

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

CLIFFORD CHANCE LLP

EXECUTION VERSION

SUPPLEMENTAL AGENCY AGREEMENT
relating to
the Amended and Restated Principal Paying Agency Agreement
dated 29 November 2007

THIS SUPPLEMENTAL AGENCY AGREEMENT is made on 17 March 2008.

BETWEEN:

- (1) **LEHMAN BROTHERS TREASURY CO. B.V.**, a private company with limited liability incorporated under the laws of The Netherlands whose registered office is at Atrium, Strawinskylaan 3105, 1077ZX, Amsterdam, The Netherlands, **LEHMAN BROTHERS SECURITIES N.V.**, a company incorporated in the Netherlands Antilles whose registered office is E-Commercepark, E-Zone Vredenberg, Hoek Heelsumstraat, Hugenolzweg Z/N, Curaçao, The Netherlands Antilles and **LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A.**, a Luxembourg public limited liability company (société anonyme) incorporated under the laws of the Grand-Duchy of Luxembourg, having its registered office at 1, Allée Scheffer L-2520 Luxembourg and registered with the Register of Commerce and Companies of Luxembourg under number B.101.448, (each an "**Issuer**" and together the "**Issuers**");
- (2) **CITIBANK, N.A., LONDON**, a corporation organised under the laws of the United States of America having a branch at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England (the "**Principal Paying Agent**");
- (3) **CITIBANK, N.A., ZURICH**, a corporation organised under the laws of the United States of America having a branch at Seestrasse 25, Zurich, Switzerland (the "**Swiss Paying Agent**");
- (4) **LEHMAN BROTHERS INTERNATIONAL (EUROPE)**, a company incorporated under the laws of England and Wales whose principal offices are at 25 Bank Street, London, E14 5LE, England ("**LBIE**"); and
- (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**")

WHEREAS:

- (A) This Supplemental Agency Agreement supplements the Amended and Restated Principal Paying Agency Agreement dated 29 November 2007 (the "**Agency Agreement**") made between the Issuers, the Principal Paying Agent, the Swiss Paying Agent, LBIE and the Guarantor.

IT IS HEREBY AGREED as follows:

1. With effect on and from the date of this Supplemental Agency Agreement, clause 4.2 of the Agency Agreement shall be modified by adding a new sub-clause (b) so that, following such modification, it shall read as follows:
 - "(a) The Certificates of each Series will be represented by a global certificate (the "**Global Certificate**") substantially in the form set forth in Schedule 1. The term "**Global Certificate**" as used herein shall be deemed to refer to the Global Certificate(s)

representing a particular Series of Certificates. The Global Certificate representing each Series of Certificates shall be dated as of the date of issue of such Certificates (the "**Issue Date**"), which shall be a Business Day, and shall be executed manually as a deed on behalf of the relevant Issuer by any officer or director of the relevant Issuer (except that, with respect to Lehman Brothers (Luxembourg) Equity Finance S.A., the Global Certificate shall be executed by any two directors) and may have such letters, numbers or other marks of identification or designation and such legends, summaries or endorsements printed, lithographed or engraved thereon as the relevant Issuer may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law or with any rule or regulation of the SWX, or to conform to usage.

(b)

- (i) If the applicable Pricing Supplement for Certificates of any Series indicates that Type 2 US Selling Restrictions apply, the Global Certificate(s) representing such Series shall contain a legend in the following form:

"THE CERTIFICATES AND THE [RELEVANT ASSETS] WHICH MAY BE DELIVERED UPON REDEMPTION OF THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). PAYMENT OR DELIVERY OF THE REDEMPTION PROCEEDS OF THE CERTIFICATES MAY NOT BE OBTAINED BY OR ON BEHALF OF ANY U.S. PERSON OR ANY PERSON WITHIN THE UNITED STATES, EXCEPT IN TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. TERMS USED IN THIS PARAGRAPH HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

- (ii) If the Pricing Supplement for Certificates of any Series indicates that Type 3 U.S. Selling Restrictions apply, the Global Certificate(s) representing such Series shall contain a legend in the following form:

"THE CERTIFICATES AND THE [RELEVANT ASSETS] WHICH MAY BE DELIVERED UPON REDEMPTION OF THE CERTIFICATES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") AND TRADING IN THE CERTIFICATES HAS NOT BEEN APPROVED BY THE U.S. COMMODITY FUTURES TRADING COMMISSION UNDER THE COMMODITY EXCHANGE ACT. THE CERTIFICATES MAY NOT AT ANY TIME BE OFFERED, SOLD, TRADED OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, NOR MAY ANY U.S. PERSON OR ANY PERSON IN THE UNITED STATES AT ANY TIME TRADE OR MAINTAIN A POSITION IN THE CERTIFICATES. PAYMENT OR DELIVERY OF THE REDEMPTION PROCEEDS OF THE CERTIFICATES MAY NOT BE OBTAINED BY OR ON BEHALF OF ANY U.S. PERSON OR ANY PERSON IN THE UNITED STATES. TERMS USED IN THIS PARAGRAPH HAVE

THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

- (c) The Principal Paying Agent shall or shall procure that the Swiss Paying Agent shall, upon receipt of (i) a Global Certificate duly executed as provided in Clause 4.2(a) and (ii) such other information enabling it, and instructions, to do so, complete and authenticate such Global Certificate and deliver it to the relevant Clearing System or any depositary thereof, together with appropriate instructions to the relevant Clearing System to credit the Certificates represented by the relevant Global Certificate to the securities account of the Principal Paying Agent at such Clearing System. Any such Global Certificate representing such Certificates shall be deposited, and until expiration or exercise in full of the Certificates represented thereby, will remain deposited, with the relevant Clearing System or any depositary thereof against confirmation of receipt of the relevant Global Certificate. In addition, if the Certificates represented by such Global Certificate will be listed on the SWX, the Principal Paying Agent shall, or shall procure that the Swiss Paying Agent shall forward a photocopy of such Global Certificate to the issuer representative according to article 50 of the Listing Rules (the "**Issuer Representative**") for the SWX filing purposes and shall do all such other things as are reasonably requested by the relevant Issuer in connection with the crediting of the Certificates to the account(s) of the relevant person(s) maintained with the relevant Clearing System.
- (d) If, following the issue of Certificates of any Series, the relevant Issuer wishes to issue further Certificates identical to the Certificates of that Series, the Principal Paying Agent shall, or shall procure that the Swiss Paying Agent shall upon the instructions of the relevant Issuer take such action as shall be necessary to (i) in relation to any Series of Certificates in relation to which the Global Certificate is deposited with SIS (or a depositary thereof), complete, authenticate and deliver a supplemental Global Certificate representing such further Tranche or, (ii) in relation to any other Series of Certificates, to exchange the Global Certificate then representing that Series of Certificates for a new Global Certificate representing such Series of Certificates including the further Tranche to be issued by the relevant Issuer in accordance with the foregoing provisions relating to the issue of the original Global Certificate. In the case of any Series of Certificates in relation to which the Global Certificate is not deposited with SIS (or a depositary thereof), upon receipt of the original Global Certificate, the Principal Paying Agent shall, or shall procure that the Swiss Paying Agent shall forthwith cancel it and shall destroy such Global Certificate (unless otherwise instructed by the relevant Issuer to deliver such Global Certificate to the relevant Issuer) and shall, upon the request of the relevant Issuer or the Guarantor provide a certificate of destruction to the relevant Issuer or the Guarantor.
- (e) Each Global Certificate shall be and remain subject to the provisions of this Agreement until such time as all of the Certificates evidenced thereby shall have been duly exercised or shall have expired or shall have been redeemed, as the case may be.
- (f) Transactions in the Certificates of any Series represented by a Global Certificate, in the open market or otherwise, must be cleared through the relevant Clearing System and title

to such Certificates will pass in accordance with the rules and procedures for the time being of the relevant Clearing System."

2. With effect on and from the date of this Supplemental Agency Agreement, clause 4.3 of the Agency Agreement shall be modified by:

(i) replacing sub-clause (c) in its entirety with the following:

"Promptly upon request from time to time, the relevant Issuer will provide the Paying Agents with Certificate Settlement Notices in the forms set out in Schedule 2 or in such other form (which shall not be inconsistent with or derogate from the rights of the Holders) as shall have been agreed between the relevant Issuer and the Principal Paying Agent."

(ii) adding the following sub-clause (d) thereto:

"If the Pricing Supplement for Securities of any Series of Physical Delivery Certificates indicates that Type 2 or Type 3 U.S. Selling Restrictions apply, the Certificate Settlement Notice for such Series shall contain a certification in the following form:

"[Identify Certificates]

This notice certifies that neither the Holder of the Certificates referred to in this notice nor any person on whose behalf (either directly or indirectly) the Holder holds or is acting in connection with the Certificates, is a U.S. person or a person located within the United States (as such terms are used in Regulation S under the Securities Act).

We understand that this notice is required in connection with certain securities and commodities laws and regulations in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this notice is or might be relevant, we irrevocably authorise you to produce this notice or a copy thereof to any interested party in such proceedings.""

