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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 18 OCTOBER 2013

Are Christopher Kim Rayment and/or Sarah Rayment (unrelated partners in BDO LLP) related in any way to Brian Rayment (ex-COO of Catalyst Investment Group Ltd) and, if so, what assurances can be given that this relationship will not have an impact on the [provisional] liquidation?

BDO always carries out conflict checks to ascertain if there are any relationships existing between potential clients and partners/employees of the firm prior to the acceptance of an engagement.

No such relationship was found to exist in this case. Neither of Sarah Rayment nor Christopher Kim Rayment is related to Brian Rayment.

Do you intend to allow the completion of the sale of ARM assets to FCIL and how will you ensure that the assets from the sale are secured from accounts in the USA?

The sale of ARM assets to FCIL was largely completed prior to the appointment of the Provisional Liquidators, with the exception of some minor technical issues.

The Provisional Liquidators control the Issuer's assets pursuant to the court order by which they were appointed, and are legally entitled to take possession of, collect and get in all of the assets to which the Issuer is or appears to be entitled, including the sale proceeds.

What steps will you be taking to ensure that ARM directors no longer have any influence over the USA company to which the proceeds from the sale of assets will be paid?

The directors are no longer able to hold themselves out to any party as a representative of the Issuer, as the Provisional Liquidators now have exclusive control of the Issuer.

The Provisional Liquidators will ensure that all practical steps are taken to put all relevant parties on notice that the Provisional Liquidators have such exclusive control over the Issuer's assets and affairs.

What evidence is there that the Issuer's COMI is in the UK?

As part of the application to place the Issuer into provisional liquidation, the Issuer submitted witness statement evidence to the court which satisfied the judge that its COMI is in the UK.

Did the Issuer have statutory UK insurance?

We are researching this issue and will respond when we have the answer.

What should I do if I cannot afford professional advice?

Those who cannot afford or do not wish to take the advice of a professional can contact the Citizens Advice Bureau (<http://www.citizensadvice.org.uk/> or 08444 77 20 20) for free advice.

If investors wish to purchase the asset from a SIPP, should/can this be done by a stock transfer or deed of assignment? Where should the asset purchase forms be sent?

We are researching this issue and will respond when we have the answer.

What do I need to do to register my interest in the [provisional] liquidation?

At this stage, there is no need for Bondholders to register their interest/claim in the Provisional Liquidation.

All Bondholders' details are held on a register of bonds maintained by the Issuer.

It is the Provisional Liquidators' intention to provide all Bondholders with the information posted on the website through ClearStream in due course.

Will the Provisional Liquidators be forming a creditors' committee?

The Provisional Liquidators do not have the power to create a formal or statutory creditors' committee.

However, the Provisional Liquidators wish to engage openly with Bondholders and other creditors as much possible. Therefore, they are currently considering the formation of an *ad hoc* or informal creditors' committee.

Whilst such a committee would not have the powers afforded to the creditors' committee in, say, a liquidation, the Provisional Liquidators believe it would all the same be useful to obtain the views of a representative body of Bondholders and other creditors on key issues when required.

If the decision is taken to form an *ad hoc* or informal creditors' committee, all Bondholders and other creditors will be given the opportunity to nominate representatives for that committee. To the extent possible, the Provisional Liquidators will ask Bondholders and other creditors to vote on the constitution of any such *ad hoc* or informal creditors' committee.

The Provisional Liquidators will wish to ensure that any such *ad hoc* or informal creditors' committee properly represents the various and differing Bondholder and other creditor interest groups.

The following questions are, we believe, already covered by current FAQs as published on our website earlier this week:

- Will pending investors (whose money has been frozen by the FSA/FCA) receive their money back?
- Can you specify a time frame for [provisional] liquidation?
- If I am a pending investor, am I a creditor?