



BTG plc

Notice of the

Annual General Meeting

to be held at the offices of

**Stephenson Harwood
One St Paul's Churchyard
London
EC4M 8SH**

Tuesday, 13 July 2010 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 and Head Office
5 Fleet Place
London
EC4M 7RD

11 June 2010

Dear Shareholder

Annual General Meeting 2010

I attach the Notice of Meeting for the Annual General Meeting (AGM) of BTG plc. The AGM will be held on Tuesday, 13 July 2010 at 10.30 am at the offices of Stephenson Harwood, One St Paul's Churchyard, London EC4M 8SH. The formal notice convening the meeting is set out on pages 1 to 4 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 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 enclosed form of proxy or 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. 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 9 July 2010.

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

Matters to be voted on at the meeting include resolutions to receive the accounts, re-appoint the auditor together with proposals for the re-election of Louise Makin and Peter Chambré, who are retiring by rotation. Biographies of all directors are on pages 34 to 35 of the Annual Report.

A number of other resolutions are also proposed, as detailed in the accompanying notes to the resolutions, including the adoption of new Articles of Association. The various sections of the Companies Act 2006 (the "Act") have been implemented over a period of time. The Company adopted new Articles at the 2008 AGM covering all aspects of the Act that were then in force. Now the final parts of the Act have been implemented, it is proposed to adopt new Articles again this year in order to include all the final changes that are required. A summary of the changes to the existing Articles is shown in appendix 1.

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 one of the following methods.

1. Complete the enclosed reply paid proxy card and return it to the Company's Registrar.
2. Vote online through the website of our registrar, www.capitashareportal.com.
3. 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 Friday 9 July 2010. 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.

Yours sincerely

John Brown
Chairman
BTG plc

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

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, One St Paul's Churchyard, London EC4M 8SH on Tuesday, 13 July 2010, at 10.30 am, to consider and, if thought fit, to pass the following resolutions. It is intended to propose resolutions 1 to 8 as ordinary resolutions and 9 to 11 as special resolutions.

- 1 To receive the accounts for the financial year ended 31 March 2010, together with the reports of the directors and auditors thereon. (Resolution 1)
- 2 To approve the remuneration report for the year ended 31 March 2010. (Resolution 2)
- 3 To re-elect Louise Makin as a director of the Company. (Resolution 3)
- 4 To re-elect Peter Chambré as a director of the Company. (Resolution 4)
- 5 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. (Resolution 5)
- 6 To authorise the directors to fix the remuneration of KPMG Audit Plc. (Resolution 6)
- 7 That in accordance with section 366 and 367 of 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 (as defined in section 364 of the Companies Act 2006 (the "Act") to political parties and/or independent election candidates (as defined in section 363 of the Act), not exceeding £25,000 in total;
 - (b) to make political donations (as defined in section 364 of the Act) to political organisations other than political parties (as defined in section 363 of the Act), not exceeding £25,000 in total; and
 - (c) to incur political expenditure (as defined in section 365 of the 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 13 October 2011, 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. (Resolution 7)
- 8 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 £8,588,052 (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 £17,176,103 (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 13 October 2011), (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 8).

9 That, subject to the passing of resolution 8 set out in the notice of the 2010 Annual General Meeting of the Company, the directors be given power pursuant to Sections 570(1) and 573 of the Companies Act 2006 (the "Act") to:

- (a) allot equity securities (as defined in Section 560 of the Act) of the Company for cash pursuant to the authorisation conferred by that resolution; and
- (b) sell ordinary shares (as defined in Section 560(1) of the Act) held by the Company as treasury shares for cash,

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 and the sale of treasury shares:

- (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 8(b), 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, 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; and
- (ii) in the case of the authorisation granted under resolution 8(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 £17,176,103,

and shall expire at the conclusion of the next Annual General Meeting of the Company (or, if earlier, on 13 October 2011), 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 9)

10 That:

- (a) the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of

Section 28 of the Companies Act 2006 (the "**Act**"), are to be treated as provisions of the Company's Articles of Association; and

- (b) the Articles of Association produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

(Resolution 10)

- 11 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 11)

By order of the Board

Paul Mussenden
Secretary

BTG plc

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

11th June 2010

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 9 July 2010 to the Company's Registrars, Capita Registrars, PXS, 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.

