

## **Notice to those whose consequential rights were extinguished by Article 12 of the Northern Rock plc Transfer Order 2008**

1. I, Andrew Caldwell, of 55 Baker Street, London, W1U 7EU, have been appointed under the terms of the Northern Rock plc Compensation Scheme Order 2008 to determine the amount of any compensation payable by HM Treasury to the persons specified in Part 2 of the Compensation Scheme Order.

2. I am consulting with the following three categories of parties affected by the Northern Rock plc Transfer Order 2008:

- i) Those who held ordinary, foundation or preference shares in Northern Rock plc;
- ii) Those whose rights to receive shares in Northern Rock plc (whether by subscription, conversion or otherwise) were extinguished by Article 4 of the Transfer Order;
- iii) Those whose consequential rights were extinguished by Article 12 of the Transfer Order.

3. Specifically, I have already written to those parties identified by Northern Rock, or Capita Registrars, Northern Rock's Registrars. These parties fall into categories 2i) and 2ii) above and will have held:

- Ordinary shares, including shares held pursuant to Share Incentive Plans, Bonus Matching Plans, Share Matching Plans, and deferred Bonus Plans; or
- Preference Shares; or
- Foundation Shares; or
- Share Options, including through a Sharesave Scheme or a Long Term Incentive Plan; or
- A combination of the above.

4. It is possible that not all persons falling within category 2iii), those whose consequential rights were extinguished by Article 12 of the Transfer Order, have been identified and invited to comment on the proposed valuation procedure or my proposed valuation approach.

5. Any person falling within this category is hereby invited to:

- (i) Comment on the proposed valuation procedure or my proposed valuation approach. My proposed procedure and approach is set out in a *Letter to Affected Parties*, dated 13 November 2008, which can be found on my website under <http://www.northernrockvaluer.org.uk/>; and
- (ii) Send me the contract documents or other evidence that shows that they fall within category 2iii) above (copy documents will be accepted at this stage, but I may need to see the originals in due course).

6. Any person who received a copy of the *Letter to Affected Parties*, dated 13 November 2008, or whose nominee or broker was sent that letter, and therefore falls within categories 2i) and 2ii) above should not respond to this notice.

7. Responses to the invitation in paragraph 5 of this notice should be sent to me within 4 weeks from the publication of this notice at the above address. Although evidence requested under paragraph 5(ii) of this notice should be sent by post, submissions made under paragraph 5(i) can be sent to me by email (northern.rock@bdo.co.uk).

8. Once we have received your documents submitted under paragraph 5ii) we shall verify your claim under the relevant legislation. In the meantime we shall add you to a list of potential additional persons affected by the Northern Rock plc Transfer Order 2008 and ensure that you are consulted during the later stages of my consultation process. This process is outlined in my letter dated 13 November 2008, referred to in paragraph 5i) above.

9. Unfortunately, it is not possible for me to acknowledge separately every item of correspondence that I receive.

Andrew Caldwell, *Independent Valuer under the Northern Rock plc Compensation Scheme Order 2008*

13 February 2009