

EXECUTION COPY

Final Terms dated as of 9 November 2006

LEHMAN BROTHERS SECURITIES N.V.

Warrant and Certificate Programme

**Guaranteed by
LEHMAN BROTHERS HOLDINGS INC.**

Up to 10,000 Certificates on the Vietnam Opportunity Fund

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the amended and restated Offering Circular dated 9 August 2006 (the "**Offering Circular**"). This document constitutes the Final Terms of the Notes and must be read in conjunction with such Offering Circular, as supplemented from time to time. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular.

Save as disclosed herein, neither the Issuer nor the Guarantor is involved in any litigation or arbitration proceedings which the Issuer or the Guarantor (as the case may be) believes would have a material adverse effect on the financial position of the Issuer or the Guarantor (as the case may be) nor is the Issuer or the Guarantor aware of any such proceedings pending or threatened.

The Issuer accepts responsibility for the information contained in these Final Terms and declares that, having taken all reasonable care to ensure that such is the case the information contained in these Final Terms is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

The information contained herein with regard to the underlying asset (or basket of assets), Commodity (or Basket of Commodities), Currency (or Basket of Currencies), Debt Instrument (or Basket of Debt Instruments), Depositary Receipt (or Basket of Depositary Receipts), Index (or Basket of Indices) or Share (or Basket of Shares) (as all such terms are defined in the Terms and Conditions of the Securities (as set forth in the Offering Circular, beginning at page 41 thereof) or other item(s) (the "**Underlying**") to which the Securities relate consists of extracts from or summaries of information that are publicly available. Except as mentioned herein, the Issuer accepts responsibility for accurately reproducing and/or summarising the information relating to the Underlying to which the Securities relate, which information is more particularly described in Part B hereto. The Issuer accepts no further or other responsibility in respect of such information.

IN WITNESS WHEREOF, LEHMAN BROTHERS SECURITIES N.V. has caused these Final Terms to be executed by its duly authorised officer(s) and/or director(s).

Dated: 9 November 2006

Executed by

LEHMAN BROTHERS SECURITIES N.V.
and signed and delivered on its behalf

By: _____

Name:

Title:

Part A

Information about the Securities

Risk Factors

Prospective investors in the Securities should pay particular attention to the section entitled "Risk Factors" in the Offering Circular (pages 13 to 21 inclusive).

Prospective investors of Securities should carefully consider the following information in conjunction with other information contained herein and in the Offering Circular.

These Final Terms cannot disclose all of the risks and other significant aspects of the Securities and investment decisions should not be made solely on the basis of these risk factors since the information contained herein cannot serve as a substitute for independent individual advice which is tailored to the requirements, investment objectives, experience, knowledge and circumstances of a prospective investor.

Each prospective investor of Securities should consider carefully whether the Securities are suitable for it in the light of its circumstances and financial position and in view of the complexity and risks inherent in the Securities. Prospective investors of Securities should be experienced with respect to derivatives, particularly options and options transactions. Furthermore, prospective investors of Securities should understand the risks of transactions involving the Securities and should reach an investment decision only after careful consideration of the suitability of the Securities in light of their particular financial circumstances and after consultation with their own legal, tax, accountancy and other professional advisers. No person should deal in the Securities unless that person understands fully the nature of the relevant transaction.

Economic, legal and, political developments in Vietnam may have a significant impact on the value of the Securities

The Fund's performance is linked to the performance of its underlying investments in Vietnam. The market price of the Shares may be affected by changes in Vietnamese governmental policies, taxation, inflation, interest rates, currency exchange rates, social instability and other political, legal, economic, diplomatic or social developments in or affecting Vietnam that are not within the Issuer's control. In addition, the economic, legal and political environment in Vietnam maybe significantly affected by the economic, legal and political environment throughout Asia.

Factors affecting the Fund and the payments under the Securities

Prospective investors of Securities should be familiar with investments in the global capital market and with derivatives and the Fund generally. The Securities can be volatile instruments. Changes in the price or market value of Shares and/or changes in the circumstances of the Fund may result in sudden and large fluctuations in the value of the Securities. The value of the Shares may vary over time and may increase or decrease by reference to a variety of factors, which may include, but are not limited to, corporate actions and macro economic factors.

No Capital protection

Holders of Securities should be aware that in certain circumstances the Cash Settlement Amount may be less than the purchase price paid for the Securities. Accordingly, a purchase of these Securities is only suitable for investors who can afford to risk loss of all or part of their original investment.

