THIS LETTER IS IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, accountant or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000, if you are in the United Kingdom or from another appropriately authorised independent financial adviser if you are taking advice in a territory outside the United Kingdom.

In the event of a conflict between this Letter and the terms of the BTG Executive Share Option Plan, or any relevant legislation, the terms of the BTG Executive Share Option Plan or the legislation will prevail.

References to taxation are for information only, and you are advised to refer to the tax information relevant to your Options provided via Shareworks. If you are internationally mobile, you may be subject to tax in more than one jurisdiction. If you have any questions in relation to the tax treatment that applies to you, you should seek professional independent tax advice.

15 July 2019

To: Participants in the BTG Executive Share Option Plan (the ESOP)

Recommended cash offer for BTG plc (BTG) by Bravo Bidco Limited (Bidco) an indirect wholly-owned subsidiary of Boston Scientific Corporation (Boston Scientific)

1. BACKGROUND

On 20 November 2018 the boards of BTG and Boston Scientific announced that they had agreed the terms of a recommended cash offer (the Acquisition) pursuant to which Boston Scientific, through its indirect wholly-owned subsidiary Bidco, will acquire the entire issued and to be issued ordinary share capital of BTG.

The purpose of this letter (the Letter) is to explain the effect of the Acquisition on the options (Options) granted to you under the ESOP, and how your Options will be treated in relation to the Acquisition.

Under the terms of the Acquisition, BTG Shareholders will be entitled to receive:

for each BTG Share 840 pence in cash

It is intended that the Acquisition be implemented by way of a Court sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the Scheme). Further information in relation to the Scheme is set out in a scheme document dated 24 January 2019 (the Scheme Document), a copy of which is available at www.btgplc.com (and also on your Shareworks account, via “My Documents”, “BTG Acquisition”). You should read this Letter in conjunction with the Scheme Document. Defined terms used in this Letter have the meanings given in the Scheme Document, unless otherwise defined in this Letter.
The current estimated timeline for the Scheme is set out below.

Court Hearing to sanction the Scheme (Court Sanction) 15 August 2019

Scheme Record Time 6pm on 16 August 2019

Effective Date of the Scheme (Effective Date) 19 August 2019

The dates and times given above are indicative only, are based on BTG’s current expectations and may be subject to change (including as a result of change to the regulatory timetable). If any expected times and/or dates change, BTG will notify you.

2. IMPACT OF THE ACQUISITION ON YOUR OPTIONS

2.1 Options (other than Linked CSOP Options)

Your Options (other than any Linked CSOP Options you may hold, as referred to below) are already exercisable and may be exercised for a period of one month following notification to you of Court Sanction. All unexercised Options will lapse at the expiry of this period.

2.2 Linked CSOP Options

If you hold an Option which is linked (a Linked CSOP Option) to an award granted under the BTG Performance Share Plan 2016 (a Linked Award), the following will apply:

- your Linked CSOP Option may be exercised conditionally on Court Sanction, to the extent the applicable performance conditions have been met;
- Part A of your Linked Award will vest on Court Sanction to the extent necessary to deliver an amount equal to the exercise price of your Linked CSOP Option; and
- Part B of your Linked Award will vest on Court Sanction to the extent the applicable performance conditions have been met.

You should have received a separate letter setting out the impact of the Acquisition on your Linked Awards (which are awards granted under the BTG Performance Share Plan 2016) (the PSP Letter). The vesting of your Linked Award and acquisition of the resulting BTG Shares under the Acquisition is explained in the PSP Letter.

2.3 Option Shares

The number of BTG Shares in respect of which you may exercise your Options in connection with the Acquisition will be available to view on your Shareworks account at the time of Court Sanction.

The BTG Shares to which you will become entitled on the exercise of your Options are referred to in this Letter as your Option Shares.

3. OPTION PROPOSAL

3.1 Exercise of Options

It is proposed that you exercise your Options in advance of and conditionally on Court Sanction (the Option Proposal). This will mean your Option Shares will be automatically transferred to Bidco on the Effective Date in accordance with the terms of the Scheme. You will be entitled to 840 pence for each of your Option Shares (your Proceeds) which is the same consideration due to all BTG Shareholders under the Scheme.
3.2 Payment of Exercise Price

You must pay the exercise price of your Options (the Exercise Price) in order to exercise your Options. If you accept the Option Proposal set out in this Letter, the Exercise Price (along with any Tax Liability due and exercise/dealing costs – see further below) will be deducted from the Proceeds due to you under the Scheme in respect of your Option Shares (Cashless Exercise).

