarised and explained in the Appendix to this Notice of Annual General Meeting, and in the form produced in draft to the Annual General Meeting, be approved and the directors be authorised to do all things necessary to give effect to the amendments and the new performance conditions including, but not limited to, the approval and adoption of further or consequential amendments to the rules and terms of the performance conditions to give effect to these changes. (Resolution 14)

15 ***Authority to allot shares***

That the directors be generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the Act), to exercise all the powers of the Company to allot shares and grant rights to subscribe for, or convert any security into, shares:

(a) up to a maximum nominal value (within the meaning of Section 551(3) and (6) of the Act) of £12,016,700 (such amount to be reduced by the nominal amount allotted or granted under (b) below in excess of such sum); and

(b) comprising equity securities (as defined in Section 560 of the Act) up to an aggregate nominal amount (within the meaning of Section 551(3) and (6) of the Act) of £24,033,399 (such amount to be reduced by any allotments or grants made under (a) above) in connection with or pursuant to an offer by way of a rights issue in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment (and holders of any other class of equity securities entitled to participate therein or if the directors consider it necessary, as permitted by the rights of those securities), but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever,

these authorisations to expire at the conclusion of the next Annual General Meeting of the Company (or if earlier on 16 October 2014), (save that the Company may before such expiry make any offer or agreement which would or might require shares to be allotted or rights to be granted, after such expiry and the directors may allot shares, or grant rights to subscribe for or to convert any security into shares, in pursuance of any such offer or agreement as if the authorisations conferred hereby had not expired). (Resolution 15)

Special Resolutions

16 ***Disapplication of pre-emption rights***

That, subject to the passing of resolution 15 set out above, the directors be given power pursuant to Sections 570(1) and 573 of the Companies Act 2006 (the ‘Act’) to allot equity securities (as defined in Section 560 of the Act) of the Company for cash pursuant to the authorisation conferred by that resolution, as if section 561 of the Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities for cash:

(i) in connection with or pursuant to an offer of or invitation to acquire equity securities (but in the case of the authorisation granted under resolution 15(b) above, by way of a rights issue only) in favour of holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on the record date for such allotment or sale (and holders of any other class of equity securities entitled to participate therein or if the directors consider it necessary, as permitted by the rights of those securities) but subject to such exclusions or other arrangements as the directors may consider necessary or appropriate to deal with fractional entitlements, record dates or legal, regulatory or practical difficulties which may arise under the laws of or the requirements of any regulatory body or stock exchange in any territory or any other matter whatsoever; and

(ii) in the case of the authorisation granted under resolution 15(a) above (or in the case of any transfer of treasury shares), and otherwise than pursuant to paragraph (i) of this resolution, up to an aggregate nominal amount of £1,802,505.

and shall expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 16 October 2014), save that the Company may before such expiry make any offer or agreement that would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired. (Resolution 16)

17 ***Reduced notice of a meeting other than an annual general meeting***

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. (Resolution 17)

By order of the Board

Paul Mussenden
Secretary
BTG plc

5 Fleet Place
London
EC4M 7RD
Registered in England and Wales No. 2670500

14 June 2013

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), provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him, to attend, to speak and, on a poll, to 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:
   - 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 12 July 2013 to the Company's Registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU;
   - Online through the website of our registrar, Capita Registrars, at www.capitashareportal.com

   Appointment of a proxy does not preclude a member of the Company from attending the AGM and voting in person. If you wish to attend the AGM in person, please bring with you the Attendance Card accompanying this Notice. This will authenticate your right to attend, speak and vote at the AGM and assist us in registering your attendance without delay.

2. Alternatively, if you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained below:

   CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) thereof by using the procedures, and to the address, described in the CREST Manual (available via www.euroclear.com/CREST) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK and Ireland Limited's (Euroclear) 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 the issuer's agent (ID RA 10) by the latest time(s) for receipt of proxy appointments specified in the Notice of the Annual General Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) 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 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 provider(s) 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.

3. 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 10.30 am on 12 July 2013 (or 48 hours before the time appointed for holding 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.

4. Copies of executive directors' service agreements and copies of the terms and conditions of appointment of non-executive directors are available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the Annual General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.

5. 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 (the Act) (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.

6. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

7. Any member attending the Annual General Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such 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.

8. A copy of this notice, and other information required by Section 311A of the Act, can be found on the Company’s website, www.btgplc.com.

