

NOTICE OF EARLY REDEMPTION

Paragon Personal and Auto Finance (No.3) PLC

(Registered in England and Wales under number 4513186) (the "Issuer")

Class A1 Asset Backed Floating Rate Notes due 2036

Common Code Number: XS0219226841

ISIN: 21922684

(the "**Class A1 Notes**")

Class A2 Asset Backed Floating Rate Notes due 2036

Common Code Number: XS0219227492

ISIN: 21922749

(the "**Class A2 Notes**")

Class B1 Asset Backed Floating Rate Notes due 2036

Common Code Number: XS0219227658

ISIN: 21922765

(the "**Class B1 Notes**")

Class B2 Asset Backed Floating Rate Notes due 2036

Common Code Number: XS0219229860

ISIN: 21922986

(the "**Class B2 Notes**")

Class C1 Asset Backed Floating Rate Notes due 2036

Common Code Number: XS0219230017

ISIN: 21923001

(the "**Class C1 Notes**")

Class C2 Asset Backed Floating Rate Notes due 2036

Common Code Number: XS0219230447

ISIN: 21923044

(the "**Class C2 Notes**")

Class D1 Asset Backed Floating Rate Notes due 2036

Common Code Number: XS0219230793

ISIN: 21923079

(the "**Class D1 Notes**")

Class D2 Asset Backed Floating Rate Notes due 2036

Common Code Number: XS0219231841

ISIN: 21923184

(the "**Class D2 Notes**")

(together, the "**Notes**")

NOTICE IS HEREBY GIVEN that all of the outstanding Notes will be redeemed by the Issuer on 16 January 2017 (the "**Optional Redemption Date**"), pursuant to Condition 5(d) of the Notes. The Notes will be redeemed at their Principal Amount Outstanding together with accrued interest to the Optional Redemption Date.

Payment of principal and interest will be made through Euroclear Bank S.A/N.V and Clearstream Banking S.A.

Paragon Personal and Auto Finance (No.3) PLC

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Dated 22 December 2016