



SHAREHOLDERS ACTION GROUP

One The Courtyard
Chalvington
East Sussex BN27 3TD

T: +44 (0)207 286 4161
E: info@rbosaction.org
W: www.rbosaction.org

7TH June 2011

IMPORTANT INFORMATION – FINAL CUT OFF DATE PLEASE REPLY BY THE 1ST OF JULY

Dear Member

RBS Shareholders' Action Group

Legal Action against Royal Bank of Scotland (“RBS”) in relation to 2008 Rights Issue.

We are writing to you to advise that we are putting a final cut off date for members to join in the above action of 1st July. Over the past number of months steady progress has been made in preparing our case. We enclose a chart prepared by solicitors showing the proposed timeline of the case. While our legal team will make every effort to adhere to this there may be circumstances or events which will prevent them doing so.

Destruction in Shareholder Value to the extent of 97%

During our work in investigating our right of action in relation to the rights issue much interesting material has been unearthed which also sheds light on the overall destruction of shareholder value. We know from correspondence we have received from members that this is a matter of great concern and you have rightfully asked if there are any potential remedies in law. While it is too early to give any form of opinion we feel the matter should be further investigated by our solicitors and barristers. Accordingly we will be instructing them do this.

Proposed Action

It is the intention of our legal team to issue proceedings later this year in relation to the losses sustained as a result of the misleading information contained in the April 2008 prospectus. Unless any matter arises that we are not aware of or any settlement this will happen.

Funding

If you wish to join in this action please complete the enclosed form and return it together with a payment of £150 to the Royal Bank of Scotland Shareholders' Action Group to be received no later than 1st July. If you subscribed for over 20,000 shares the payment required is £300. If you subscribed for over 30,000 or are a institutional shareholder please contact us directly with regard to arrangements.

You will only receive benefit from any settlement reached by us with RBS if you have contributed to the funding of the action.

Yours faithfully

Mike Neill,

Royal Bank of Scotland Shareholders Action Group.

RBOS Shareholders Action Group Ltd, Registered in England No. 6853408, | One The Courtyard, Chalvington, East Sussex, BN27 3TD, UK.

Membership of the RBS Shareholders Action Group

RBS Shareholders Action Group – Members who wish to seek recovery of losses suffered in the 2008 rights issue by Legal Action.

Name	 <i>(If the shares are held in a corporate name, please give a contact person also).</i>
Address	
Postcode	
Email Address† <i>(please write clearly in capitals)</i>	

Date	
Number of Shares subscribed for in the rights issue in May 2008 <i>(enter approximate number if not known or call 020 7286 4161 for advice)</i>	
Telephone†	

† Email addresses and telephone numbers are optional.

I enclose a cheque for £ _____ made payable to the RBoS Shareholders Action Group. Please post to RBoS Shareholders Action Group, One, The Courtyard, Chalvington, East Sussex BN27 3TD, UK ,using the enclosed envelope.

Note that sterling cheques drawn on a UK bank are preferred although Euro cheques will also be accepted. Please do not send cheques in other currencies but contact us for other ways to pay if you are located outside the UK (we can accept direct bank transfers for example).