9. Under Section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Act, (in each

case) that the members propose to raise at the Annual General Meeting. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

10. As at 13 June 2013 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 360,500,985 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 13 June 2013 are 360,500,985.

11. You may not use any electronic address (within the meaning of Section 333(4) of the Act) provided in this Notice of Meeting (or in any related documents including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.

12. A copy of the rules of the BTG Performance Share Plan 2006 (the PSP) incorporating the draft amendments being put before shareholders for their approval at the Annual General Meeting and the new three and five year PSP performance conditions will be available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the Annual General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.

Information on resolutions

Resolution 1: To receive and adopt the accounts for the financial year ended 31 March 2013, together with the reports of the directors and auditor thereon.
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 section 439 of the Act, shareholders are invited to vote on the directors' remuneration report, which is set out on pages 63 to 81 of the Annual Report and Accounts.

Resolution 3: Retirement and election of a director
The Company's Articles of Association require that any director newly appointed to the Board should retire at the first AGM following their appointment and stand for election. Richard Wohanka joined the Company since the last AGM and the Board is recommending that shareholders vote to elect him as a director.

Richard Wohanka joined the Board on 1 January 2013. The Board considered that his years of experience building asset management companies and deep understanding of the financial markets and company strategies that create value would bring substantial value to the Board. The Board therefore recommends his election. This is proposed in Resolution 3.

Biographical details are shown on pages 42 and 43 of the Annual Report and Accounts and on the Company's website.

Resolutions 4 to 10: Retirement and re-election of directors
In accordance with section B.7.1 of the UK Corporate Governance Code (the Code) all the other directors of the Company will stand for re-election.

The directors were first appointed to the Board as follows: Garry Watts in 2012, Louise Makin in 2004, Rolf Soderstrom in 2008, Giles Kerr in 2007, Melanie Lee and Ian Much in 2011 and Jim O'Shea in 2009. Following a formal evaluation process, the Chairman is satisfied that each of the directors continues to perform effectively and demonstrates commitment to their role, including commitment of time for Board and Committee meetings and their other duties. Evaluation of Garry Watts as Chairman was carried out by Giles Kerr, the Senior Independent Director, who found him to be committed and his performance to be effective.

All the non-executive directors have letters of appointment rather than service contracts with a notice period of three months for all except the Chairman who has a six month notice period, unless they are not re-elected at an AGM. Louise Makin and Rolf Soderstrom have service contracts with a notice period of 12 months.

Biographical details of the directors standing for re-election are shown on pages 42 and 43 of the Annual Report and Accounts and on the Company's website.

Resolutions 11 and 12: Appointment of the auditor and approval of its remuneration
At every general meeting at which accounts are presented to shareholders, the Company is required to appoint an auditor to serve from the end of the meeting until the next such meeting. The Company's current auditor, KPMG Audit Plc, has instigated an orderly wind down of its business and will therefore not be seeking re-appointment as auditor of the Company when its current term expires, that is to say at the conclusion of the 2013 AGM. In place of KPMG Audit Plc, the Board recommends that KPMG LLP be appointed the Company's auditor. In connection with the resignation of KPMG Audit Plc, the Company is required as a matter of law to circulate to you a copy of the statement of the circumstances

connected with the resignation of the Company's auditor. This statement is enclosed with this document. Resolution 11 relates to the appointment of KPMG LLP as the Company's auditor to hold office until the next annual general meeting of the Company. Resolution 12 authorises the directors to set its remuneration. The directors have delegated the responsibility of setting the auditor's remuneration to the audit committee of the Board.

Resolution 13: Political donations and political expenditure

Provisions of the Act relating to political donations and expenditure, include provisions that 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.

The Company does not make and does not intend to make donations to political parties, other political organisations or independent election candidates, nor does it incur or intend to incur EU political expenditure within the ordinary meaning of those words. However, the definitions of political donations, political expenditure and political organisations used in the Act are very broadly drafted. In particular, the definition of political organisations may extend to bodies such as those concerned with policy review, law reform, the representation of the business community and special interest groups such as those concerned with the environment. Matching employees' donations to certain charities may also be covered. As a result, the definitions may cover legitimate business activities that are not in the ordinary sense considered to be political donations or political expenditure. Such activities are not designed to support any political party or independent election candidate.