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 RA10) 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 close of business on 9 July 2010 (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.
4. Copies of executive directors' service agreements, copies of the terms and conditions of appointment of non-executive directors and a copy of the proposed new articles of association of the Company and a copy of the existing Memorandum and Articles of Association marked up to show the changes being proposed in resolution 7 are available for inspection at the Company's registered office (and the current and proposed new articles of association will also be available at the offices of Stephenson Harwood, One St. Paul's Churchyard, London EC4M 8SH) 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. A copy of the proposed amended articles of association will also be lodged with the Document Viewing Facility of the Financial Services Authority at 25 The North Colonnade, Canary Wharf, London E14 5HS.
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 ('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 Companies Act 2006, can be found at www.btqplc.com.
9. Under Section 527 of the Companies Act 2006 (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 11 June 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 257,641,554 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 11 June 2010 are 257,641,554.
11. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) 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.

Information on resolutions

Resolution 1: To receive the accounts for the financial year ended 31 March 2010, together with the reports of the directors and auditors 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 the Directors Remuneration Report Regulations 2002, shareholders are invited to vote on the Remuneration Report, which is set out on pages 47 to 58 of the Annual Report and Accounts.

Resolutions 3 and 4: 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. Louise Makin and Peter Chambré are retiring by rotation and standing for re-election.

Louise Makin joined the Company in October 2004 as Chief Executive Officer. She has led the Company through a strategic refocusing of the business and the acquisition of Protherics PLC, following which BTG is developing as an international speciality pharmaceuticals business. The Board has reviewed her performance and believes that she continues to provide a valuable contribution and commitment to the Company. The Board therefore recommends her re-election. This is proposed in Resolution 3.

Peter Chambré joined the Company as a non-executive director in September 2006. As explained in his biography, Peter Chambré has extensive experience in the life sciences industry over many years. The Board has reviewed his performance and believes 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 4.

Biographical details of all the current directors are shown on pages 34 and 35 of the Annual Report and Accounts.

Resolutions 5 and 6: 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 5 proposes KPMG's re-appointment and resolution 6 authorises the directors to fix its remuneration.

Resolution 7 – Political donations and political expenditure

Provisions of the Companies Act 2006 (the "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.

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 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 13 October 2011, if earlier. The directors will continue to seek to renew their authority at each AGM, in accordance with current best practice.

Resolution 8 and 9: Powers 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 8 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 £8,588,052 and (b) in connection with a rights issue up to an aggregate nominal amount (reduced by allotments under part (a) of the resolution) of £17,176,103. The nominal amount to which this authority relates, represents approximately 33.3% and approximately 66.7% respectively of the issued ordinary share capital of the Company as at 11 June 2010. 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.

The amounts represent approximately one third and two thirds respectively of the total issued ordinary share capital of the Company as at 11 June 2010. Where usage of these authorities exceeds the thresholds suggested by the Association of British Insurers (the "ABI") in their December 2008 guidance, the directors will stand for re-election at the following AGM to the extent required by the ABI.

Resolution 9 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 and sales of treasury shares for cash up to an aggregate nominal value of £1,288,208 (being 5% of the issued ordinary share capital of the Company as at 11 June 2010, 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 10: adoption of new Articles of Association

It is proposed to adopt new Articles of Association (the "New Articles") in order to update the Company's current Articles of Association (the "Current Articles"). The New Articles primarily take account of changes to law and practice since our Current Articles were last updated at the AGM in 2008, the Companies (Shareholders' Rights) Regulations 2009 and the implementation on 1 October 2009 of the last parts of the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in Appendix I to this Notice of Annual General Meeting. Other changes, which are of a minor, technical or clarifying nature and also some more changes which merely reflect changes made by the Companies Act 2006 and the Companies (Shareholders' Rights) Regulations 2009 have not been noted. The New Articles showing all the changes to the Current Articles are available for inspection, as noted in note 4 on page 4 of the notes to the AGM notice.