3. With effect on and from the date of this Supplemental Agency Agreement, clause 7 of the Agency Agreement shall be modified by adding the following new sub-clause 7.2 and re-numbering the remainder of clause 7 accordingly:

"All of the parties hereto acknowledge irrevocably that, pursuant to CASS 6.1.15 of the custody rules set out in the FSA's handbook of rules and guidance (the "Handbook") the custody rules referenced in CASS 6.1.15 do not apply to the arrangements contemplated herein since the Paying Agents are intended by all of the parties hereto to handle the Underlyings on a temporary basis which the parties hereto anticipate would be no longer than one business day unless it is reasonably necessary to extend that period. This clause does not affect the Paying Agents' obligation to comply with Principle 10 (Clients' assets) set out at PRIN 2.1.1.R of the Handbook."

4. With effect on and from the date of this Supplemental Agency Agreement, Schedule 2 (*Form of Physical Settlement Notice*) to the Agency Agreement shall be replaced in its entirety by Schedule 1 to this Supplemental Agency Agreement.

5. With effect on and from the date of this Supplemental Agency Agreement, Schedule 3 (*Form of Pricing Supplement*) to the Agency Agreement shall be replaced in its entirety by Schedule 2 to this Supplemental Agency Agreement.
6. With effect on and from the date of this Supplemental Agency Agreement, Condition 9 (*Repayment, Redemption and Repurchase*) of Schedule 4 (*Terms and Conditions of the Certificates*) to the Agency Agreement shall be modified by:
 - 6.1 re-numbering its sub-clauses as (a) to (o) to correct a numbering error which appears therein;
 - 6.2 replacing sub-clause (j) (as-renumbered) in its entirety by the following:

"Certificate Settlement Notice

Save in relation to Cash Settled Certificates in respect of which only Type 1 U.S. Selling Restriction applies, in order to obtain payment of the Cash Settlement Amount or delivery of the Physical Settlement Amount in respect of any Certificate, the Holder must deliver an electronic notice conforming to the operational procedures stipulated by the relevant Clearing System from time to time, or a duly completed settlement notice (a *"Certificate Settlement Notice"*) substantially in the form set out in the Principal Paying Agency Agreement or in such other form as may be approved by the Issuer (copies of which form, in either case, may be obtained from the relevant Clearing System and the Paying Agents) and containing the information set out below to both the relevant Clearing System (in accordance with its rules and procedures for the time being) and the Principal Paying Agent during the Certificate Settlement Notice Period. The Certificate Settlement Notice shall, unless Condition 23(d) (Issuer's Option to Vary Settlement) applies:

- (i) In the case of Cash Settled Certificates:
 - (A) specify the name(s) of the relevant Holder(s) of the Certificates;
 - (B) specify the address(es) of the relevant Holders of the Certificates;
 - (C) specify the aggregate principal amount of Certificates which are the subject of such notice;
 - (D) specify the number of the Holder's account at the relevant Clearing System to be debited with such Certificates;
 - (E) irrevocably instruct the relevant Clearing System (i) to debit on or before the Redemption Date the Holder's account with the Certificates which are the subject of such notice and (ii) to notify the Principal Paying Agent accordingly;
 - (F) specify the number of the Holder's account at the relevant Clearing System to be credited with the Cash Settlement Amount (if any) for each relevant Certificate;

- (G) include an undertaking to pay all Expenses and an authority to the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Holder, or, at any time after the Redemption Date, to debit a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Expenses; and
 - (H) include any certification required pursuant to Condition 9(e).
- (ii) In the case of Physical Delivery Certificates:
- (A) specify the name(s) of the Holder(s) of the Certificates;
 - (B) specify the address(es) of the Holder(s) of the Certificates;
 - (C) specify the aggregate principal amount of Certificates which are the subject of such notice;
 - (D) specify the number of the Holder's account at the relevant Clearing System to be debited with such Certificates;
 - (E) irrevocably instruct the relevant Clearing System (i) to debit on or before the Redemption Date the Holder's account with the Certificates which are the subject of such notice and (ii) to notify the Principal Paying Agent accordingly;
 - (F) include an undertaking to pay all Expenses including any applicable depository charges, transactions or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties arising from the delivery or transfer of the Physical Settlement Amount to or to the order of such Holder and an authority to the relevant Clearing System to debit on or at any time after the Settlement Date, a specified account of the Holder at the relevant Clearing System in respect thereof and to pay such Expenses;
 - (G) if applicable, specify the name and address of any person(s) into whose name evidence of the Physical Settlement Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Physical Settlement Amount are to be delivered and specify the name and the number of the Holder's account with the relevant Clearing System to be credited with any cash payable by the Issuer, in respect of any dividends relating to the Physical Settlement Amount or as a result of a Settlement Interruption or otherwise under these Conditions;
 - (H) if applicable, specify the account details of the Holder's participant with the applicable Clearing System to be credited with the Physical Settlement Amount; and
 - (I) include any certification required pursuant to Condition 9(e).