The Company wishes to ensure that neither it nor its subsidiaries inadvertently commits any breaches of the Act; accordingly, the directors have decided to seek shareholders' authority for political donations and political expenditure to be made 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, if earlier, the date which is fifteen months from the date of this resolution. The directors will continue to seek to renew their authority at each AGM, in accordance with current best practice.

No payments have ever been made under this authority, which is specific to political donations and political expenditure in relation to any and all EU member states.

Resolution 14: Approval of amendments to the rules of the BTG Performance Share Plan 2006 and new performance conditions

Following a detailed review of the remuneration policy and the total remuneration package for executives, the Remuneration Committee of the Board has recommended that certain changes be made to the Company's long-term incentives policy. To give effect to these changes shareholders are requested to approve at the 2013 AGM amendments to the rules of the BTG Performance Share Plan 2006 (the PSP) and approve the terms of new three and five-year performance conditions, as follows:

- To increase the maximum aggregate market value of shares (at grant) over which core performance share awards may be granted to an eligible employee under the PSP in any financial year from 100% to 150% of base salary (increasing to 200% of base salary in exceptional circumstances e.g. recruitment)
- To permit the Remuneration Committee to offer Executive Directors only the opportunity to voluntarily elect to carry-forward and put at risk for a further two years 0 per cent., 50 per cent. or 100 per cent. of the total number of shares that would have vested under a core award after three years into a multiplier award under the terms of which the initial number of shares carried forward and held under a multiplier award

may be increased (or decreased) by a factor of zero to 2 (in respect of core PSP awards granted after the 2013 AGM) or by a factor of zero to 2.5 (in respect of core PSP awards granted in 2011 and 2012), subject to the satisfaction of a five year total shareholder return (TSR) based performance condition

- Approve the terms of a new three year relative TSR and earnings per share based performance condition to apply to future core awards
- Approve a new five year absolute TSR based performance condition, which will apply to all multiplier awards, and
- Approve consequential amendments to the rules of the PSP that are necessary to give effect to the changes described above, including amendments to the leaver and takeover provisions.

A more detailed explanation of the changes to the Company's long-term incentives policy and the amendments to the rules of the PSP and the terms of the new PSP performance conditions is set out in the Appendix to this Notice of Annual General Meeting. Details of changes to the Executive Directors base salary and annual bonus arising from the Remuneration Committee's review of remuneration policy is set out in the Directors Remuneration Report as contained in the Annual Report and Accounts for the year ended 31 March 2013. A copy of the rules of the PSP incorporating and highlighting draft amendments to give effect to the above changes, together with copies of the terms of the new three and five year PSP performance conditions, will be available for inspection at the Company's registered office during normal business hours from the date of this notice until the close of the Annual General Meeting (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.

Resolution 15: Authority to allot securities

The directors may allot shares and grant rights to subscribe for, or convert any security into, shares only if authorised to do so by the shareholders. Resolution 15 proposes granting the directors authority to allot shares and grant rights to subscribe for, or convert any security into, shares (a) up to an aggregate nominal amount of £12,016,700 and (b) in connection with a rights issue up to an aggregate nominal amount (reduced by allotments under part (a) of the resolution) of £24,033,399. The nominal amounts to which this authority relates represent approximately 33.3% and approximately 66.7% respectively of the issued ordinary share capital of the Company as at 13 June 2013. 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. The directors have no present intention of exercising this authority. The Company does not hold any shares in treasury.

Resolution 16: Disapplication of pre-emption rights

Resolution 16 gives the directors the power, in certain limited circumstances, to allot equity securities for cash without first being required to offer such shares to the existing shareholders in proportion to their existing holdings. Apart from offers or invitations in proportion to the respective number of shares held, the power will be limited to the allotment of equity securities for cash up to an aggregate nominal value of £1,802,505 (being 5% of the issued ordinary share capital of the Company as at 13 June 2013, the latest practicable date prior to publication of this notice). The directors will have due regard to institutional guidelines in relation to any exercise of this power, in particular the requirement for advance consultation and explanation before making any non pre-emptive cash issue pursuant to this resolution which exceeds 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 17: Notice of general meetings

The Companies Act 2006 increased the notice period required for general meetings of the Company to at least 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (Annual general meetings will continue to be held on at least 21 clear days' notice.) Shareholder consent is being sought to approve the calling of general meetings on 14 days' notice.

