

**C L I F F O R D
C H A N C E**

CLIFFORD CHANCE LLP

EXECUTION COPY

**LEHMAN BROTHERS SECURITIES N.V.
LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A.
LEHMAN BROTHERS BANKHAUS AG**

WARRANT AND CERTIFICATE PROGRAMME

guaranteed by
LEHMAN BROTHERS HOLDINGS INC.

**DEED OF COVENANT
RELATING TO
DANISH SECURITIES, FINNISH SECURITIES,
NORWEGIAN SECURITIES AND SWEDISH SECURITIES**

8 AUGUST 2007

THIS DEED OF COVENANT is made on 8 August 2007

BY

- (1) **LEHMAN BROTHERS SECURITIES N.V.** (the "**Issuer**").

IN FAVOUR OF

- (2) **EACH PERSON** from time to time in whose name a Relevant Security referred to below is registered or on whose book-entry securities account a Relevant Security referred to below is held (a "**Beneficiary**").

WHEREAS

- (A) The Issuer, with other issuers, has established a Programme (the "**Programme**") for the issuance of Warrants and Certificates ("**Securities**"). In connection with the Programme, the Issuer, with other issuers, has entered into an Amended and Restated Master Warrant and Certificate Agreement dated 8 August 2007 (the "**Master Warrant and Certificate Agreement**") (as may be amended, restated or supplemented from time to time).
- (B) In connection with the Programme, the Issuer and the Guarantor have published an Offering Circular dated the date hereof (the "**Offering Circular**").
- (C) The Issuer wishes to make arrangements whereby Securities ("**Danish Securities**") may be issued and registered in uncertificated and dematerialised book-entry form with the Danish Securities Centre (*Værdipapircentralen*) (the "**VP**").
- (D) The Issuer wishes to make arrangements whereby Securities ("**Finnish Securities**") may be issued and registered in uncertificated and dematerialised book-entry form with the Finnish Central Securities Depository Limited (the "**APK**").
- (E) The Issuer wishes to make arrangements whereby Securities ("**Norwegian Securities**") may be issued and registered in uncertificated and dematerialised electronic book-entry form with a Norwegian Central Securities Depository which will be *Verdipapirsentralen ASA* (the "**VPS**").
- (F) The Issuer wishes to make arrangements whereby Securities ("**Swedish Securities**") may be issued and registered in uncertificated and dematerialised book-entry form with a Swedish Central Securities Depository which will be VPC AB (the "**VPC**").
- (G) The Issuer wishes to constitute the Danish Securities, the Finnish Securities, the Norwegian Securities and the Swedish Securities by deed poll.

THIS DEED OF COVENANT WITNESSES as follows:

1. **INTERPRETATION**

1.1 **Definitions**

"**Danish Securities**" means any Tranche of Securities designated as "Danish Securities" in the applicable Final Terms;

"**Finnish Securities**" means any Tranche of Securities designated as "Finnish Securities" in the applicable Final Terms;

"**Norwegian Securities**" means any Tranche of Securities designated as "Norwegian Securities" in the applicable Final Terms;

"**Relevant Securities**" means Danish Securities, Finnish Securities, Norwegian Securities and/or Swedish Securities;

"**Swedish Securities**" means any Tranche of Securities designated as "Swedish Securities" in the applicable Final Terms; and

"**Terms and Conditions**" has the meaning given in the Offering Circular except that, in relation to any particular Tranche of Relevant Securities, it means the Terms and Conditions (as defined in the Offering Circular) as supplemented, amended and/or replaced by the applicable Final Terms, and any reference to a numbered Condition shall be construed accordingly.

- 1.2 Terms defined in the Conditions have the same meanings in this Deed of Covenant.
 - 1.3 Any reference in this Deed of Covenant to a Clause or sub-clause is, unless otherwise stated, to a clause or sub-clause hereof.
 - 1.4 A reference to any person, including to the APK, the VP, the VPS or the VPC, includes its successors and assigns.
 - 1.5 Words denoting the singular number only shall include the plural number also and vice versa and words denoting one gender only shall include the other gender.
 - 1.6 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Covenant.
 - 1.7 All references in this Deed of Covenant to an agreement, instrument or other document (including the Offering Circular) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, replaced or novated from time to time. In addition, in the context of any particular Tranche of Relevant Securities, each reference in this Deed of Covenant to the Offering Circular shall be construed as a reference to the Offering Circular as supplemented and/or amended by the applicable Final Terms.
 - 1.8 In the case of a Tranche of Relevant Securities issued pursuant to a Registration Document or a Securities Note, each reference in this Deed of Covenant to "Final Terms" shall be read and construed as a reference to such Registration Document or Securities Note (as the case may be) unless the context requires otherwise.
 - 1.9 Any Relevant Securities issued under the Programme on or after the date of this Deed of Covenant shall have the benefit of this Deed of Covenant but shall not have the benefit of any subsequent deed of covenant relating to the Programme (unless expressly so provided in any such subsequent deed).
2. **THE RELEVANT SECURITIES**

The Issuer hereby constitutes the Danish Securities, the Finnish Securities, the Norwegian Securities and the Swedish Securities and covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Terms and Conditions (and for this purpose any reference in the Terms and Conditions to any obligation or payment under or in respect of the Securities shall be construed to include a reference to any obligation or payment under or pursuant to this provision).