If Condition 23(d) (Issuer's Option to Vary Settlement) applies, the form of Certificate Settlement Notice required to be delivered in the manner set out above will be different. Copies

of such Certificate Settlement Notice may be obtained from the Principal Paying Agent or the Issuer."

6.3 replacing sub-clause (k) (as-renumbered) in its entirety by the following:

"Upon receipt of an electronic notice or Certificate Settlement Notice (which must be delivered to both the relevant Clearing System and the Principal Paying Agent), the relevant Clearing System shall verify that the person delivering the electronic notice or Certificate Settlement Notice is the Holder of the Certificates to which such notice relates according to the records of the relevant Clearing System. Subject thereto, and by 10:00 a.m. (Zurich time) on the Business Day immediately following receipt, the relevant Clearing System will confirm to the Principal Paying Agent the aggregate principal amount of Certificates in respect of which an electronic notice or a Certificate Settlement Notice has been received, as the case may be, and if the Certificates are Cash Settled Certificates the account details, if applicable, for the payment of the Cash Settlement Amount in respect of each such Certificate or, if the Certificates are Physical Delivery Certificates, the details for the delivery of the Physical Settlement Amount for each Certificate to be redeemed. Upon receipt of such confirmation, the Principal Paying Agent will inform the Issuer thereof. The relevant Clearing System will on or before the Redemption Date debit the account of the relevant Holder with the relevant aggregate principal amount of Certificates."

6.4 replacing sub-clause (l) (as-renumbered) in its entirety by the following:

"Any determination as to whether an electronic notice or Certificate Settlement Notice is duly completed and in proper form shall be made by the relevant Clearing System in consultation with the Principal Paying Agent and shall be conclusive and binding on the Issuer, the Paying Agents and the relevant Holder. Subject as set out below, if (i) the aggregate principal amount of Certificates specified in an electronic notice or Certificate Settlement Notice exceeds the aggregate principal amount of such Certificates held in the relevant account or (ii) any electronic notice or Certificate Settlement Notice is determined to be incomplete or not in proper form, or is not copied to the Principal Paying Agent subsequent to being delivered or sent to the relevant Clearing System as provided in these Conditions, such Certificate Settlement Notice shall be null and void.

The Issuer shall request the relevant Clearing System to use its best efforts promptly to notify the Holder submitting an electronic notice or Certificate Settlement Notice if, in consultation with the Principal Paying Agent, it has determined that such notice is incomplete or not in proper form. None of the Issuer and the Paying Agents shall be liable to any person with respect to any such determination or any action taken or omitted to be taken by such Clearing System in connection with the notification of such determination to a Holder.

If any such notice is subsequently corrected to the satisfaction of the relevant Clearing System in consultation with the Principal Paying Agent, or is copied to the Principal Paying Agent, as the case may be, it shall be deemed to be a new notice submitted at the time such correction was delivered to the relevant Clearing System and the Principal Paying Agent or such time as the relevant notice is copied to the Principal Paying Agent, as the case may be."

6.5 replacing sub-clause (m) (as-renumbered) in its entirety by the following:

"No Holder may transfer or attempt to transfer:

- (i) any Certificate after the Last Trading Day; or
- (ii) any Physical Delivery Certificate the subject of an electronic notice or a Certificate Settlement Notice after delivery of such notice.

Notwithstanding the above, if any Holder transfers or attempts to transfer any Certificates in the circumstances stated in (i) or (ii) above, the Holder will be liable to the Issuer for any losses, costs and expenses suffered or incurred by the Issuer, including, without limitation, those suffered or incurred as a consequence of it having terminated any related hedging transactions in reliance on the occurrence of the Last Trading Day or the delivery of the relevant electronic notice or Certificate Settlement Notice and subsequently (A) entering into replacement hedging transactions in respect of such Certificates or (B) paying any amount on the subsequent settlement of such Certificates without having entered into any replacement hedging transactions."

- 6.6 amending sub-clause (o) (as renumbered) (*Selling Restrictions*) by adding the following paragraphs thereto:

"If the relevant Pricing Supplement for any Certificates indicates that Type 2 U.S. Selling Restriction applies, then redemption of such Certificates will be conditional on the holder providing to the Principal Paying Agent a certification in the form set out in Condition 9(p).