Resolution 17 seeks to renew the approval granted at last year's annual general meeting. 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 confirms that it will give as much notice as practicable when calling a general meeting. The Company does not intend to use this authority as a matter of routine. The Company envisages that this authority would be used (in limited circumstances for time sensitive matters) where a shorter notice period would be, in the Board's opinion, merited in the interests of shareholders as a whole.

APPENDIX

This Appendix to the Notice of Annual General Meeting summarises and explains the changes recommended by the Remuneration Committee in relation to the provision of long-term incentive (LTI) awards to the Company's executives. To give effect to this change in LTI policy amendments are required to be made to the rules of the BTG Performance Share Plan 2006 (the PSP) and new performance conditions adopted, for which shareholder approval is being sought at the Annual General Meeting to be held on 16 July 2013 (the 2013 AGM). The proposed amendments to the rules of the PSP and the terms of the new performance conditions are also summarised in this Appendix.

A copy of the rules of the PSP incorporating the draft amendments being put before shareholders for their approval at the 2013 AGM and incorporating the new three and five year PSP performance conditions will be available for inspection at the Company's registered office during normal business hours from the date of the Notice of Annual General Meeting until the close of the 2013 AGM (Saturdays, Sundays and public holidays excepted) and will be available for inspection at the place of the meeting for at least 15 minutes prior to and during the meeting.

Background

At present, the Company's LTI provision for BTG's executive directors (Executive Directors) consists of annual awards comprising a mix of:

– market value share options under the BTG Executive Share Option Plan 2009 (the ESOP) over shares worth (at the time of grant) up to 100% of salary; and

– performance shares under the PSP also over shares worth (at the time of grant) up to 100% of salary.

Options and performance shares under both the ESOP and the PSP normally vest and (in the case of options) become exercisable on the third anniversary of the date of grant, subject to the satisfaction of the applicable performance conditions and the participant's continued service within the BTG group.

Following a recent review of executive remuneration (details of which are set out in the Directors' Remuneration Report for the year ended 31 March 2013) the Remuneration Committee has recommended that the changes outlined below and elsewhere summarised in this Appendix be made to the Company’s executive LTI policy. These changes are subject to the Company's shareholders approving new performance conditions and amendments to the rules of the PSP at the 2013 AGM to give effect to these changes.

– Market value options will no longer be granted to the Executive Directors under the ESOP after the 2013 AGM.

– To take account of the transition away from a mix of both market value options and performance shares to an annual grant policy of performance shares only for Executive Directors, it is proposed that:

    o Executives will be eligible to receive an annual award of performance shares under the PSP over shares worth (at the time of grant) up to 150% of base salary (or up to 200% of base salary in exceptional circumstances e.g. recruitment); and,

    o Executive Directors only will be eligible to receive an annual award of performance shares under the PSP over shares worth (at the time of grant) up to 300% of base salary in aggregate. Awards to Executive Directors shall comprise the following two elements:

        ▪ a 'core' award over performance shares worth up to 150% of base salary (a core award), which shall initially be subject to the satisfaction of a three year total shareholder return (TSR) an earnings per share (EPS) based performance condition and continued service within the group; and

        ▪ a 'multiplier' to the core award (a multiplier award) under which Executive Directors will be given the opportunity prior to the vesting of a core award, to voluntarily elect to put 0%, 50% or 100% of the core award that is due to vest after three years at risk for a further two years (i.e. until the 5^{th} anniversary of grant) in return for an opportunity to double the number of shares (or potentially lose all of the shares) subject to the election, subject to the satisfaction of a five year TSR based performance condition and continued service within the group.

– In addition, the Executive Directors will also be given the opportunity to elect to defer and put at risk for a further two years 0%, 50% or 100% of awards granted under the PSP in 2011 and 2012, which are due to vest in 2014 and 2015 in return for the grant of multiplier awards that may increase the total number of shares capable of vesting after five years by a factor of *2.5* (or potentially lose all of these shares). In this case only, any additional shares required to be granted to an Executive Director to give effect to an election to rollover 2011 and/or 2012 PSP awards into a multiplier award shall not count towards the individual annual grant limits under the PSP as described above.

