

**THIS LETTER AND ACCOMPANYING SAYE DECISION FORM ARE IMPORTANT
AND REQUIRE YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial, legal and tax advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom, or, if not, from another appropriately authorised independent financial adviser in a territory outside the United Kingdom.

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To: Individuals holding option(s) ("Participants") under the Redde PLC SAYE Option Plan (the "SAYE Plan")

Please note that if you also hold options under the Redde plc Performance Share Plan 2016, you will receive a separate proposal letter in relation to such options.

12 December 2019

Dear Participant

Recommended share-for-share merger of Northgate plc and Redde plc

1 Background

On 29 November 2019, Redde plc ("**Redde**") and Northgate plc ("**Northgate**") announced that they had reached agreement on the terms of a recommended share-for-share merger (the "**Merger**").

Under the Merger, Northgate will acquire all of the shares in Redde (the "**Redde Shares**") and each Redde shareholder will receive 0.3669 ordinary shares in Northgate (the "**Northgate Shares**") for each Redde Share they hold at 6.00 pm on the Scheme Sanction Date (as defined below).

The Merger will be effected through a court sanctioned scheme of arrangement under part 26 of the Companies Act 2006 (the "**Scheme**") which requires the approval of the Redde shareholders and the sanction of the UK High Court ("**Court**"). Completion of the Merger is also subject to the approval of the Northgate shareholders.

Save where otherwise defined in this letter and the enclosed SAYE Decision Form, capitalised terms and expressions used in this letter and the SAYE Decision Form have the meanings given to them in the Scheme Document (as defined below).

A copy of the document containing full details of the Scheme (the "**Scheme Document**") is available at www.redde.com. You should read this letter (including the Schedule) and the SAYE Decision Form in conjunction with the Scheme Document.

It is expected that:

- the Court hearing to consider sanctioning the Scheme will take place during Q1 2020 (the "**Scheme Sanction Date**"); and
- the Scheme will become effective the day after the Scheme Sanction Date.

2 Your Option(s)

Under the SAYE Plan you are currently saving a fixed amount directly from your pay under a savings contract. You have also been granted option(s) over Redde Shares ("**Option(s)**") under the SAYE Plan. When an Option becomes exercisable you would normally be able to use the monthly savings which you have made under the savings contract to exercise the Option by purchasing Redde Shares at a purchase price equal to the option exercise price. However, you do not have to exercise your Option(s). For instance you may choose not to exercise your Option(s) if the quoted share price exceeds the option exercise price as you would be able to buy shares more cheaply in the market.

There are the following outstanding grants of Option(s) which have been made under the SAYE Scheme. They are:

Date of Grant	Option Exercise Price	Expected Maturity Date
30 September 2016	£1.64	1 November 2019
27 March 2017	£1.33	1 May 2020
3 October 2017	£1.39	1 November 2020
28 March 2018	£1.36	1 May 2021
3 October 2018	£1.47	1 November 2021
9 April 2019	£0.85	1 May 2022
2 October 2019	£0.94	1 November 2022

3 Effect of the Scheme on your Option(s)

If the Scheme is sanctioned by the Court, your Option(s) (if not already capable of exercise) will become immediately capable of exercise on the Scheme Sanction Date, and, subject to the rules of the SAYE Plan providing for earlier lapse, will ordinarily remain capable of exercise during the period of 6 months commencing on the Scheme Sanction Date.

The rules of the SAYE Plan also permit you with Northgate's agreement to "rollover" ("**Rollover**") your Option(s) such that they will continue on their existing terms but as options over Northgate Shares.

You are being offered the following choices as to how your Option(s) are treated under the Merger.

4 Your Choices

Choice A: Rollover

Northgate is offering you the chance to Rollover your Option(s).

