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THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISER.

ARM ASSET BACKED SECURITIES SA - PROVISIONAL LIQUIDATORS APPOINTED (THE 'ISSUER')

FREQUENTLY ASKED QUESTIONS - SUBMITTED WEEK ENDED 3 JANUARY 2014

Q 9.1

What is the current balance for my investment?

As stated in Q8.9, the Provisional Liquidators are unable at this stage to provide individual Bondholders with details of the value of their investments.

Q 9.2

I bought bonds through an IFA in Spain. They are not registered with the FCA, so I am unable to claim FSCS compensation, but could legal action be taken against an intermediary between the IFA and the Issuer?

The fact that your Bonds have been purchased through an IFA in Spain does not necessarily preclude you from claiming from the FSCS under its compensation scheme. The FSCS anticipate making an announcement regarding the procedure for making a claim against Catalyst Investment Group Limited in the early part of 2014. We would recommend that you contact the FSCS once the claims procedure is underway in order to ascertain whether you are eligible to make a claim.

Q 9.3

I am still being charged fees by my IFA, or another intermediary. They want me to become the sole owner of the fund, but I am worried that if I am the sole owner, then I won't receive any further information and if there are payments made then I wouldn't receive them and I wouldn't have anyone to act on my behalf. Do you have any advice that you can give me on this matter?

Any circulars sent to Bondholders (through clearing or otherwise) will also be uploaded to this website, thereby ensuring that all Bondholders have a method by which they can receive information published by the Provisional Liquidators.

In relation to the other aspects of your query, you should seek the advice of your IFA or the Citizens Advice Bureau (<http://www.citizensadvice.org.uk/> or 08444 77 20 20).

Q 9.4

Please can you confirm if you have me on your list of Bondholders?

The Provisional Liquidators will be contacting all known Bondholders in due course and advertising for any potential claimants. Until this process is finalised, we cannot be confident that we hold a definitive list of Bondholders. Please note that we do retain any queries received and will use these to confirm the final list.

Q 9.5

You have indicated that advice has been received regarding the relative ranking of the Bonds, stating that the documentation is inconsistent and you would be required to make an application to Court for directions on the issue. Could you please provide us with a summary of all of the evidence available on this matter which shows the intentions of the Issuer? The securitisation documentation should contain the relevant details. The only information provided to Bondholders so far generally appears to be a statement in the "Terms and Conditions" that formed part of the brochure issued under section 21 of the Financial Services and Markets Act 2000. This statement said that "seniority will always be granted based on the issue date".

As explained in previous FAQs (most recently Q 8.22), the issue encountered on the subject of the relative ranking of the Bonds is that the documentation issued by the Issuer is inconsistent. It is correct that the brochure contains the above statement, but other documentation produced by the Issuer states or implies otherwise.

The Provisional Liquidators wish to be as open as possible with Bondholders, but we would ask Bondholders to understand that it is neither practical nor in Bondholders' interests to conduct the entire provisional liquidation in a public manner.

Q 9.6

Will those who cannot attend the proposed meeting of Bondholders be able to vote by proxy?

A proxy form for any voting will be provided with the notice to Bondholders of the meeting being called.

Q 9.7

Can you please advise if the confidentiality clauses in the FCIL sale existed in the original contract or if the contract was later amended to introduce them?

The confidentiality clauses in the FCIL contract existed in the original contract.

Q 9.8

Historic press articles have come to light, regarding BDO's role as auditors of Keydata prior to the appointment of PWC as administrators. Please confirm whether BDO were sued and whether the action was successful? Please also confirm whether there is any link between BDO's role as auditor of Keydata and its appointment in this case.

The Provisional Liquidators can confirm that there have been no claims made against BDO in respect of Keydata, neither have any been threatened. The press article referred to contains speculation of claims against BDO which are without merit or foundation.

BDO's historical role as auditor of Keydata has no connection with the Provisional Liquidators' appointment. The Provisional Liquidators were recommended for this role by Bingham McCutchen to ARM due to previous experience of similar structures in Luxembourg.