Cash Settlement Amount:

The Cash Settlement Amount (being the total amount paid in redemption of the Securities) depends on the ability of the Hedging Party to unwind any hedge transaction established in connection with the Securities during the Execution Period (each as defined herein), which will in turn be subject to the liquidity of the Shares at such time. The Cash Settlement Amount is determined by reference to the Unwinding Price (as defined herein) which may be at a discount to the prevailing NAV of the Fund and be less than the exchange-traded share price of the Shares.

In addition, the Hedging Party does not owe a duty of "best execution" in unwinding any such hedge transaction. The Unwinding Price may not be the best available price during the Execution Period and the Shares may be sold in instalments over the Execution Period. Prospective investors of the Securities should be aware that the Cash Settlement Amount may be less than the Issue Price of the Securities or the amount that the investor has paid for the Securities.

Secondary market and liquidity for the Securities

There can be no assurance as to how any Securities will trade in the secondary market, whether there will be a secondary market or, if a secondary market exists, whether such market will be sustainable or liquid or illiquid. Although an application will be made to list or trade the Securities on the Luxembourg Stock Exchange, no assurance can be given that the Securities will in fact be listed or traded or, if the Securities are so listed or traded, that such listing or trading will be maintained and whether there will be a secondary market for any Securities so listed or traded. If the Securities are not listed or traded on any stock exchange, pricing information so such Securities may be more difficult to obtain, and the liquidity and market prices of such Securities may be adversely affected.

The Securities may be redeemed prior to maturity

In addition, the Securities may also be mandatorily redeemed prior to the Redemption Date in the event of the occurrence of a Merger Event, Insolvency, a delisting of the Fund or a Termination Event (each as defined herein) in respect of the Fund.

The amount payable will be calculated to produce a commercially reasonable result as determined by the Calculation Agent in its sole and absolute discretion. Prospective investors of the Securities should be aware that such Cancellation Amount may be less than the Issue Price of the Securities or the amount that the investor has paid for the Securities or the principal amount of the Securities, and may even be nil.

In the event of early termination, a holder of Securities (for the purpose of this section entitled "Risk Factors", a "**Holder**") may not be able to reinvest the redemption proceeds in a comparable security and receive a return on investment which is as high as that of the Securities. Each of the Issuer and Guarantor is not liable for any disadvantage a holder of Securities incurs in respect of the new investment or non-investment of its capital.

Investing in the Securities is not the same as investing in the Shares

Prospective investors should be aware that the market value of the Securities may not have a direct relationship with the prevailing price of the Shares, in that changes in the prevailing price of the Shares will not necessarily result in a comparable change in the market value of the Securities.

Investment in the Securities does not take into account dividends payable on the Fund

Prospective investors should note that dividends payable to holders of shares and/or units in the Fund will not be paid to the Issuer or to the Holders. The return on the Securities will thus not reflect any dividends which would be paid to investors that have made a direct investment in the Fund. Consequently, the return on the Securities may be less than the return from a direct investment in the Fund.

Investment Risks pertaining to the Fund

The Fund and any Fund components in which it may invest may utilise (*inter alia*) strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses. The Fund, and any funds and Fund components in which it may invest, may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated. No assurance can be given relating to the present or future performance of the Fund and any Fund component in which it may invest. The performance of the Fund and any Fund component in which it may invest is dependent on the performance of the Fund managers in selecting Fund components and company management in respect of the Fund components. No assurance can be given that these persons will succeed in meeting the investment objectives of the Fund that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which the Fund has or will invest will prove accurate.

Determinations by the Calculation Agent

The Calculation Agent has certain discretions to determine whether certain events as further set out in the Documentation. Prospective investors should be aware that any determination made by the Calculation Agent may have an adverse effect on the value of the Securities.

Creditworthiness of the Issuer and Guarantor

Any person who purchases the Securities is relying upon the creditworthiness of the Issuer and the Guarantor and has no rights against any other person. The Securities constitute general, unsecured, unsubordinated, contractual obligations of the Issuer and of no other person. The Securities rank *pari passu* among themselves.

Adjustments

The Calculation Agent may adjust the terms of the Securities in the case of a market disruption event and/or such other similar adjustment or extraordinary event pursuant to terms as set out in the Documentation. Such adjustment may have an adverse impact on the value of the Securities. Any such discretion exercised by, or any calculation made by the Calculation Agent (in the absence of manifest error) shall be binding.

