

GUARANTEE

GUARANTEE, dated 8 August 2007 (the "Guarantee") made by Lehman Brothers Holdings Inc., a corporation duly organised under the laws of the State of Delaware (the "Guarantor"), in favour of the holders (each a "Holder") from time to time of the Warrants and Certificates (each as defined below).

WHEREAS, Lehman Brothers Securities N.V. (the "Issuer") has determined to participate in a programme (the "Programme") for the issuance of warrants (the "Warrants") or certificates (the "Certificates" and, together with the Warrants, "Securities") of any kind in connection with which it has, together with Lehman Brothers (Luxembourg) Equity Finance S.A. and Lehman Brothers Baukhaus AG, prepared an offering circular dated 8 August 2007 (the "Offering Circular", which expression shall include any amendments or supplements thereto and any updates and/or replacements thereof), entered into a master warrant and certificate agreement dated 8 August 2007 (the "Securities Agency Agreement", which expression shall include any amendments, restatements or supplements thereto) with, *inter alia*, The Bank of New York, New York and the other agents named therein, and has entered into a deed of covenant dated 8 August 2007 (the "Deed of Covenant", which expression shall include any amendments, restatements or supplements thereto) in respect of certain Securities in favour of the parties identified therein;

WHEREAS, from time to time the Issuer may, in accordance with the Securities Agency Agreement and the Deed of Covenant (as applicable), issue tranches of Securities under the Programme subject to the terms and conditions described in the Offering Circular; and


WHEREAS, the Guarantor has determined to execute this Guarantee of the Issuer's payment obligations in respect of the Securities for the benefit of the Holders.

NOW, THEREFORE, in consideration of the premises and to inform prospective Holders and purchasers of the Securities, the Guarantor hereby agrees as follows:

1. Subject to Clause 7 below, the Guarantor hereby irrevocably guarantees to each Holder of each Security the prompt and complete payment of all obligations from time to time payable by the Issuer in respect of the relevant Security as and when the same become due and payable, whether at stated maturity, acceleration or otherwise, and accordingly undertakes to pay to such Holder, in the manner prescribed by the terms and conditions for payments by the Issuer of such Security and of the Securities Agency Agreement, any and every obligation which the Issuer is at any time liable to pay in respect of such Security and which the Issuer has failed to pay.
2. This Guarantee is one of payment and not of collection.
3. The Guarantor hereby waives notice of acceptance of this Guarantee and notice of any obligation or liability to which it may apply, and waives presentment, demand for payment, protest, notice of dishonour or non-payment of any such obligation or liability, suit or the taking of any other action by any Holder against, and any notice to, the Issuer, the Guarantor or any other party.
4. Subject as provided herein, the obligations of the Guarantor hereunder are primary and absolute, and will not be impaired, released or discharged or in any way affected by any circumstances or conditions whatsoever, including, without limitation: (1) any change or amendment in or waiver or termination of the terms of any obligation or liability of the Issuer under the Securities Agency Agreement or the Securities, or (2) the furnishing, acceptance or release of, or any defect in or the taking or failure to take any action of any kind in respect of, any security for any obligation or liability of the issuer under the Securities Agency Agreement or the Securities, or (3) the exercising or refraining from enforcing or exercising of any rights or remedies against the Issuer or any other party, or (4) the compromising or subordinating of any obligation or liability of the Issuer under the Securities Agency Agreement or the Securities, including any security therefor.

5. Upon any assignment or delegation of the Issuer's rights and obligations under the Securities pursuant to the terms and conditions of the Securities to a partnership, corporation, trust or other organisation in whatsoever form (the "Substitute Issuer") that assumes the obligations of the Issuer under the Securities by contract, operation of law or otherwise, this Guarantee shall remain in full force and effect and thereafter be construed as if each reference herein to the Issuer were a reference to the Substitute Issuer.
6. The Guarantor may not assign its rights nor delegate its obligations under this Guarantee in whole or in part except for an assignment and delegation of all of the Guarantor's rights and obligations hereunder to another entity in whatsoever form that succeeds to all or substantially all of the Guarantor's assets and business and that assumes such obligations by contract, operation of law or otherwise. Upon any such delegation and assumption of obligations, the Guarantor shall be relieved of and fully discharged from all obligations hereunder.
7. Notwithstanding the foregoing provisions, the Guarantor shall be entitled at any time and from time to time, without the consent of the Holders, to substitute any subsidiary or holding company of the Guarantor or any subsidiary of any such holding company (the "New Guarantor") in place of the Guarantor as guarantor in respect of the Securities provided that (a) the creditworthiness of the New Guarantor at such time is at least equal to the creditworthiness of the Guarantor, or any previous substitute under this clause, as determined by the Calculation Agent and (b) the New Guarantor enters into a guarantee in substantially the same form as this Guarantee and any other documents which may be necessary to give full effect to such substitution (such New Guarantee and any such documents to be held by the Principal Securities Agent for so long as any relevant Securities remain outstanding). Upon any such substitution, the Guarantor shall be relieved of and fully discharged from all obligations hereunder. In connection with such right of substitution neither the Issuer nor the Guarantor shall be obliged to have regard to the consequences of the exercise of such right for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Holder shall be entitled to claim from the Issuer, the Guarantor and/or the New Guarantor any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder.
8. THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

LEHMAN BROTHERS HOLDINGS INC.

By: 

Authorised Officer