If you choose the Rollover:

- you will exchange your current Option(s) for replacement option(s) which are on equivalent terms and of equivalent value as your current Option(s) except that they are over Northgate Shares of an equivalent value to the Redde Shares (the "**New Option(s)**");
- you can continue making your monthly savings so that you will have the chance to exercise the New Option(s) in full on their normal maturity date (and on exercise you would receive Northgate Shares); and
- Northgate will seek to preserve the tax advantages attaching to your Option(s) so that an exercise of your New Option(s) after their normal maturity date should mean that no income tax would be payable.

If you want to Rollover you can do so by completing the SAYE Decision Form and selecting Choice A.

For further information see the schedule to this letter.

Choice B: Exercise on the Scheme Sanction Date

Alternatively, you can choose to exercise your Option(s) on the Scheme Sanction Date.

If you choose to exercise on the Scheme Sanction Date:

- on exercise you will receive Redde Shares which will then be acquired by Northgate in exchange for 0.3669 Northgate Shares for each Redde Share;
- you cannot exercise your Option(s) in full (with the exception of the Option granted on 30 September 2016 which has already matured), but instead can exercise your Option(s) in part. This is because you can only exercise your Option(s) using the monthly savings you have made up until the date of exercise, and so you will not be able to get the maximum number of Redde Shares which you would have been entitled to had your Option(s) reached maturity;
- where the Option is exercised within three years of grant, you will incur an income tax charge on exercise (please see paragraph 2.4 of the schedule to this letter).

You should consider very carefully before exercising an Option with an option exercise price which when divided by 0.3669 exceeds the market value of a Northgate Share. This is because unless the Northgate Share price does exceed this amount at the time you sell your Northgate Shares you will receive less than you paid for them. The closing price of a Northgate Share on 6 December 2019 was £3.07. Assuming the price does not change this means that if you exercised an Option with an option exercise price in excess of approximately £1.12 and immediately sold the resulting Northgate Shares you would receive less than you paid for them. You can check the current price of a Northgate Share by visiting <https://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/GB00B41H7391GBGBXSSMM.html>.

If you want to exercise your Option(s) on the Scheme Sanction Date you can do so by completing the SAYE Decision Form and selecting Choice B.

Please note that if you want to exercise an Option granted on 30 September 2016 and you have already closed your related savings account you will need to contact YBS Share Plans to make arrangements to pay directly the total option exercise price (as you will have already received the proceeds from the relevant savings contract).

Choice C: Exercise at latest practicable date after the Scheme Sanction Date

Alternatively, you can delay exercise for six months from the Scheme Sanction Date to allow yourself time to make additional monthly savings (and therefore receive some additional Redde Shares on exercise). You can continue to make monthly savings, and your Option(s) would be exercised no later than six months after the Scheme Sanction Date, using the monthly savings you have continued to make until that time. This Choice is not available for the Option granted on 30 September 2016.

If you choose to exercise at the latest practicable date after the Scheme Sanction Date:

- on exercise you will receive Redde Shares which will then be acquired by Northgate for 0.3669 Northgate Shares for each Redde Share;
- you cannot exercise your Option(s) in full, but instead can exercise your Option(s) in part. This is because you can only exercise your Option(s) using the monthly savings you have made up until the date of exercise, and so you will not be able to get the maximum number of Northgate Shares which you would have been entitled to had your Option(s) reached maturity; and
- where the Option is exercised within three years of grant, you will incur an income tax charge on exercise (please see paragraph 2.4 of the schedule to this letter).

You should consider very carefully before exercising an Option with an option exercise price which when divided by 0.3669 exceeds the market value of a Northgate Share. This is because unless the Northgate Share price does exceed this amount at the time you sell your Northgate Shares you will receive less than you paid for them. The closing price of a Northgate Share on 6 December 2019 was £3.07. Assuming the price does not change this means that if you exercised an Option with an option exercise price in excess of approximately £1.12 and immediately sold the resulting Northgate Shares you would receive less than you paid for them. You can check the current price of a Northgate Share by visiting <https://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/GB00B41H7391GBGBXSMM.html>.

If you want to exercise your Option(s) at the latest practicable date following the Scheme Sanction Date (approximately six months later), you can do so by completing the SAYE Decision Form and selecting Choice C.

