

To Northern Rock Shareholders

July 2008

UK Shareholders Association
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Chislehurst
BR7 5YB

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Northern Rock Campaign – Appeal for Funds to Pursue Legal Action to Obtain Fair Compensation

As explained elsewhere in more detail, we think it is morally and legally wrong for the Government to dictate the terms of reference for the determination of compensation to be paid to Northern Rock shareholders for the confiscation of their property. We intend to support a legal challenge to the approach the Government has taken with a view to obtaining a fair value based on a truly independent and unbiased valuation process using normal commercial principles. Our lawyers advise that we have good grounds to pursue such an action.

Although UKSA and the members of the Northern Rock Action Committee do not charge for their time or costs incurred in running this campaign, we do have considerable other expenses that also need to be covered. This comprises printing, postage, the cost of purchasing the company's share register and other incidental expenses. The legal costs will also now clearly be substantial if we are to obtain fair compensation for your shares.

We are therefore asking all former shareholders in Northern Rock to contribute to a fund for this purpose. A note of what we are asking for and how to contribute via post is given on the next page (you can also donate online at www.uksa.org.uk/Donation.htm)

Our objective is to raise a minimum of £25 from each of 30,000 shareholders and more where those shareholders hold considerable number of shares (after all those with more shares will benefit more if the legal action is successful). The minimum subscription will help to cover the basic expenses that we have for administration and communications with shareholders.

If you have any questions on this matter, then please telephone me on the number below.

Yours sincerely

Roger Lawson
Chairman, Northern Rock Shareholders Action Group;
and UKSA Director
Email: roger.lawson@btclick.com
Direct telephone: 020-8467-2686.

UKSA Northern Rock Action Group Donation Form

Name: _____

Address: _____

Postcode: _____

Email Address (please write clearly in capitals): _____

Telephone (optional): _____

Number of shares held _____

I enclose a cheque for £ _____ made payable to the UK Shareholders' Association as my contribution to this campaign. (We suggest a donation that is calculated as follows based on the number of shares you held - the amount being asked for is based on the money we need to raise and the likely number of respondents. The suggested contribution is 2p per share held, but please simply give as much as you can afford, with a minimum of £25. A table that gives some sample figures is shown below)

Shares held	Subscription Amount @ 2p per share
1,000 or less	£ 25.00
2,000	£ 40.00
5,000	£ 100.00
10,000	£ 200.00
20,000	£ 400.00

Note that if you donate more than £45 then you can claim free membership of the UK Shareholders Association for one year – please tick here if you wish to receive that . The benefits of UKSA membership are given on our web site at: www.uksa.org.uk/Membership.htm , or call 0870-70-60-600 for more information

Please return this form together with a cheque for the amount being contributed to the following address: UK Shareholders Association Ltd, PO Box 62, Chislehurst, BR7 5YB.

Foreign shareholders or anyone else who wishes to pay directly via bank transfer should contact UKSA for our bank account details.

Note that the UK Shareholders Association warrants that any contributions made in respect of this matter will be used solely to promote the interests of the shareholders of Northern Rock Plc. If the committee set up to organise this campaign subsequently determines at some point that no further action is necessary, then any funds remaining will either be returned by UKSA to contributors pro-rata to their total contributions, or may be used for any charitable purpose to promote the interests of UK shareholders in general by UKSA. Money paid to UKSA for this campaign will be accounted for separately, and any expenses incurred likewise, and a statement of income and expenses will be supplied to contributors at appropriate points in time, but no less than annually.

Note that the UK Shareholders Association (UKSA) is a "not for profit" company limited by guarantee – see www.uksa.org.uk/About.htm for more information. The Northern Rock Shareholders Action Group is a group operating under the constitution of UKSA.