Issue Price

The Issue Price in respect of the Securities may not be an accurate reflection of the market value of such Securities as at the Issue Date. The price at which the Securities may be sold in secondary market transactions may be lower than the Issue Price. In particular, the Issue Price in respect of the

Securities takes into account, among other things, the distribution fee payable to any appointed distributor of the Securities with respect to the offer and sale of the Securities.

General Market Risk

Prospective investors should be aware that the return on the Securities are linked to the value and/or performance of the Fund. Movements in the value of the shares and/or units in the Fund may adversely affect the value of the Securities. The value of the shares and/or units in the Fund may depend on a number of interrelated factors, including economic, financial and political events in one or more jurisdictions, factors affecting capital markets generally and the stock exchange(s) on which any shares and/or units of the Fund may be traded. None of the Issuer, the Guarantor, the Group or any persons connected with any of them assumes any responsibility to the holders of the Securities for the economic success or lack of success of an investment in the Securities.

Transparency Directive

Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on an EEA Regulated Market and amending Directive 2001/34/EC (the "**Transparency Directive**") entered into force on 20 January 2005. It requires member states to take measures necessary to comply with the Transparency Directive by 20 January 2007. If, as a result of the Transparency Directive or any legislation implementing the Transparency Directive, Lehman Brothers Holdings Inc. ("**LBHI**") could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which it would otherwise use to prepare its published financial information, LBHI may seek an alternative admission to listing, trading and/or quotation for the Securities on a different section of the Luxembourg stock exchange or by such other listing authority, stock exchange and/or quotation system inside or outside the European Union as it may (with the approval of Lehman Brothers International (Europe) (the "**Dealer**")) decide.

General

1. Issuer: Lehman Brothers Securities N.V.
2. Guarantor: Lehman Brothers Holdings Inc.
3. Description of the Securities:
 - (a) Warrants or Certificates: The Securities are Certificates
 - (b) Type of Securities: The Securities are Share Securities
4. Form of the Securities: Bearer: Global Security
5. Description of the Underlying: As described in Item 49 below
6. If Warrants, American Style Warrants, European Style Warrants or other: Not Applicable
7. If Warrants, Call Warrants, Put Warrants or other: Not Applicable
8. Number of Securities being issued: Up to 10,000 Securities
9. (a) Series Number: L-06/102
(b) Tranche Number: 1
10. Issue Date: 9 November 2006
11. Issue Price(s): U.S. Dollars ("USD") 10,000 per Security

Each Dealer reserves the right, in its sole discretion, at any time and from time to time, to offer and sell the Securities at one or more prices that differ from the Issue Price. See also "Risk Factors – Issue Price" in Part A hereof.
12. Minimum initial purchase of the Securities: 1 Security
13. Minimum transferable number (for the purposes of Condition 1(c)): 1 Security
14. Last Trading Day (for the purposes of Conditions 1(c) and 9(c)): Three Business Days prior to the Valuation Date

Warrants - Provisions relating to exercise

15. If American Style Warrants, the Exercise Period: Not Applicable

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| 16. | If European Style Warrants, the Expiration Date: | Not Applicable |
| 17. | Exercise Notice Deposit Time(s) (for the purposes of Condition 5(a)): | Not Applicable |
| 18. | Minimum Exercise Number (for the purposes of Condition 5(b)): | Not Applicable |
| 19. | Integral multiple of Minimum Exercise Number (for the purposes of Condition 5(b)): | Not Applicable |
| 20. | If Physical Delivery Warrants, any modification of minimum Board Lot requirement in relation to exercise (for the purpose of Condition 9(h)): | Not Applicable |
| 21. | If American Style Warrants, the Maximum Exercise Number (for the purposes of Condition 5(b)): | Not Applicable |
| 22. | Automatic Exercise in respect of Cash Settled Warrants (for the purposes of Condition 4(a)): | Not Applicable |

Certificates - Provisions relating to interest

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| 23. | Interest Payment Dates: | Not Applicable |
| 24. | Notional Amount per Certificate (for the purposes of Condition 6): | Not Applicable |
| 25. | Interest Rate (for the purposes of Condition 6): | Not Applicable |
| 26. | Interest Rate Day Count Fraction (for the purposes of Condition 6): | Not Applicable |
| 27. | Other terms relating to the method of calculating interest (for the purposes of Condition 6): | Not Applicable |

Provisions relating to settlement and redemption

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| 28. | Form of Settlement (for the purposes of Condition 1(a)): | Cash Settled Securities |
| 29. | Issuer's option to vary settlement in respect of the Securities (for the purposes of Conditions 1(a) and 10(c)): | Not Applicable |