The latest practicable date is expected to be during Q3 2020. You will be contacted in due course with confirmation of this date.

The difference between Choice B and C is the time at which your Option(s) would be exercised. If you want to exercise at the earliest opportunity, you can select Choice B, and your Option(s) will be exercised on the Scheme Sanction Date using the savings you have made up to that time.

5 What happens if I do not accept any of the Choices using the SAYE Decision Form

If you do not accept any of the Choices in respect of an Option, contributions will continue to be taken from your salary in the normal way. With the exception of the Option granted on 30 September 2016, towards the end of the six month period commencing on the Scheme Sanction Date YBS Share Plans will get in touch to see if you want to exercise your Option. If you elect to exercise your Option(s) you will receive the same treatment as you would have received had you elected Choice C in respect of your Option(s). If you do not exercise your Option(s) they will lapse and become worthless on the expiry of the six month period commencing on the Scheme Sanction Date (which is expected to occur during Q1 2020). The Option granted on 30 September 2016 will lapse earlier (expected 1 May 2020) as it has already matured. In these circumstances, you could either:

- close the savings account and receive the proceeds of such savings account upon such closure; or
- continue contributing to the savings account relating to the Option(s) concerned until the normal maturity date of such savings contract, in which case the proceeds of such savings account will be paid to you, following such maturity date.

If you do not accept any of the Choices in respect of an Option you may choose to exercise your Option(s) at any time during the six month period commencing on the Scheme Sanction Date provided that it has not lapsed (for example because you leave employment) or in the case of the Option granted on 30 September 2016 because it lapses earlier (expected 1 May 2020). Should you wish to exercise your Option during the six month period commencing on the Scheme Sanction Date you will need to complete and return your SAYE Decision Form along with a covering letter explaining the date you wish to close your account(s).

If you exercise your Option in the normal way following the Scheme Sanction Date you can use the money in the savings account relating to the Option concerned at the date on which you exercise such Option to acquire Redde Shares at the option exercise price payable under the Option. Please note that as you will be terminating the savings contract early you will not be able to acquire all of the Redde Shares over which such Option was originally granted.

Any Redde Shares that you acquire on exercise of your Option(s) on or after 6 pm on the Scheme Sanction Date (expected to be during Q1 2020), will be automatically transferred to Northgate for exactly the same number of Northgate Shares as that which would have been allocated per Redde Share pursuant to the Scheme, under a special mechanism proposed to be included in Northgate's articles of association prior to the Scheme Sanction Date. Delaying the exercise of your Option(s) will therefore **not** have any effect on the consideration for which you may sell the resulting Redde Shares.

6 What happens if the Court does not sanction the Scheme?

You should note that the SAYE Decision Form will only take effect if the Court sanctions the Scheme. Accordingly in the event that the Scheme is not sanctioned by the Court, any Choice that you make on the SAYE Decision Form will be of no effect and your Option(s) will continue to subsist in accordance with the rules of the SAYE Plan.

7 Frequently asked questions

Please read the frequently asked questions which are set out in the schedule to this letter. In particular the schedule contains more information on your Choices, tax and what happens if you cease to be employed.

8 Recommendation

The Redde Directors, who have been so advised by J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (“**J.P. Morgan Cazenove**”), as to the financial terms of the proposals contained in this letter, consider the terms of the proposals to be fair and reasonable in the context of the Merger. J.P. Morgan Cazenove is providing independent financial advice to Redde Directors for the purposes of Rule 3 of the Code. In providing its advice, J.P. Morgan Cazenove has taken into account the commercial assessments of the Redde Directors.

The Redde Directors unanimously recommend that you should give careful consideration to the proposals set out in this letter and make the choice in relation to your Option(s) most appropriate to your personal circumstances.

