



Our Ref WSS/OGH/ALH/N00112/Z

Recovery and Reorganisation

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26 October 2009

Dear Sir/Madam

NDF Administration Limited - In Administration (N DFA)

**Re: The Royal Deposit Plan, The Autopilot Plan, The Navigator Plan and
The Skyline Plan (collectively the Plans)**

As you should be aware, Martin Ellis and I were appointed as joint administrators of N DFA on 14 October 2009. I write with reference to the above Plans, offered by N DFA and linked to Royal Bank of Scotland PLC (RBS) securities, due to commence on 2 November 2009 (technically known as the 'strike date').

Since my appointment I have been in discussions with the Financial Services Authority (FSA) and RBS to determine whether the Plans are capable of being executed in accordance with their existing terms and conditions. N DFA continues to act as Plan Manager under my control, which gives me the ability to execute the respective Plans on the commencement date of 2 November 2009.

Client account monies

A pre-condition of determining whether to allow the Plans to commence was the requirement to reconcile the relevant N DFA client accounts to ensure that all monies were properly accounted for. I am pleased to be able to report that this process has now been satisfactorily completed.

Confirmation of RBS and FSA positions in relation to the Plans

RBS have confirmed to me in writing that they have satisfied their requirements to enable RBS to commence the Plans on 2 November 2009.

The FSA have confirmed that they are satisfied that they have adequate comfort in relation to:

- i N DFA continuing to act as Plan Manager until a suitable alternate Plan Manager can be engaged;
- ii the proposed appointment by me, as administrator, of a replacement Plan Manager to be approved by both RBS and the FSA; and
- iii a commitment from RBS to act as Plan Manager, or find a suitable replacement, in the event that I am unable to appoint a replacement Plan Manager and to meet any costs associated with this.

Chartered Accountants

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Option to cancel by 1 November 2009

NDFFA and RBS have extended the cancellation period in relation to the Plans to 1 November 2009, giving investors the option of withdrawing their investment. Investors should seek independent financial advice in this regard. In view of the threatened national postal strikes, any investor wishing to withdraw from the Plans must either email will.g.stagg@gtuk.com by midnight on 1 November 2009 or contact the investor helpline on 0844 770 2203 by 6.00pm on 30 October 2009.

Confirmation notices will be sent by return email within one business day of receipt and investor monies will be held pending written instructions from the investor as to the required repayment destination.

ISA status

Any investor whose investment in these Plans has ISA status must seek independent financial advice as to the ongoing status of their investment in the event they decide to withdraw from these Plans.

Concluding remarks

Should you have any further queries in relation to NDFFA, please contact the investor helpline via the dedicated website, <http://ndfa.creditorhelpline.co.uk>, which includes responses to frequently asked questions as well as further contact details.

Yours faithfully
for and on behalf of NDF Administration Limited



AP Andrew Hosking
Joint Administrator

The affairs business and property of NDF Administration Limited are being managed by Andrew Hosking and Martin Ellis, appointed as joint administrators on 14 October 2009 and act as agents of NDF Administration Limited without personal liability