Please note that, if you exercise your Options otherwise than in accordance with the Option Proposal, depending on the timing of your exercise, it may not be possible to fund your Exercise Price and any Tax Liability by the sale of Option Shares, and you will need to arrange for the payment of these amounts before you may exercise your Options. There is no advantage to be gained, therefore, in exercising your Options otherwise than by accepting the Option Proposal as set out in this Letter.

The Exercise Price due on the exercise of a Linked CSOP Option is, under normal circumstances, funded by the sale of the shares to which you become entitled on the vesting of the Linked Award. For the purposes of the Option Proposal, the Exercise Price of Linked CSOP Options will be funded by Cashless Exercise as described above, and you will receive the full cash consideration due in respect of your Vested Shares under your Linked Award, as set out in the PSP Letter.

3.3 Tax

On the exercise of your Options (other than your Linked CSOP Options), there will be a charge to income tax and employee social security contributions on the market value of your Option Shares less your Exercise Price (the Tax Liability). No Tax Liability will arise on the exercise of your Linked CSOP Options. You are advised to refer to the tax information relevant to your Options provided via Shareworks.

3.4 Settlement

Your Exercise Price, Tax Liability and any exercise or dealing costs will be deducted from the Proceeds due to you under the Scheme. The balance of your Proceeds will be paid directly to your bank account, the details of which you have provided to Solium, within 5 business days of receipt by Solium (which may be up to 14 days following the Effective Date). BTG will account to the relevant tax authority for your Tax Liability.

3.5 Process

If you would like to accept the Option Proposal as described in this paragraph 3, please log in to your Shareworks account using your usual log in details. On logging in, you will receive a notification that action is required in relation to your Options, and instructions as to how to confirm your acceptance of the Option Proposal. If you have any queries (not requiring the giving of financial or investment advice) please contact the Solium helpline on +44 20 3751 5668.

If you are a PDMR, or have otherwise been notified that you are subject to BTG’s share dealing code, you must have clearance to deal in order to accept the Option Proposal. Please contact Total Rewards at totalreward@btgplc.com to arrange for submission of an application for clearance to deal in the usual way.

If you wish to accept the ESOP Option Proposal, you must do this by 9 August 2019.

4. WHAT HAPPENS IF I TAKE NO ACTION?

If you do nothing, your Options will become exercisable, to the extent not already exercisable, on notification to you of Court Sanction, and will remain exercisable for a period of one month, as described at paragraph 2 above. All Options will lapse at the end of such period, to the extent not exercised.
If you exercise your Option after the Scheme Record Time, your Option Shares will be automatically acquired by Bidco for the same consideration payable under the Scheme, pursuant to the revised articles of association of BTG approved by BTG Shareholders as part of the Scheme. You will not be able to pay your Exercise Price or your Tax Liability, or exercise/dealing costs by using the Cashless Exercise mechanism described in paragraph 3.2 above unless you accept the Option Proposal as described at paragraph 3 above, and you will need to contact Total Rewards at totalreward@btgplc.com to arrange for the payment of these amounts before you may exercise your Options. There is no advantage to be gained, therefore, in delaying the exercise of your Options or in exercising your Options otherwise than by accepting the Option Proposal as set out in this Letter.

5. WHAT IF I CEASE TO HOLD EMPLOYMENT WITH BTG?

If you cease to hold employment with BTG prior to the date of Court Sanction, your Options may become exercisable or may lapse in accordance with the rules of the ESOP. If your Option lapses under the rules of the ESOP, you will no longer be entitled to exercise your Option and accept the Option Proposal (and if you have already exercised your Options under the terms of the Option Proposal, such exercise will be of no effect).

If you cease to hold employment with BTG following Court Sanction, and you have exercised your Options pursuant to the Option Proposal, your cessation of employment will have no effect on your Options.