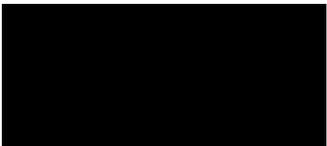
Please note that no officer or employee of Redde, Northgate or YBS Share Plans will be able to give you legal, financial or tax advice nor advise you personally on the course of action that you should take in relation to your Option(s). If you are in any doubt as to the contents of this letter, the course of action you should take, or your tax position, you should seek your own independent professional advice immediately.

9 Action Required

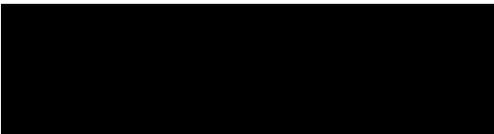
If you wish to accept any of the proposals set out in this letter in respect of any of your Option(s), you must complete and return the enclosed SAYE Decision Form in accordance with the instructions set out in it **as soon as possible** and return it to YBS Share Plans in the prepaid reply envelope provided **so as to be received no later than 5pm on 13 January 2020**.

Should you have any questions please contact the dedicated YBS Share Plans helpline on 0345 1 200 300. Lines open Mon-Fri 8.30am – 5.30 pm, Sat 9 am - 1 pm (excluding public holidays in England & Wales). All communications with Yorkshire Building Society may be monitored/recorded to improve the quality of their service and for your protection and security. Calls to 03 numbers are charged at the same standard network rate as 01 or 02 landline numbers, even when calling from a mobile.

Yours faithfully



Martin Ward
CEO
Redde plc



Avril Palmer-Baunack
Chairman
Northgate plc

Notes

1. The Redde Directors, whose names are set out in paragraph 2(A) of Part 7 of the Scheme Document (being John Davies, Martin Ward, Stephen Oakley, Mark Chessman and Mark McCafferty), accept responsibility for the information (including any expressions of opinion) contained in this letter and the accompanying SAYE Decision Form (other than the information for which the Northgate Directors, whose names are set out in paragraph 2(c) of Part 7 of the Scheme Document, accept responsibility in accordance with Note 2 below). To the best of the knowledge and belief of the Redde Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter and the accompanying SAYE Decision Form for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
2. The Northgate Directors, whose names are set out in paragraph 2(a) of Part 7 of the Scheme Document (being Avril Palmer-Baunack, John Pattullo OBE, Philip Vincent, William Spencer, Claire Miles, Mark Butcher and Fernando Cogollos), accept responsibility for the information (including any expressions of opinion) contained in this letter and the accompanying SAYE Decision Form relating to Northgate, the Northgate Group, the Northgate Directors and their respective immediate families and the related trusts of and persons connected with the Northgate Directors, and persons deemed to be acting in concert (as such term is defined in the Code) with Northgate. To the best of the knowledge and belief of the Northgate Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
3. J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove ("**J.P. Morgan Cazenove**"), is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority. J.P. Morgan Cazenove is acting as financial adviser exclusively for Redde and for no-one else in connection with the Merger and other matters referred to in this letter and the accompanying SAYE Decision Form and will not be responsible to anyone other than Redde for providing the protections afforded to clients of J.P. Morgan Cazenove and its affiliates, nor for providing advice in connection with the Merger or in relation to the matters referred to herein.
4. J.P. Morgan Cazenove has given and has not withdrawn its written consent to the issue of this letter and the accompanying SAYE Decision Form, with the inclusion of the references to its name in the form and context in which they appear.
5. The dates set out in this letter are based on current expectations and may be subject to change. If the expected dates change, Redde will give notice of the change by issuing an announcement to all participants in the SAYE Plan.
6. Nothing in this letter or the Scheme Document serves to vary the rules of the SAYE Plan or to extend the life of any Options which have lapsed or may lapse under the rules of the SAYE Plan. The information relating to taxation given in this document is given by way of guidance only.
7. The accidental omission to despatch this letter, or the accompanying SAYE Decision Form to, or any failure to receive the same by, any person to whom the proposals are made, or should be made, shall not invalidate the proposals in this letter in any way.
8. A copy of this letter will be available to view (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions) on Northgate's website at www.northgateplc.com and Redde's website at www.redde.com.

