

**In the Matter of the Insolvency Act 1986
And In the Matter of ARM Asset Backed Securities SA
Company Voluntary Arrangement
Chairman's Report of the Meetings of Creditors and Shareholders**

The meetings of creditors and the shareholder to consider the liquidators' proposal for a Company Voluntary Arrangement for the above named company were duly convened and held at 11:00 hrs (BST) on 3 May 2017 and 11:30 hrs (CET) on 4 May 2017 respectively.

This report is made by Sarah Rayment, a Licensed Insolvency Practitioner of BDO LLP of 55 Baker Street, London, W1U 7EU (the 'Chairman') pursuant to the provisions of section 4(6) of the Insolvency Act 1986 (the 'Act') and Rule 1.24 of the Insolvency Rules 1986 (the 'Rules') and is the Chairman's report of the result of the meetings of creditors and members of ARM Asset Backed Securities SA (the 'Company').

As required under Rule 1.24(2)(ca) of the Rules, the Chairman can confirm that in the opinion of the Joint Supervisors the EC Regulation on Insolvency Proceedings (No. 13436/2000) will apply in respect of the Company Voluntary Arrangement and that the proceedings will be the main proceedings as provided by Article 3 of the aforesaid Regulation.

Meeting of Creditors

Present: Sarah Rayment - Chairman, Joint Liquidator and Joint Nominee
Kirsty McMahon - BDO LLP

Tom Bannister - Akin Gump LLP
Jonathan Woods - Akin Gump LLP

Creditors attending by proxy as per the attendance list attached

No Shareholders were in attendance

Observing: Michael Palau - authorised observer of Veronica Hammet (a pending investor)

Pursuant to Section 3 of the Act, the meeting of creditors was convened for 11:00 hours on 3 May 2017 at the Park Plaza Sherlock Holmes Hotel, 108 Baker Street, London, W1U 6LJ.

The Chairman, having waited 5 minutes, noted that no creditors were in attendance in person and proceeded with the formal part of the meeting.

The Chairman introduced to the meeting the proposal for a Company Voluntary Arrangement dated 5 April 2017 which had been proposed by the Liquidators (the 'Proposal').

The Chairman advised those present at the meeting as convener of the meeting and pursuant to Rule 1.14 of the Rules that she was Chairman thereof.

The Chairman noted that the following resolutions (the 'Resolutions') had been proposed:

The Company Voluntary Arrangement be and is hereby approved in the terms of the Proposal made by the Liquidators to the meeting of creditors held at 11 a.m. (BST) on 3 May 2017 and the member's meeting held at 11.30 a.m. (CET) on 4 May 2017.

Mark James Shaw, Malcolm Cohen and Sarah Megan Rayment be and are hereby appointed to act as Supervisors of the Company Voluntary Arrangement.

If the Company Voluntary Arrangement is so approved and Mark James Shaw, Malcolm Cohen and Sarah Megan Rayment are appointed to act as Supervisors of the Company Voluntary Arrangement, that any of the functions, powers and duties of a supervisor of the Company Voluntary Arrangement can be exercised by either any of the Supervisors individually or by any two or more of them acting jointly.

The fees of the Nominees, as outlined in the Proposal, are approved and may be paid from ARM's Assets.

The Chairman noted that 100% in value of creditors voting by proxy, had voted in favour of the Resolutions without modifications. No creditors voting by proxy had voted against the Resolutions. The schedule attached at Appendix 1 lists the creditors represented at the meeting and how each creditor voted.

It was noted that the requisite majority to pass the Resolution was a majority in excess of three-quarters in value of the creditors' claims either present or voting by proxy. Having regard to the provisions of Rule 1.19 the Chairman declared that the Resolutions had been passed.

The Chairman concluded the meeting at 11:15 hrs.

Meeting of members of the Company

Present: Sarah Rayment - Chairman, Joint Liquidator and Joint Nominee
Armel Waisse - Bonn & Schmitt Avocats (acting as Scrutineer)
Laurent Henneresse - Bonn & Schmitt Avocats (acting as Secretary)

No Shareholders were in attendance

Pursuant to Section 3 of the Act, the meeting of members was convened for 11:30 hours (CET) on 4 May 2017 at the offices registered address of the Company, 148, avenue de la Faïencerie, L-1511 Luxembourg.

The Chairman advised those present at the meeting as convener of the meeting and pursuant to Rule 1.14 of the Rules that she was Chairman thereof.

