



London
STOCK EXCHANGE

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**For the attention of the
chairman/senior partner/compliance officer,
all member firms**

N74/07

STOCK EXCHANGE NOTICE

NORTHERN ROCK PLC – SETTLEMENT SITUATION

Member Firm Settlement Obligations

1. Market participants may be aware that a daily market status message is currently being issued by the Exchange in relation to Northern Rock Plc (GB0001452795), advising of the significant number of unsettled transactions in that security.
2. Although the very large unsettled position in Northern Rock shares does appear to be gradually improving, the Exchange is taking this opportunity to remind all firms of their settlement obligations under its rules. In particular, rule 5000 (Obligation to Settle) and associated guidance places a responsibility on firms to ensure that every on-Exchange trade effected by them is duly settled on the agreed settlement due date. This obligation remains even if the reason for non-settlement is a customer or counterparty having failed to settle other transactions, including off-Exchange transactions, in the same stock.
3. The Exchange expects all member firms to act responsibly in their dealing in Northern Rock shares and to trade in a manner that will ensure that settlement deadlines can be met. Member firms are advised to make their customers aware of the situation before purchasing Northern Rock shares on their behalf and warn them that there may be a delay in receiving their stock. Similarly, firms are advised to ensure their clients have ready access to Northern Rock shares if they are selling, to ensure timely delivery.
4. The Exchange will continue to issue the market status message on a daily basis until the settlement situation has been resolved.
5. Any comments or queries on this Notice should be addressed to Tim Rowe, Trading Services, telephone +44 (0)20 7797 3468 (STX 33468) or email: trowe@londonstockexchange.com.

Nick Bayley
Head of Trading Services

This Stock Exchange Notice will be available on the website at
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable the Exchange to carry out its regulatory responsibilities.