Schedule Frequently Asked Questions

1 CHOICE A: ROLLOVER

1.1 What is Rollover?

Rollover allows you to exchange your Option(s) for option(s) over Northgate Shares. **If you wish to Rollover your Option(s) you need to complete the SAYE Decision Form and select Choice A in respect of the relevant Option(s).**

If you choose to Rollover, your Option(s) will be exchanged for replacement option(s) ("**New Option(s)**") over an equivalent value of Northgate Shares. This means that, going forward, you would hold New Option(s) over Northgate Shares.

The New Option(s) will continue on equivalent terms to your current Option(s). This means you will continue to make the same monthly savings, and your New Option(s) will (subject to the rules of the SAYE Plan) become exercisable at the same time as your Option(s) would have done.

1.2 Will I be able to exercise my New Option(s) in full?

Yes. If you choose to Rollover you will be able to continue to make the full number of monthly savings under your savings contract (i.e. your savings will continue). That means that on maturity of your savings contract you will be able to exercise your New Option(s) in full and buy Northgate Shares with all your savings. This is subject to the rules of the SAYE Plan that apply if you leave employment. You will be contacted with details on how to exercise your New Option(s) prior to their maturity date.

When you reach the maturity date you do not have to exercise the New Option(s). Instead you could choose to receive repayment of the monthly savings you have made.

1.3 How many Northgate Shares will I be able to buy with my New Option(s)?

Subject to the agreement of HM Revenue & Customs, the number of Northgate Shares subject to your New Option(s) will be calculated by reference to what Redde Shareholders will receive under the Merger.

The value of the Northgate Shares under the New Option(s) will be calculated to be substantially the same as the value of the Redde Shares under your current Option(s). The total exercise price that you have to pay will also remain the same.

Therefore, the number of shares subject to your Option(s) will change as each Redde Share currently subject to your Option(s) will be exchanged for 0.3669 Northgate Shares. As you cannot hold a fraction of a Northgate Share, the number of Northgate Shares you are entitled to receive will be rounded down to the nearest whole share in respect of each Option you hold.

The exercise price per Northgate Share of your New Option(s) will also change, in order to ensure that the total exercise price payable will remain substantially the same as before.

For example, if you hold an Option granted on 3 October 2018 over 1,000 Redde Shares with an exercise price £1.47 per share, your New Option will be over the number of Northgate Shares equivalent to 1,000 Redde Shares.

The number of Northgate Shares that your New Option will be over will be calculated as follows:

$$1000 \times 0.3669 = 366.9$$

This would be rounded down to 366 Northgate Shares.

The new exercise price per share is calculated as follows:

$$£1.47 \div 0.3669 = £4.0065$$

Therefore, the exercise price of your New Option(s) would be £4.0065 per Northgate Share.

1.4 What about tax?

If you Rollover your Option(s), you will not have to pay any income tax on the Rollover. The tax treatment of your New Option(s) is expected to be the same as it would have been for your original Option(s). This means if your New Option(s) are exercised after the normal maturity of the Option(s) then no income tax will be payable on exercise.

1.5 Will any other terms of my Option(s) change?

No. The rules of the SAYE Plan will continue to apply to your New Option(s) in the same way as they do to your current Option(s).

1.6 Can I decide to Rollover later?

No. If you wish to rollover your Option(s) you must do so by completing and returning the SAYE Decision Form by 13 January 2020.

1.7 What happens if I leave?

Please see paragraph 3 below for what happens if you leave before the Merger goes ahead.

If you leave after your Option(s) have been Rolled-Over, then your New Option(s) will be treated in accordance with the rules of the SAYE Plan. This means:

- If you are considered a "good leaver", your New Option(s) will mature on the date your employment ceases and you will have six months to exercise your Option(s). The exercise of your New Option(s) at that time would benefit from the full tax advantages (so no tax would arise on exercise).

A "good leaver" is defined in the SAYE Plan, and includes anyone who leaves due to injury, disability, redundancy, retirement or death (although special rules apply on death).

