

LEHMAN BROTHERS FINANCE S.A.

LEHMAN BROTHERS SECURITIES N.V.

LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A.

and

**LEHMAN BROTHERS BANKHAUS AG
as Issuers**

**THE BANK OF NEW YORK, NEW YORK
as US Securities Agent**

**THE BANK OF NEW YORK, BRUSSELS
as Belgian Securities Agent**

**THE BANK OF NEW YORK (LUXEMBOURG) S.A.
as Luxembourg Securities Agent**

**LEHMAN BROTHERS HOLDINGS INC.
as Guarantor**

**LEHMAN BROTHERS INC.
as Broker-Dealer**

**AMENDMENT AND RESTATEMENT AGREEMENT
AMENDING AND RESTATING THE MASTER WARRANT AND
CERTIFICATE AGREEMENT DATED AS OF 30 AUGUST 2005**

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THIS AMENDMENT AND RESTATEMENT AGREEMENT is dated as of August 2006

BETWEEN

- (1) **LEHMAN BROTHERS FINANCE S.A.**, a limited liability company incorporated under the laws of Switzerland whose registered office is at Talstrasse 82, 8001 Zurich, Switzerland, **LEHMAN BROTHERS SECURITIES N.V.**, a company incorporated in the Netherlands Antilles whose registered office is E-Commercepark, E-Zone Vredenberg, Hoek Heelsumstraat, Hugenolzweg, Curaçao, The Netherlands Antilles, **LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A.**, a company incorporated in Luxembourg whose registered office is 33, Boulevard du Prince Henri, L-1724, Luxembourg and **LEHMAN BROTHERS BANKHAUS AG**, a company incorporated in Germany whose registered office is Rathenauplatz 1, D60313 Frankfurt am Main, Germany (each an "**Issuer**" and together the "**Issuers**");
- (2) **THE BANK OF NEW YORK, NEW YORK**, a corporation with trust powers organised under the laws of the State of New York and whose principal office is at 100 Church Street, 8th Floor, New York, New York, 10286 (the "**US Securities Agent**" and, where the context requires, together with the Belgian Securities Agent and the Luxembourg Securities Agent (as defined below) and any additional warrant and certificate agent that may be appointed by the Issuer, the "**Securities Agents**");
- (3) **THE BANK OF NEW YORK, BRUSSELS**, a corporation with trust powers organised under the laws of the State of New York having a place of business at Avenue des Arts, 35 Kunstlaan, 1040 Brussels, Belgium (the "**Belgian Securities Agent**" and, where the context requires, together with the US Securities Agent and the Luxembourg Securities Agent (as defined below) and any additional warrant agent that may be appointed by the Issuer, the "**Securities Agents**");
- (4) **THE BANK OF NEW YORK (LUXEMBOURG) S.A.**, a bank organised under the laws of Luxembourg and whose principal office is at 1A, Hoehenhof, L-1736 Senningerberg, Luxembourg (the "**Luxembourg Securities Agent**");
- (5) **LEHMAN BROTHERS HOLDINGS INC.**, a company incorporated, validly existing and in good standing under the laws of the State of Delaware whose principal offices are at 745 Seventh Avenue, New York, NY 10019, United States of America (the "**Guarantor**"); and
- (6) **LEHMAN BROTHERS INC.**, a company incorporated, validly existing and in good standing under the laws of the State of Delaware whose principal offices are at 745 Seventh Avenue, New York, NY 10019, United States of America as Broker-Dealer for the Definitive Securities.

WHEREAS:

- (A) Lehman Brothers Finance S.A., Lehman Brothers Securities N.V., Lehman Brothers (Luxembourg) Equity Finance S.A., Lehman Brothers Bankhaus AG, the Securities Agents (as warrant and certificate agents), the Guarantor and Lehman Brothers Inc. entered into an amended and restated master warrant agreement dated as of 30 August 2005 (the "**Principal Agreement**") under which Lehman Brothers Finance S.A., Lehman Brothers Securities N.V. and Lehman Brothers (Luxembourg) Equity Finance S.A. established a warrant and certificate programme (the "**Programme**") for the issuance of warrants and certificates (the "**Securities**").
- (B) Application has been made for Securities to be issued under the Programme as so amended within 12 months of the date hereof to be admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Luxembourg Stock Exchange.

- (C) This Agreement is supplemental to the Principal Agreement and the parties hereto have agreed to amend and restate the Principal Agreement as set out in the Scheduled hereto.

IT IS AGREED as follows:

1. **INTERPRETATION**

In this Agreement:

- (a) "**Effective Date**" means August 2006; and
- (b) save where the contrary is indicated or the context otherwise requires, terms defined in the Principal Agreement (as amended and restated by this Agreement) shall bear the same meaning in this Agreement.

2. **AMENDMENT AND RESTATEMENT**

Save in relation to all Warrants and Certificates issued during the period up to and including the day last preceding the Effective Date and any Warrants or Certificates issued on or after the date of this Agreement which are to be consolidated and form a single Series with the Warrants or Certificates of any series issued up to and including such day last preceding the Effective Date, with effect on and from the Effective Date the Principal Agreement shall be amended so as to be in the form set out in the Schedule to this Agreement.

3. **COUNTERPARTS**

This Agreement may be executed in counterparts, all of which when taken together shall constitute one and the same instrument.

4. **CONSTRUCTION**

The Principal Agreement and this Agreement shall henceforth be read and construed together as one document.

5. **GOVERNING LAW**

This Agreement is governed by, and shall be construed in accordance with, English law. The provisions of Section 7.6(b), (c), (d) and (e) of the Principal Agreement shall apply to this Agreement *mutatis mutandis*.

6. **THIRD PARTIES**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

LEHMAN BROTHERS FINANCE S.A.

as Issuer

By:

Title:

By:

Title:

LEHMAN BROTHERS SECURITIES N.V.

as Issuer

By:



Title:

J.J. KNAPP
MANAGING DIRECTOR

**LEHMAN BROTHERS (LUXEMBOURG)
EQUITY FINANCE S.A.**

as Issuer

By:

Title:

By:

Title:

LEHMAN BROTHERS BANKHAUS AG

as Issuer

By:

Title:

LEHMAN BROTHERS HOLDINGS INC.

as Guarantor

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as US Securities Agent

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THE BANK OF NEW YORK, BRUSSELS
as Belgian Securities Agent

By:

Title:

THE BANK OF NEW YORK (LUXEMBOURG) S.A.
as Luxembourg Securities Agent

By:

Title:

LEHMAN BROTHERS INC.
as LBI

By:

Title:

SCHEDULE
Amended and Restated Master Warrant and Certificate Agreement