30. Valuation Date: The later of (i) 26 October 2011 (the “**Scheduled Valuation Date**”) and (ii) the Scheduled Trading Day by which the Hedging Party has unwound its entire hedge
- Provided that if the Hedging Party has not unwound its entire hedge by the day which is one year immediately following the Scheduled Valuation Date (the “**Cut-Off Date**”), then the Calculation Agent shall determine its good faith estimate of the value of the Share that would have prevailed as of the Valuation Time on that Cut-Off Date
- For the avoidance of doubt, Condition 13 shall not apply to these Securities
31. Averaging Dates: Not Applicable
32. Consequence of Averaging Date Disruption (for the purposes of Condition 13(b)): Not Applicable
33. Valuation Time: Condition 28 applies
34. If Warrants, the Settlement Date: Not Applicable
35. If Certificates, the Certificate Settlement Notice Period: The period of three Business Days ending on and including the Valuation Date
36. If Certificates, the Redemption Date: The day which is the fifth Business Day following the Valuation Date (the Redemption Date is currently expected to be 9 November 2011).
37. Business Day Centre(s): London and New York
38. Exchange Rate, including details of when such rate is to be ascertained: Not Applicable
39. If Cash Settled Securities, Settlement Currency for the payment of the Cash Settlement Amount and/or Alternative Cash Settlement Amount: USD
40. If Cash Settled Securities, Cash Settlement Amount or method of calculation of the Cash Settlement Amount (for the purposes of For each Certificate held, the Cash Settlement Amount shall be determined by the Calculation Agent in accordance with

Condition 4(b) or Condition 7, as applicable): the following formula:

$$\text{USD } 10,000 \times \frac{\text{Final Fund Price}}{\text{Initial Fund Price}}$$

Where:

"Execution Period" means the period of 20 Scheduled Trading Days immediately preceding the Valuation Date and the Valuation Date

"Final Fund Price" means the weighted average execution price per Share at which the Hedging Party unwinds its hedge during the Execution Period, as determined by the Calculation Agent. For the avoidance of doubt, the Hedging Party does not owe, and shall not be deemed to owe, a duty of "best execution" in unwinding its hedge on behalf of the Issuer in respect of the Shares.

"Hedging Party" means the Issuer, any of its affiliates or any over-the-counter derivatives transaction counterparty in relation to any hedge transaction established and/or unwound in connection with the Securities.

"Initial Fund Price" means USD 2.43

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| 41. | If Physical Delivery Warrants, the Strike Price(s): | Not Applicable |
| 42. | If Physical Delivery Securities: | Not Applicable |
| 43. | If Physical Delivery Certificates, any modification of minimum Board Lot requirement in relation to settlement (for the purpose of Condition 9(h)): | Not Applicable |
| 44. | Other circumstances where Holder will receive the Alternative Settlement Amount (for the purposes of Condition 10(c)): | Not Applicable |
| 45. | Other additional conditions to settlement (for the purposes of Condition 10(a)(i), 10(a)(ii), | Not Applicable |

10(b)(i) and 10(b)(ii):

Other specified terms and modifications to the Conditions

46.	If Currency Securities, details of the Relevant Screen Page, the Base Currency and the relevant Subject Currency or Subject Currencies:	Not Applicable
47.	If Commodity Securities, provisions for calculations:	Not Applicable
48.	If Index Securities:	Not Applicable
49.	If Share Securities:	
	(a) Share(s):	The USD-denominated ordinary shares of Vietnam Opportunity Fund Limited (Bloomberg Code: VOFLN)
	(c) Exchange:	London Stock Exchange (Alternative Investment Market)
	(d) Related Exchange:	Not Applicable
	(e) Method of Adjustment (for the purposes of Condition 14(b)):	Not Applicable, the provisions of paragraph 3 (<i>Potential Adjustment Events</i>) of the Annex shall apply
	(f) Consequences of Merger Events (for the purposes of Condition 15(a)):	Not Applicable, the provisions of paragraph 2 (<i>Cancellation</i>) of the Annex shall apply
	(g) Consequences of Tender Offers (for the purposes of Condition 15(b)):	Not Applicable
	(h) Options Exchange (for the purposes of Condition 14(b)(i), Condition 15(a)(iii) or Condition 15(b)(ii), where applicable):	Not Applicable
50.	Additional Disruption Events:	Not Applicable
51.	Further adjustments:	Not Applicable
52.	Other special conditions and any modification to the Terms and Conditions of the Securities:	Not Applicable
53.	Relevant Clearing System(s) (for the	Euroclear Clearstream, Luxembourg

purposes of the definition in Condition 28):