<table>
<tr><th colspan="2">Summary of amendments required to be made to the PSP to give effect to the new LTI proposals and a description of the terms of the new 3 and 5 year performance conditions</th></tr>
<tr><td>1. Quantum</td><td>
To facilitate the change from granting a mix of market value share options and performance shares to granting performance shares only, shareholders are requested to approve amendments to the individual limits set out in the rules of the PSP, as described below.
– The maximum individual annual limit on the value of shares over which future core awards may be granted to an eligible employee after the 2013 AGM will be increased from 100% of base salary p.a. to a maximum of 150% of salary p.a. in normal circumstances and up to 200% of base salary in exceptional circumstances, such as on recruitment. The increase in the normal limit of PSP awards is not anticipated to result in an increase in the overall value of 'core' awards for Executives as the current award of 100% of salary in the form of options will be discontinued.
– The maximum individual annual limit on the value of shares over which future awards may be granted to Executive Directors only (taking account of both 'core' and 'multiplier' awards) will be increased from 100% to 300% of base salary p.a. (to exclude shares held under any multiplier awards required to be granted to give effect to any election made by an Executive Director in respect of their 2011 and/or 2012 PSP awards – see below); thus Executive Directors who elect for a multiplier award and defer vesting of their core award for a further two years would have a maximum opportunity of double the number of shares that would otherwise have vested under a normal 'core' award after three years (i.e. 2 x 150% of base salary), subject to the satisfaction of a five year TSR based performance condition.
– To give effect to any election made by an Executive Director to rollover their 2011 and/or 2012 PSP awards into a multiplier award the Directors of the Company be authorised to approve the grant to any such Executive Director an additional award under the PSP over an additional total number of shares equal in number to 1.5 x the shares which the Executive has elected to rollover under his 2011 and 2012 award. As described above, these shares will not count towards the proposed 300% p.a. individual limit applying to Executive Directors after the 2013 AGM.
For the avoidance of any doubt, whilst the number of shares granted as a core award could be doubled (or increased by a factor of 2.5 in respect of 2011 and 2012 awards), the five year TSR performance measure applying to multiplier awards (see 4. below) could also reduce the number of shares that vest on the fifth anniversary down to zero.
Please see the illustrative examples in sections 10 and 11 of this Appendix below for a further explanation of how the multiplier works.
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<tr><td>2. Vesting of core and multiplier awards and making a valid election</td><td>
Core awards normally vest on the third anniversary of grant, subject to the satisfaction of a three year performance condition (i.e. TSR and EPS for the initial awards granted after the 2013 AGM) and continued service within the group.
Subject to the approval of the Company's shareholders at the 2013 AGM, the rules of the PSP will be amended to provide that where an Executive Director has validly elected to rollover a core award into a multiplier award, that multiplier award will normally vest on the fifth anniversary of the date of grant of the original core award, subject to the satisfaction of a five year TSR performance condition and the Executive's continued service in the group.
Elections to rollover core awards into multiplier awards can be made in respect of either 50% or 100% of the total number of shares due to vest under a core award after three years. Elections must be made before the third anniversary of the date of grant of the core award and once they become effective are irrevocable. If the core award vests before the third anniversary of its grant e.g. because the Executive ceases to hold office or employment as a "good leaver" (see section 6 below) or there is a takeover or other major corporate event, any election for a multiplier award made in respect of that core award will be invalid and the multiplier award shall lapse. Similarly, if an Executive Director is under notice of termination of office or employment for any reason (whether given or received) or they cease to be an officer or employee so that they will no longer hold any office or employment within the Company's group for any reason before the third anniversary of grant of a core award, any election for a multiplier award will be invalid and the multiplier award shall lapse.
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	At present, awards structured as nil cost options are exercisable for a period of 12 months from the date of vesting. Subject to the approval of the Company's shareholders at the 2013 AGM, the exercise period will be extended so that vested options may be exercised up until the day before the tenth anniversary of the date of grant of the core award.
3. Performance condition – core awards	The performance conditions applying to core awards granted in 2013 will be based on a relative TSR measure and EPS growth condition; each condition is independent of the other and shall apply to one half of the total number of shares subject to a core award (the Core Performance Conditions). The adoption of the Core Performance Conditions is subject to the Company's shareholders approving the terms of the new conditions and amendments to the rules of the PSP at the 2013 AGM. The Core Performance Conditions will apply to all core awards including for the purpose of determining what awards may be subject to an election by an Executive Director for treatment as a multiplier award. *The relative TSR condition applying to 50% of a core award* The TSR condition shall normally be measured over a period of three financial years starting on the first day of the financial year in which the core award is granted. The TSR performance condition compares the Company's TSR against the TSR of each of the members of a peer group comprising those companies in the FTSE 250 Index on the first day of the TSR performance period. For any part of the core award subject to the TSR condition to vest, the Company's TSR over the performance period must be at least at the median of a ranking of the TSR of each of the members of the peer group over the same period, in which circumstances that part of the core award shall (subject to any election to defer) vest, as follows:

Level of performance	Ranking vs peer group	% of each part of the award vesting
Below threshold	Below median	0%
Threshold	Median	25%
Between threshold and maximum	Between median and upper quartile	Sliding scale between 25% and 100%
Maximum	Upper quartile or above	100%

Three month average data will be used to calculate the opening and closing values for the TSR calculation.