If you cease to hold employment with BTG following Court Sanction and you have not yet exercised your Options, your Options may become exercisable or may lapse in accordance with the rules of the ESOP.

6. WHAT IF THE SCHEME IS NOT SANCTIONED BY THE COURT?

If, for whatever reason, the Scheme is not sanctioned by the Court and the Acquisition does not proceed, Options will not become exercisable, and will remain in place on their existing terms in accordance with the rules of the ESOP. Your Options which are already exercisable will continue to be exercisable on their terms.

7. DIRECTORS’ RECOMMENDATION

The BTG Directors, who have been so advised by Goldman Sachs, J.P. Morgan Cazenove and Rothschild & Co as to the financial terms of the Option Proposal, consider the terms of the Option Proposal set out in this letter to be fair and reasonable in the context of the Acquisition. In providing advice to the BTG Directors, each of Goldman Sachs, J.P. Morgan Cazenove and Rothschild & Co has taken into account the commercial assessments of the BTG Directors.

The BTG Directors recommend that you accept the Option Proposal as they intend to do in respect of their Options.

You are reminded that if you take no action, your Options will in due course lapse and become worthless.

For and on behalf of
BTG plc

For and on behalf of
Bidco Limited

Laurence Malc.
NOTES

The BTG Directors, whose names are set out in paragraph 2.1 of Part Eight of the Scheme Document, accept responsibility for the information contained in this Letter other than the information for which responsibility is taken by others pursuant to the paragraph below. To the best of the knowledge and belief of the BTG Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Boston Scientific Directors, whose names are set out at paragraph 2.2 of Part Eight of the Scheme Document, accept responsibility for the information contained in this letter relating to Boston Scientific and the Boston Scientific Group (including Bidco). To the best of the knowledge and belief of the Boston Scientific Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bidco Directors, whose names are set out at paragraph 2.3 of Part Eight of the Scheme Document, accept responsibility for the information contained in this letter relating to Bidco. To the best of the knowledge and belief of the Bidco Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Goldman Sachs International (Goldman Sachs), which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting as financial adviser for BTG and no one else in connection with the Acquisition and any other matters referred to in this document and will not be responsible to anyone other than BTG for providing the protections afforded to such financial advisory clients of Goldman Sachs, or for providing advice in connection with the Acquisition or any other matter referred to in this document.

J. P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (J.P. Morgan Cazenove), is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom. J.P. Morgan Cazenove is acting as financial adviser exclusively for BTG and no one else in connection with the Acquisition and any other matters referred to in this document and will not be responsible to anyone other than BTG for providing the protections afforded to such financial advisory clients of J.P. Morgan Cazenove, or for providing advice in relation to the Acquisition or any other matter referred to in this document.

N M Rothschild & Sons Limited (Rothschild & Co), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for BTG and no one else in connection with the matters set out in this document and will not regard any other person as its client in relation to the matters set out in this document and will not be responsible to anyone other than BTG for providing the protections afforded to clients of Rothschild & Co, nor for providing advice in relation to the Acquisition or any other matter referred to in this document. Neither Rothschild & Co nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with the matters referred to in this document, or otherwise.

Each of Goldman Sachs, J.P. Morgan Cazenove and Rothschild & Co has given and not withdrawn its written consent to the issue of this Letter with the inclusion of the references to its name in the form and context in which they appear.

Solium has been acquired by Morgan Stanley and will be known as Shareworks by Morgan Stanley going forward.

The tax information included in this Letter is for information only. If you are internationally mobile, you may be subject to tax in more than one country. The tax implications in relation to your participation in the ESOP may depend on your personal circumstances. If you are in any doubt about the tax implications for you, you should take independent professional advice. The information is based on laws and practices current at the time of publication of this Letter but may be subject to change in the future. Further, the above tax implications may be different if you cease to hold employment with BTG.
The distribution of this Letter in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of such jurisdiction. Neither this Letter nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful.

This Letter has been prepared for the purposes of complying with English law, the City Code on Takeovers and Mergers and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Nothing in this Letter shall be construed as investment advice or any investment recommendation given by or on behalf of any other person.

Accidental omission to dispatch this Letter to, or any failure to receive the same by, any person shall not invalidate any of the proposals set out in this Letter.