The Bank of New York shall act as common depository for Euroclear and Clearstream, Luxembourg

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| 54. | Calculation Agent if not the Issuer: | Lehman Brothers International (Europe) |
| 55. | Rule 144A eligibility: | No |
| 56. | Eligibility for private placement to other "accredited investors" in the United States: | No |
| 57. | US Selling Restrictions and additional selling restrictions: | |
| | (a) details of the applicable type of US Selling Restrictions including in respect of the relevant US Selling Restrictions certification required for the purposes of exercise or redemption: | Type 2A |
| | (b) details of any additional selling restrictions (for the purposes of Condition 9(e)): | Not Applicable |

Part B

Other Information

1. (a) Listing: Application will be made for the Securities to be listed on the Official List of the Luxembourg Stock Exchange. No assurances can be given that such listing application will be approved.
- (b) Admission to Trading: Application will be made for the Securities to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. No assurances can be given that such application will be approved.
2. Notification Not Applicable
3. Interests of Natural and Legal Persons Involved in The Issue/Offer Save as discussed in the section entitled "Offering and Sale" in the Offering Circular, so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.
4. (a) Method of distribution of the Securities: Non-syndicated
- (b) Names of the Dealer(s): Lehman Brothers International (Europe)
5. ISIN: ANN521338783
6. Common Code: 27222412
7. CUSIP: Not Applicable
8. Telekurs number and, where any additional or alternative Clearing System(s) has/have been specified in paragraph 39(b) above, any other relevant security code: 2753936
9. WKN: Not Applicable
10. Principal Securities Agent: Belgian Securities Agent
11. Whether Definitive Security Certificates may be issued as well as/instead of a Global Security: The Securities will be at all times represented by a Global Security

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| 12. | Reasons for the Offer: | Not Applicable |
| 13. | Performance of index/formula/ other variable, explanation of effect on value of investment and associated risks and other information concerning the Underlying: | <p>Details on the past and the future performance of the Shares and its volatility can be obtained from the Bloomberg page indicated in Item 49 of Part A above.</p> <p>The Issuer does not intend to provide post issuance information regarding the Shares.</p> |

ANNEX – OTHER APPLICABLE TERMS

1. Other Definitions

The following terms and expressions shall have the following meanings in respect of the Certificates:

"Calculation Agent" means Lehman Brothers International (Europe) of 25 Bank Street, London E14 5LE, United Kingdom.

"Fund" means Vietnam Opportunity Fund Limited.

"Fund Issuer" means the issuer of the Shares of the Fund.

"Management Company" means the Fund Issuer (or such other management company as the Calculation Agent may determine is for the time being manager of such Fund).

"NAV" means, in respect of the Fund and any day, the net asset value of the Fund, as calculated and published by the Management Company or the administrator, service provider or other person that generally reports such value on behalf of the Management Company to its investors or a publishing service at the Valuation Time on such day.

"Trade Date" means 26 October 2006.

2. Cancellation

(i) Upon the occurrence (as determined by the Calculation Agent) of any Merger Event, Insolvency, a delisting of the Fund or a Termination Event (each as defined below) in respect of the Fund during the Term of the Certificates, the Calculation Agent shall notify the Holders of the same, in such manner as is reasonably practicable (and subject as provided in Condition 21) and each Certificate shall be redeemed and cancelled by the Issuer, within eight Business Days of the date of such notice to the Holders of the Certificates, for an amount equal to the Cancellation Amount.

(ii) For the purposes hereof:

"Cancellation Amount" means an amount equal to means the weighted average execution price per Share at which the Hedging Party would unwind its hedge following the occurrence of a Merger Event, Insolvency, a delisting of the Fund or a Termination Event, as determined by the Calculation Agent.

Provided that if the Hedging Party has not unwound its entire hedge by the day which is one year immediately following the occurrence of a Merger Event, Insolvency, a delisting of the Fund or a Termination Event, then the Calculation Agent shall determine its good faith estimate of the value of the Share that would have prevailed as of the Valuation Time on that day.

For the avoidance of doubt, the Hedging Party does not owe, and shall not be deemed to owe, a duty of "best execution" in unwinding its hedge on behalf of the Issuer in respect of the Shares.

