

Please note that this Corporate Action Notice has been issued on the basis of information which is currently available. It may be modified or replaced by future Corporate Action Notices in light of further information or developments.

- 1. Contracts:** Northern Rock Plc (“Northern Rock”) Individual Equity Option Contract (Contract code NKR), Flexible Individual Equity Option Contracts (Contract codes NRU, NRQ, NRJ, and NRX), Universal Stock Futures Contract (Contract code NRK) and Flexible Universal Stock Futures Contract (Contract code NRY) (collectively, “the Contracts”).
- 2. Reference Notice:** Corporate Action Notice No. CA/2008/068/Lo, issued on Wednesday 20 February 2008.
- 3. Background:** Pursuant to The Northern Rock plc Transfer Order 2008 (“Transfer Order”), the shares of Northern Rock were transferred to the Treasury Solicitor as nominee of HM Treasury at the beginning of 22 February 2008. The listing of Northern Rock shares has been discontinued. In addition, the UK Government has drafted The Northern Rock plc Compensation Scheme Order 2008, in which the procedure for determining the amount of any compensation payable by HM Treasury to Northern Rock shareholders is described (“the Compensation Scheme”).
- 4. Suspension of Option Exercise and re-instatement of positions following voided Exercise Notices:** As a result of the Transfer Order, Northern Rock shares are no longer capable of being the subject of delivery and settlement (see Euroclear UK & Ireland operational bulletin No. 1420, issued on 22 February 2008). In consequence, exercise on LIFFE in relation to Northern Rock Options Contracts has been suspended with immediate effect and it has been necessary to declare void any manual Exercise Notice instructions which were entered on 20, 21 or 22 February 2008 together with the resulting assignments. LIFFE will re-instate on the Clearing Processing System (“CPS”) the long and short Northern Rock option positions which existed prior to any such Exercise Notices being processed by CPS. All open long and short Northern Rock option positions (including re-instated positions) shall be subject to the terms of the corporate action adjustments set out in this Corporate Action Notice.
- 5. Effective Date:** Members are advised that the Effective Date for the corporate action adjustments shall be advised in due course. It is anticipated that the Effective Date will depend upon the timing of the outcome of the Compensation Scheme, such that the Effective Date shall be no sooner than a compensation amount has been finally determined following that process.
- 6. Expiry:** All open positions shall be deemed to expire on the Effective Date. The Effective Date shall therefore replace the current Last Trading Day in relation to the Contracts (i.e. 20 March 2008, 20 June 2008 and 19 September 2008).
- 7. Contract Adjustments:** On the Effective Date, the Contracts shall be de-listed with immediate effect and settled at their intrinsic value. The compensation amount shall be used as the reference point for the calculation of the intrinsic value of the options.
- 8. Miscellaneous:** Following further consideration and depending on progress in relation to the Compensation Scheme, LIFFE may allow trading in the Northern Rock Option Contracts for a limited period. Any such temporary trading facility would only apply to series with open interest and would be designed to provide an opportunity to Members and their clients to close out existing positions. Members shall be advised in advance if and when LIFFE decides to facilitate such a trading period.

Members seeking further information about this corporate action in general should contact:

Liffe:

Quality of Derivative Markets +31(0) 20 550 4296 CorporateActions@liffe.com

Members seeking further information in relation to the CPS arrangements, including the reinstatement of positions following voided exercises and assignments, should contact:

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Liffe:

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The **Euronext Derivatives Markets ("Liffe")** comprise the markets for derivatives operated by Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext Paris and LIFFE Administration and Management, referred to respectively as the Amsterdam, Brussels, Lisbon, Paris and London markets. Euronext is part of the NYSE Euronext group.

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