3. **DEPOSIT OF DEED OF COVENANT**

An original of this Deed of Covenant shall be deposited with and held by each of the Danish Issuing Agent, the Finnish Issuing Agent, the Norwegian Issuing Agent and the Swedish Issuing Agent until the date on which all the obligations of the Issuer under or in respect of the Relevant Securities (including, without limitation, its obligations under this Deed of Covenant) have been discharged in full. The Issuer hereby acknowledges the right of every Beneficiary to the production of this Deed of Covenant.

4. **THE TERMS AND CONDITIONS**

The Terms and Conditions of the Relevant Securities set out in the Offering Circular shall be deemed to be incorporated by reference in, and to form part of, this Deed of Covenant and shall have effect as if they had been set out in full herein and references therein to the "applicable Final Terms" shall, in the case of any Tranche of Relevant Securities, be deemed to be references to Final Terms deposited by the Issuer with the VP and the Danish Agent, the APK and the Finnish Agent, the VPS and the Norwegian Agent or the VPC and the Swedish Issuing Agent, as the case may be.

5. **WAIVER AND REMEDIES**

No failure to exercise, and no delay in exercising, on the part of any Beneficiary, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

6. **STAMP DUTIES**

The Issuer shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Covenant, and the Issuer shall, to the extent permitted by law, indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure by the Issuer to pay or delay by the Issuer in paying any of the same.

7. **BENEFIT OF DEED OF COVENANT**

7.1 This Deed of Covenant shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

- 7.2 This Deed of Covenant shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Covenant against the Issuer.
- 7.3 The Issuer shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

8. **PARTIAL INVALIDITY**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9. **NOTICES**

- 9.1 All notices and other communications to the Issuer hereunder shall be made in writing (by letter or fax) and shall be sent to the Issuer at:

LEHMAN BROTHERS SECURITIES N.V.

Address: E-Commercepark
E-Zone Vredenberg
Hoek Heelsumstraat
Hugenolzweg Z/N
Curaçao
The Netherland Antilles

Fax: +5999 461 8421
Contact: Managing Director

or to such other address or fax number or for the attention of such other person or department as the Issuer has notified to the Beneficiaries in the manner prescribed for the giving of notices in connection with the Securities.

- 9.2 Every notice or other communication sent in accordance with Clause 9.1 shall be effective upon receipt by the Issuer (if sent by letter or fax), provided, however, that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Issuer.

10. **LAW AND JURISDICTION**

- 10.1 This Deed of Covenant and all matters arising from or connected with it are governed by, and shall be construed in accordance with, English law.

- 10.2 The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising from or connected with this Deed of Covenant (including a dispute regarding the existence, validity or termination of this Deed of Covenant) or the consequences of its nullity.
- 10.3 The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- 10.4 Clause 10.2 is for the benefit of the Beneficiaries only. As a result, nothing in this Clause 10 (*Law and Jurisdiction*) prevents the Beneficiaries from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Beneficiaries may take concurrent Proceedings in any number of jurisdictions.
- 10.5 The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to it c/o Lehman Brothers International (Europe) at 25 Bank Street, London E14 5LE, England or at any address of the Issuer in Great Britain at which service of process may be served on it in accordance with Part XXIII of the Companies Act 1985 (or such equivalent provisions of the Companies Act 2006 as may be in force at the time). If the appointment of the person mentioned in this Clause 10.5 ceases to be effective, the Issuer shall forthwith appoint a person in England to accept service of process on its behalf in England and notify the name and address of such person to the Danish Issuing Agent, the Finnish Issuing Agent, the Norwegian Issuing Agent and the Swedish Issuing Agent, and failing such appointment and notification within fifteen days, any Beneficiary shall be entitled to appoint such a person by written notice to the Issuer. Nothing in this paragraph shall affect the right of any Beneficiary to serve process in any other manner permitted by law. This Clause applies to Proceedings in England and to Proceedings elsewhere.

IN WITNESS whereof this Deed of Covenant has been executed by the Issuer and is intended to be and is hereby delivered on the date first before written.

EXECUTED as a deed

by **LEHMAN BROTHERS SECURITIES N.V.**

acting by

A handwritten signature in black ink, consisting of several stylized, overlapping strokes.