If a member of the peer group ceases to exist, its shares cease to be listed or otherwise is so changed as to make it, in the opinion of the Remuneration Committee, unsuitable as a member of the peer group, the Remuneration Committee may exclude it from, or replace it in, the peer group, track future performance by reference to an index or treat it in any other way the Remuneration Committee decides is appropriate.

The EPS growth condition applying to 50% of a core award

The EPS growth condition will be measured over three financial years of the Company starting with the financial year in which the core award is granted and requires the Company's EPS growth to be at least equal to 40% over the performance period, in which circumstances that part of the core award subject to EPS growth shall (subject to any election to defer) vest, as follows:

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<tr><th>Level of performance</th><th>EPS Growth over 3 years</th><th>% of each part of the award vesting</th></tr>
<tr><td>Below threshold</td><td><40%</td><td>0%</td></tr>
<tr><td>Threshold</td><td>40%</td><td>25%</td></tr>
<tr><td>Between threshold and maximum</td><td>Between 40% and 90%</td><td>Sliding scale between 25% and 100%</td></tr>
<tr><td>Maximum</td><td>90%</td><td>100%</td></tr>
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The EPS growth condition will be calculated off a base EPS figure equal to EPS for the financial year immediately preceding the financial year in which an award is granted.
For the purposes of the EPS performance condition, EPS shall mean adjusted EPS (i.e. it excludes acquisition adjustments and reorganisation costs, e.g.: amortisation of acquired intangible assets; impairment of acquired intangible assets; transaction costs; redundancy costs of major business reorganisation resulting from an acquisition; and, any further adjustments approved by the Remuneration Committee in its discretion from time to time).
In relation to awards granted in the 2013/14 financial year, base EPS will be equal to 12.7 pence.
The Remuneration Committee will have discretion to set different Core Performance Conditions for awards made in future years provided that in the reasonable opinion of the Remuneration Committee the new conditions are no less challenging in the circumstances than the TSR and EPS conditions described above.
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<td>4. Performance condition – multiplier awards</td>
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The performance condition applying to multiplier awards will be based on a single condition measuring the Company's absolute TSR performance against the FTSE 250 Index (the Multiplier Performance Condition) over a period of five financial years starting with the financial year in which the core award was granted. Three month average data will be used to calculate the opening and closing values for the TSR calculation. The adoption of the Multiplier Performance Condition is subject to the Company's shareholders approving the amendments to the rules of the PSP and both the Core Performance Conditions and Multiplier Performance Condition at the 2013 AGM.
The Multiplier Performance Condition shall only apply to awards granted to an Executive Director and then only to the extent that the Executive Director has validly elected for a multiplier award.
The Multiplier Performance Condition shall apply to the number of shares that would have vested under the Core Performance Conditions and which the Executive has elected to put at risk for a further two years under a multiplier award.
For awards where the first year of the five year performance period begins on or after 1 April 2013 1% outperformance/underperformance of the median of the TSR peer group will increase or decrease the total number of shares that would have vested under the Core Performance Conditions by 1%.
Therefore the core award would be at risk and could be increased or decreased by ±100% (i.e. it could be doubled or be reduced to zero) based on TSR performance to the end of year five.
For multiplier awards arising from core awards granted in 2011 or 2012, each 1% outperformance/underperformance of the median of the TSR peer group will increase or decrease the total number of shares that would have vested under the original three year performance conditions applying to the awards by 1.5%. i.e. the core award would be at risk and could be increased by +150% or reduced to zero. The higher leverage reflects the fact that BTG's policy in 2011 and 2012 was to grant a mix of options and PSPs and that the multiplier will only apply to PSP awards.
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<td>5. Adjustments to the performance conditions</td>
<td>The Remuneration Committee may vary the Core Performance Conditions and/or Multiplier Performance Condition that apply to existing awards if an event has occurred which causes it to consider that it would be appropriate to amend the performance conditions, provided the Remuneration Committee considers that 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.</td>
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6. Early vesting: cessation of employment and corporate events	**Leavers** As at present, awards will lapse if a participant ceases to be a director or employee within the Company's group at any time unless they are a "good leaver". A good leaver means a participant who ceases to be a director or employee by reason of: (a) ill-health; (b) injury or disability; (c) redundancy; (d) retirement at any age with the agreement of the Remuneration Committee; (e) the sale or transfer of his employing company or business out of the group; or (f) for any other reason if the Remuneration Committee so determines. The vesting of awards held by good leavers will depend on whether they leave before, or on or after the third anniversary of the date of grant of an award. Subject to the approval of the Company's shareholders the leaver provisions will be amended to provide as follows: <u>*Good leavers – cessation before the third anniversary of grant of a core award*</u> If a participant ceases to hold office or employment as a good leaver before the third anniversary of grant of a core award that core award will normally vest on or shortly following the date of cessation. The extent to which a core award will vest in these situations will depend upon two factors: (i) the extent to which the Core Performance Conditions have, in the opinion of the Remuneration Committee, been satisfied by reference to the date of cessation, taking into account the shorter performance period; and (ii) the pro-rating of the award to reflect the reduced period of time between its grant and vesting (rounded up to the nearest six months) relative to a period of three years, although the Remuneration Committee can decide not to pro-rate an award if it regards it as inappropriate to do so in the particular circumstances. Alternatively, the Remuneration Committee may decide that an award will vest on the date when it would have vested if the participant had not ceased such employment or office, subject to: (i) the satisfaction of the performance conditions measured over the original three year performance period; and (ii) pro-rating by reference to the time of cessation as described above. For the avoidance of doubt, Executive Directors who cease to be in office or employment or are under notice for any reason (whether given or received) prior to the third anniversary of grant of a core award would not be eligible to elect to receive a multiplier award in respect of that core award and any election already made will be invalid. <u>*Good leavers – cessation on or after the third anniversary of grant of a core award where a valid election to rollover has been made*</u> If a participant ceases to hold office or employment as a good leaver on or after the third anniversary of the date of grant of a core award and a valid election to rollover some or all of the core award into a multiplier award has been made, the multiplier award will normally vest on the fifth anniversary of the date of grant of the original core award. The extent to which the multiplier award will vest in these situations will depend on the extent to which the Multiplier Performance Condition has been satisfied over the original five-year performance period. Alternatively, the Remuneration Committee may decide that a multiplier award will vest on the date of cessation, subject to the satisfaction of the Multiplier Performance Condition at that time. A time pro-rata reduction will not be applied to multiplier awards. <u>*Good leavers – outstanding vested awards*</u> <u>A good leaver will normally have twelve months within which to exercise any outstanding award that vested prior to the date of cessation.</u> <u>*Death*</u> As at present core awards would normally vest in full without application of the Core Performance Conditions or pro-rating for time. However, multiplier awards will lapse if they have not already vested.