The entire voting share capital of the Company is held by Stichting ARM Asset Backed Securities, who were not represented at the meeting.

The Chairman also advised that the Proposal for a Company Voluntary Arrangement had been approved without modification at a meeting of creditors held the previous day.

The Chairman noted that the following resolutions (the 'Resolutions') had been proposed:

The Company Voluntary Arrangement be and is hereby approved in the terms of the Proposal made by the Liquidators to the meeting of creditors held at 11 a.m. (BST) on 3 May 2017 and the member's meeting held at 11.30 a.m. (CET) on 4 May 2017.

Mark James Shaw, Malcolm Cohen and Sarah Megan Rayment be and are hereby appointed to act as Supervisors of the Company Voluntary Arrangement.

If the Company Voluntary Arrangement is so approved and Mark James Shaw, Malcolm Cohen and Sarah Megan Rayment are appointed to act as Supervisors of the Company Voluntary Arrangement, that any of the functions, powers and duties of a supervisor of the Company Voluntary Arrangement can be exercised by either any of the Supervisors individually or by any two or more of them acting jointly.

The fees of the Nominees, as outlined in the Proposal, are approved and may be paid from ARM's Assets.

The member was not represented and therefore no vote was taken.

Dated 4 May 2017



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Sarah Rayment

Chairman of both meetings and Joint Liquidator/Nominee/Supervisor

APPENDIX 1
Schedule of Voting

ARM Asset Backed Securities SA - In Liquidation
Proxy Schedule for the Meeting of Creditors held on 3 May 2017

Name of Creditor	Proxyholder	Value of Claim	Resolutions				Acceptance				Rejection			
			1	2	3	4	1	2	3	4	1	2	3	4
FSCS	Chairman of the Meeting	173,425,386	Acceptance	Acceptance	Acceptance	Acceptance	173,425,386	173,425,386	173,425,386	173,425,386	-	-	-	-
Despina Harrison	Chairman of the Meeting	6,200	Acceptance	Acceptance	Acceptance	Acceptance	6,200	6,200	6,200	6,200	-	-	-	-
Colin Gordon Wood	Chairman of the Meeting	4,218	Acceptance	Acceptance	Acceptance	Acceptance	4,218	4,218	4,218	4,218	-	-	-	-
Nigel Barry Pendse	Chairman of the Meeting	31,000	Acceptance	Acceptance	Acceptance	Acceptance	31,000	31,000	31,000	31,000	-	-	-	-
Rothwell Investments Limited	Chairman of the Meeting	12,655	Acceptance	Acceptance	Acceptance	Acceptance	12,655	12,655	12,655	12,655	-	-	-	-
Susan & Andrew Mead	Chairman of the Meeting	12,655	Acceptance	Acceptance	Acceptance	Acceptance	12,655	12,655	12,655	12,655	-	-	-	-
Mr E. Mrs Patel	Chairman of the Meeting	16,873	Acceptance	Acceptance	Acceptance	Acceptance	16,873	16,873	16,873	16,873	-	-	-	-
David Bernard Birch	Chairman of the Meeting	228,755	Acceptance	Acceptance	Acceptance	Acceptance	228,755	228,755	228,755	228,755	-	-	-	-
Penelope Percival	Chairman of the Meeting	35,437	Acceptance	Acceptance	Acceptance	Acceptance	35,437	35,437	35,437	35,437	-	-	-	-
Richard Willgoss	Chairman of the Meeting	215,576	Acceptance	Acceptance	Acceptance	Acceptance	215,576	215,576	215,576	215,576	-	-	-	-
Crescent Trustees Limited	Chairman of the Meeting	491,191	Acceptance	Acceptance	Acceptance	Acceptance	491,191	491,191	491,191	491,191	-	-	-	-
Martin Edwin Parker	Chairman of the Meeting	11,050	Acceptance	Acceptance	Acceptance	Acceptance	11,050	11,050	11,050	11,050	-	-	-	-
Banque Haviland (Monaco)	Chairman of the Meeting	32,406	Acceptance	Acceptance	Acceptance	Acceptance	32,406	32,406	32,406	32,406	-	-	-	-
Totals		174,523,401					174,523,401	174,523,401	174,523,401	174,523,401	-	-	-	-

Resolutions:		Acceptance	Rejection	% Acceptance
1	174,523,401	-	-	100%
2	174,523,401	-	-	100%
3	174,523,401	-	-	100%
4	174,523,401	-	-	100%