- If you leave and are not considered a "good leaver" then your New Option(s) would lapse on the date your employment ends. In that case your New Option(s) could not be exercised.

2 CHOICE B AND CHOICE C: EXERCISE

2.1 If I choose to exercise do I have to pay anything?

If you choose to exercise your Option(s) then the exercise price that is payable will be paid using the monthly savings that you have made up until the date of exercise under your current savings contract. However, please note that if you want to exercise an Option granted on 30 September 2016 and you have already closed your related savings account you will need to contact YBS Share Plans to make arrangements to pay directly the total option exercise price (as you will have already received the proceeds from the relevant savings contract).

2.2 What happens if I exercise my Option(s)?

If you exercise your Option(s), you will receive Redde Shares. These Redde Shares will then be acquired by Northgate and you will receive 0.3669 Northgate Shares for each Redde Share.

2.3 Will I be able to exercise my Option(s) in full?

With the exception of the Option granted on 27 March 2017, which is expected to mature on 1 May 2020, you will not be able exercise your Option(s) in full, but instead can exercise your Option(s) in part. This is because you can only exercise your Option(s) using the monthly savings you have made up until the date of exercise. Therefore, if you choose to exercise, whether at the Scheme Sanction Date or up to the latest practicable date, you can only do so using the monthly savings that you have made up until the time of exercise, and so you will not be able to get the maximum number of Redde Shares which you would have been entitled to had your Option(s) reached maturity.

2.4 Is there any tax?

If you elect to exercise an Option(s) prior to the third anniversary of its date of grant, then income tax will arise on any "gain" you make. A "gain" is the difference between the value of a Redde Share at the time you exercise your Option(s) and the "option exercise price" that is paid.

You will have to account for this income tax liability through a self-assessment tax return. It will be your responsibility to ensure that you therefore request and submit a self-assessment tax return, and pay the income tax to HM Revenue & Customs by the required deadline.

Further tax liabilities (such as capital gains tax) may arise when you eventually dispose of the Northgate Shares that you have acquired under the Scheme.

If you are in any doubt about your tax position you are advised to seek advice from a suitably authorised tax adviser.

The above assumes you were resident and domiciled in the UK at all relevant times. Please remember that tax law can and often does change, and you should not necessarily assume the current tax position will continue.

2.5 What happens if I leave?

Please see paragraph 3 below for what happens if you leave before the Merger goes ahead.

If you elect to exercise your Option(s) using Choice B, that exercise is effective as of the Scheme Sanction Date and so would be unaffected if you were to cease employment thereafter.

If you elect to exercise using Choice C, your Option(s) will be exercised approximately six months after the Scheme Sanction Date. If you leave employment before your Option(s) are exercised then:

- If you are considered a "good leaver" your Option(s) would, provided you have not missed the maximum number of monthly contributions permitted as set out in your savings contract by the time of exercise, continue and be exercised in accordance with your Choice C as described in this letter. The exercise of your Option(s) would benefit from the full tax advantages (so no tax would arise on exercise).

A "good leaver" is defined in the SAYE Plan and includes anyone who leaves due to injury, disability, redundancy, retirement or death (although special rules apply on death).

- If you leave and are not considered a "good leaver" then your Option(s) would lapse on the date your employment ends. In that case your Option(s) would not be exercised.

3 Leaving Redde before the Merger

If you cease employment with Redde before the Scheme Sanction Date, the leaver provisions under the SAYE Plan will apply in the normal way. This means:

- If you are considered a "good leaver", your Option(s) will mature on the date your employment ceases and you will have six months to exercise your Option(s). The exercise of your Option(s) would benefit from the full tax advantages (so no tax would arise on exercise).

A "good leaver" is defined in the SAYE Plan, and includes anyone who leaves due to injury, disability, redundancy, retirement or death (although special rules apply on death).

- If you leave and are not considered a "good leaver" then your Option(s) would lapse on the date your employment ends. In that case your Option(s) would not be exercised. If you have returned an SAYE Decision Form it would cease to be valid.