	Change of control As at present awards will vest early upon a takeover, scheme of arrangement or winding up of the Company (a "relevant corporate event"). The extent to which an award vests is subject to (in the case of a relevant corporate event occurring within three years of the grant of a core award) the satisfaction of the Core Performance Conditions and a time pro rata reduction will also normally apply; although the Remuneration Committee will have discretion to dis-apply pro-rating if it feels it is appropriate in the circumstances. Subject to the approval of the Company's shareholders, the rules of the PSP will be amended to provide that on the occurrence of a relevant corporate event three or more years after the grant of a core award multiplier awards shall vest early subject to the satisfaction of the Multiplier Performance Condition at the time of the relevant corporate event. A time pro-rata reduction will not apply to multiplier awards in these circumstances. The entitlement to elect for a multiplier award will lapse if the relevant corporate event occurs before the third anniversary of grant of a core award. Furthermore, elections for a multiplier award made before the third anniversary of grant of a core award will be invalid upon the occurrence of a relevant corporate event prior to third anniversary. As at present, upon an internal reorganisation of the Company, awards will normally be exchanged for awards in the new holding company unless the Remuneration Committee decides otherwise. Furthermore, if a demerger, special dividend or other similar event is proposed, the Remuneration Committee may decide that awards will vest on the same basis which would apply in the case of a takeover, scheme or arrangement or winding up of the Company as described above.
Summary of other key principal terms under the PSP (no amendments are being made to these terms)	
7. Award frequency	As at present, PSP awards would normally be granted within six weeks of the Company announcing results for any financial year. Awards can also be granted at any other time when the Remuneration Committee considers there are exceptional circumstances that justify the grant of awards. The first grant of performance share awards to Executive Directors in 2013/14 will be made as soon as reasonably practicable following the 2013 AGM. No awards may be granted under the PSP on or after 26 July 2016.
8. Clawback	As at present the Remuneration Committee will have the power to clawback all or part of the awards/payments for two years following vesting in the event of a material misstatement, an error in the calculation of performance against the performance condition of the plan or a participant ceases office or employment by reason of misconduct.
9. Dividends	As at present the Remuneration Committee may decide that participants will receive a payment (in cash and/or shares), on or shortly following the transfer of shares to them in satisfaction of their awards, of an amount equivalent to the dividends that would have been paid on the shares that vest between the time when the shares were granted and vesting.
Illustrative examples	
10. Example 1 – TSR outperformance of the FTSE 250 Index	**Example 1 (2013 award): for illustrative purposes only** Assumptions – Base salary = £300,000 – Share price (at grant) = £3 per share 1. Total number of shares over which award is granted = 300,000 (i.e. £900,000 ÷ £3 per share), comprising a core award over 150,000 shares and an additional 150,000 shares under a multiplier award 2. Say, there is 50% vesting under the Core Performance Conditions after 3 years = 75,000 shares (i.e. 50% of the 150,000 shares subject to the core award) 3. The Executive then elects to rollover half of the core award due to vest on the 3rd anniversary = 37,500 shares 4. The remaining half of the core award will vest on the 3rd anniversary = 37,500 shares