"Insolvency" means, in respect of a Fund, it (1) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a Merger Event); (2) makes a

general assignment or arrangement with or for the benefit of its creditors; (3)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (4) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (5) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (6) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) thru (5) above.

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means any (i) reclassification or change of the Shares of the Fund that results in a transfer of or an irrevocable commitment to transfer all of the Shares of the Fund outstanding, (ii) consolidation, amalgamation or merger of the Fund with or into another entity (other than a consolidation, amalgamation or merger in which the Fund is the continuing entity and which does not result in any such reclassification or change of all of the Shares of the Fund outstanding), (iii) other takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Fund that results in a transfer of or an irrevocable commitment to transfer all of the Shares of the Fund (other than the Shares of the Fund owned or controlled by the offeror), or (iv) consolidation, amalgamation, merger or binding exchange of the Fund Issuer with or into another entity in which the Fund Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares of the Fund outstanding but results in the outstanding units of shares (other than the Shares of the Fund owned or controlled by the offeror) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Valuation Date.

"Termination Event" means any of the following:

- (i) the main investment objective of the Fund is amended in accordance with its rules so that it no longer refers solely to the benchmark as set out in the prospectus in respect of the Fund on the Trade Date;
- (ii) the currency denomination of the Fund is amended in accordance with its rules so that the NAV of the Fund is no longer calculated in the same currency as at Trade Date;
- (iii) a Hedging Party would be required to pay a subscription fee in respect of a purchase of Shares or any redemption fee incurred in respect of a sale of Shares in relation to its hedging activities in respect of the issue of the Certificates;
- (iv) the Management Company or the administrator, service provider or other person that generally calculates and/or reports the NAV on behalf of the Management Company in respect of the Fund fails for reasons other than of technical or operational nature to calculate and publish the NAV of the Fund for eight consecutive Scheduled Trading Days and the reason for such failure is as a consequence of any decision to liquidate or dissolve the Fund;
- (v) the activities of the Fund or its Management Company is placed under review by any governmental, legal or regulatory entity for reasons of wrongdoing, breach of any rule or regulation or other similar reason;
- (vi) there is any change in the regulatory or tax treatment applicable with respect to the holding, purchase and/or sale of units or shares of the Fund which could (in the opinion of the Calculation Agent) have an economic impact for the issuer, its affiliates or any other designated hedging entity as a holder of an interest in the Fund;
- (vii) any suspension of, mandatory redemption, limitation of or restriction of (including but not limited to the imposition of a minimum notice period in redeeming or subscribing in unit/shares in the Fund) limitation imposed on trading of such Fund (by reason of liquidity restrictions or otherwise) if, in any such case, such suspension or limitation is, in the determination of the Calculation Agent, material;
- (viii) the Issuer, its affiliates or any other designated hedging entity would be obliged (whether by the Management Company or otherwise) to redeem all or some of the units or shares of the Fund that it is holding in relation to its hedging activities in respect of the issue of the Certificates; and
- (ix) the annualized Volatility of the Fund exceeds the percentage prescribed by any applicable law, regulation or in the constitutive documents or prospectus of the Fund for a one-month rolling window. "Volatility" for the purposes of this sub-paragraph is a given time window, as of any date of the determination and with respect to the Fund the annualized standard deviation of the monthly percentage changes in the price of the Share for the particular time window preceding such date of determination, expressed as a percentage, as determined by the Calculation Agent.

3. Potential Adjustment Events

- (i) The Calculation Agent may determine whether or not at any time a Potential Adjustment Event (as defined below) has occurred in respect of the Fund, and, where it determines that such an event has occurred, will (A) make the corresponding adjustment(s), if any, to any one or more of the Initial Fund Price, the Cash Settlement Amount and, in any case, any other variable relevant

to the exercise, settlement, payment or other terms of the Certificates as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that Potential Adjustment Event, and (B) determine the effective date(s) of the adjustment(s).

- (ii) For the purposes hereof, "**Potential Adjustment Event**" means, in respect of the Fund, any event that may have a diluting or concentrative effect on the theoretical value of the Shares and/or any redemption and replacement of Shares in the Fund, as determined by the Calculation Agent in its sole and absolute discretion.

REGISTERED AND PRINCIPAL OFFICE OF THE ISSUER

Lehman Brothers Securities NV

E-Commercepark
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Hoek Heelsumstraat
Hugenolzweg Z/N
Curacao

The Netherlands Antilles

PRINCIPAL OFFICE OF THE GUARANTOR

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SECURITIES AGENT**

**The Bank of New York
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