Resolution 11 – Notice of general meetings

Changes made to the Companies Act 2006 by the Companies (Shareholders' Rights) Regulations 2009 increase 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.) Until the coming into force of the Companies (Shareholders' Rights) Regulations 2009 on 3 August 2009, the Company was 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, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 11 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. Note that the changes to the Companies Act 2006 mean that, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

Explanatory notes of principal changes to the Company's Memorandum and Articles of Association

1 The Company's objects

The provisions regulating the operation of the Company are currently set out in the Company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 (the "**Act**") significantly reduces the constitutional significance of a company's memorandum. The Act provides that, with effect from 1 October 2009, a memorandum will record only the names of subscribers and the number of shares each subscriber has agreed to take in the Company. Under the Act the objects clause and all other provisions which are contained in a company's memorandum, for existing companies at 1 October 2009, are deemed to be contained in a company's articles of association with a company but a company can remove these provisions by special resolution.

Further, the Act states that unless a company's articles of association provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. For this reason the Company is proposing to remove its objects clause together with all other provisions of its memorandum, which, by virtue of the Act, are to be treated as forming part of the Company's articles of association as of 1 October 2009. Resolution 7 confirmed the removal of these provisions for the Company. As the effect of this resolution will be to remove the statements currently in the Company's memorandum regarding limited liability, pensions and benefits of officers and employees, the updated Articles of Association (the "**New Articles**") also contain express statements regarding the limited liability of the shareholders and benefits of directors.

2 The Act (General)

Statutory references have been amended to bring them into line with the Act where references previously referred to the Companies Act 1985.

3 Articles which duplicate statutory provisions

Provisions in the Articles of Association currently used that have not been updated (the "Current Articles") which replicate provisions contained in the Act are in the main amended to bring them into line with the Act.

4 Authorised share capital and unissued shares

The Act abolishes the requirement for a company to have an authorised share capital and the New Articles reflect this by removing the Company's authorised share capital. Directors will still be limited as to the number of shares they can at any time allot because allotment authority continues to be required under the Act, save in the respect of employee share schemes.

Articles relating to increase in authorised share capital and cancellation of unissued share capital have also been removed from the New Articles as a result of the removal of the Company's authorised share capital.

5 Redeemable shares

Under the Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption. The Act has, from 1 October 2009, enabled directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the directors would need the shareholders' authority to issue new shares in the usual way.

6 Voting by proxies on a show of hands

The Companies (Shareholders' Right) Regulations 2009 have amended the Act so that it now provides that each proxy appointed by a member has one vote on a show of hands unless the proxy is appointed by more than one member in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution by one or more members to vote against the resolution. The New Articles reflect these changes and clarify how the provisions of the Act giving a proxy a second vote on a show of hands would apply to discretionary authorities.

7 Voting by corporate representatives

The Companies (Shareholders' Rights) Regulations 2009 have amended the Act in order to enable multiple representatives appointed by the same corporate member to vote in different ways on the show of hands and a poll. The New Articles contain provisions which reflect these amendments.

A provision has been included in the New Articles to clarify that there is no obligation on the Company to check that a proxy or corporate representative is voting in accordance with instructions. This follows the introduction of a new section in the Act which requires a proxy to vote in accordance with instructions.

8 Notice of General Meeting

Changes made to the Act by the Companies (Shareholders' Right) Regulations 2009 increase 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.

Note that changes to the Companies Act 2006 means, in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting.

9 Adjournments for lack of quorum

Under the Act as amended by the Companies (Shareholders' Rights) Regulations 2009, general meetings adjourned for lack of quorum must be held at least 10 clear days after the original meeting. The New Articles reflect this requirement.

10 Chairman's casting vote

The chairman's casting vote has been removed, as traded companies can no longer include such a provision in their articles of association.

11 Provisions for employees on cessation of business

The Companies Act 2006 provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by

the company in general. The New Articles provide that the directors may exercise this power.

12 Use of seals

Under the Companies Act 1985, a company required authority in its articles to have an official seal for use abroad. Under the Companies Act 2006, such authority will no longer be required. Accordingly, the relevant authorisation has been removed in the New Articles.

The New Articles provide an alternative option for execution of documents (other than share certificates). Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a director and the secretary or two directors or such other person or persons as the directors may approve. The New Articles have also been amended to allow for execution (without a seal) to be by a director in the presence of a witness in addition to the other methods previously allowed.

13 Suspension of registration of share transfers

The Current Articles permit the directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has been removed in the New Articles.

14 General Meetings

The Companies Act 2006 has removed the 'extraordinary' from before the name 'general meeting' so that all general meetings other than annual general meetings are now just called general meetings. Accordingly, the extraordinary before all general meetings has been removed in the New Articles.