	5. The maximum number of shares capable of vesting under the multiplier award = 75,000 shares (i.e. 37,500 shares held under the rolled over core award and a maximum addition of 37,500 shares) 6. If BTG's TSR at the end of the 5 year performance period is 50% and the FTSE 250 Index TSR at the end of the 5 year performance period is 30%, then BTG's outperformance of the FTSE 250 Index at end of year 5 is +20% 7. The multiplier applied to the rolled over core award (37,500 shares) for determining the total number of shares vesting at year 5 = 120% 8. So, the total number of shares that vest on the 5th anniversary of the date of grant of the original core award = 45,000 shares (i.e. 37,500 shares x 120%) 9. Total number of shares that vest on 3rd and 5th anniversaries in aggregate = 82,500 shares (37,500 shares after 3 years plus 45,000 shares after 5 years) 10. Total number of shares that lapse = 217,500 shares (187,500 shares lapsing on the 3rd anniversary and 30,000 on the 5th anniversary)
11. Example 2 – TSR underperformance of the FTSE 250 Index	**Example 2 (2013 award): for illustrative purposes only** Assumptions – Base salary = £300,000 – Share price (at grant) = £3 per share 1. Total number of shares over which award is granted = 300,000 (i.e. £900,000 ÷ £3 per share), comprising a core award over 150,000 shares and an additional 150,000 shares under a multiplier award 2. Say, there is 33% vesting under the Core Performance Conditions after 3 years = 50,000 shares (i.e. 33% of 150,000 shares subject to the core award) 3. The Executive then elects to rollover 100% of the core award due to vest on the 3rd anniversary = 50,000 shares 4. No shares will vest on the 3rd anniversary 5. The maximum number of shares capable of vesting under the multiplier award = 100,000 shares (i.e. 50,000 shares held under the rolled over core award and a maximum addition of 50,000 shares) 6. If BTG's TSR at the end of year 5 is **-** 40% and the FTSE 250 Index TSR at end of year 5 is **-**10%, then BTG's underperformance of the FTSE 250 index at end of year 5 is **-** 30% 7. The multiplier applied to the rolled over core award (50,000 shares) for determining the total number of shares vesting at year 5 = 70% 8. So, the total number of shares that vest on the 5th anniversary of the date of grant of the original core award = 35,000 shares (i.e. 50,000 shares x 70%) 9. Total number of shares that vest on 3rd and 5th anniversaries in aggregate = 35,000 shares (zero shares after 3 years plus 35,000 shares after 5 years) 10. Total number of shares that lapse = 265,000 shares (200,000 shares lapsing on the 3rd anniversary and 65,000 on the 5th anniversary)