If the relevant Pricing Supplement for any Certificates indicates that Type 3 U.S. Selling Restriction applies, then such Certificates may not be offered, sold or delivered in the United States or to U.S. persons, nor may any U.S. person at any time trade or maintain a position in the Certificates and redemption of such Certificates will be conditional on the holder providing to the Principal Paying Agent a certification in the form set out in Condition 9(p).

In certain circumstances specified in the relevant Pricing Supplement, additional selling restrictions or certification requirements may apply"; and

- 6.7 adding the following new sub-clause (p) thereto:

"(p) Type 2 and Type 3 U.S. Selling Restrictions Certification for Certificates

"[Identify Certificate]

This notice certifies that neither the holder of the Certificates referred to in this notice, nor any person on whose behalf (either directly or indirectly) the holder holds or is acting in connection with the Certificates is a U.S. person or a person located within the United States (as such terms are used in Regulation S under the Securities Act).

We understand that this notice is required in connection with certain securities and commodities laws and regulations in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this notice is or

might be relevant we irrevocably authorise you to produce this notice or a copy thereof to any interested party in such proceedings."

7. With effect on and from the date of this Supplemental Agency Agreement, Condition 23 (*Physical Settlement*) of Schedule 4 (*Terms and Conditions of the Certificates*) to the Agency Agreement shall be replaced in its entirety by the following:

"(a) *Delivery of Physical Settlement Amount*

In the case of Physical Delivery Certificates, subject as provided in these Conditions including, where appropriate, to certification as to non-U.S. beneficial ownership and to payment of any Expenses with regard to the relevant Certificates, the Issuer shall on the Redemption Date deliver, or procure the delivery of, the Physical Settlement Amount for each relevant Certificate to or to the order of the Holder as specified in the electronic notice or Certificate Settlement Notice. The Physical Settlement Amount shall be delivered and evidenced in such manner as shall be specified in the applicable Pricing Supplement.

If the provision of a Certificate Settlement Notice and/or any required certification pursuant to Condition 9(o) (Selling Restrictions) is delayed and/or the satisfaction of any additional condition to settlement specified in the applicable Pricing Supplement is delayed, the Issuer will pay to such Holder the Alternative Settlement Amount without any further payment of interest or otherwise with respect to each Security held by such Holder on a date the Issuer determines to be appropriate provided that the additional condition to settlement is satisfied within 30 Business Days after the Redemption Date. If such additional condition to settlement is not satisfied within 30 Business Days after the Settlement Date such Certificates shall become void.

(b) *Dividends*

Unless otherwise specified in the applicable Pricing Supplement, in respect of Physical Delivery Certificates where the Relevant Assets consist of shares, all dividends on the relevant shares to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the shares executed on the date which precedes the Redemption Date by the customary settlement period for such a sale to be delivered in the same manner as such shares. Any such dividends will be paid to the account specified by the Holder in the relevant Certificate Settlement Notice (or, in the absence of such notice, to the person who is for the time being shown in the records of the relevant Clearing System as the holder of a particular amount of Certificates for value on the Redemption Date). In respect of Physical Delivery Certificates where the Relevant Assets consist of depositary receipts, arrangements in respect of dividend payments under depositary receipts will be set out in the applicable Pricing Supplement.

(c) *Modification of settlement procedures*

The Calculation Agent may from time to time by notice to the Issuer and the Principal Paying Agent modify or supplement the procedures and requirements for settlement of Physical Delivery Certificates in these Conditions where the Calculation Agent

determines that the relevant modification or supplement is necessary or desirable. Notice thereof shall be given to the Holders in accordance with Condition 14 (Notices).

(d) *Issuer's Option to Vary Settlement*

If the applicable Pricing Supplement indicate that the Issuer has an option to vary settlement or redemption in respect of the Certificates, the Issuer may at its sole and absolute discretion elect not to pay the relevant Holders the Final Redemption Amount or to deliver or procure delivery of the Physical Settlement Amount to the relevant Holders (as the case may be) but, in lieu thereof, to deliver or procure delivery of the Physical Settlement Amount or make payment of the Final Redemption Amount on the Redemption Date to the relevant Holders (as the case may be). Notification of such election will be given to Holders in accordance with details specified in the Certificate Settlement Notice no later than 10.00 a.m. (local time in the location of the specified office of the Principal Paying Agent) on the second Business Day immediately preceding the Redemption Date.

(e) *General*

The purchase of Certificates does not confer on the Holder any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset."

8. With effect on and from the date of this Supplemental Agency Agreement, Condition 32 (*Definitions*) of Schedule 4 (*Terms and Conditions of the Certificates*) to the Agency Agreement shall be modified by deleting the definitions of "Physical Settlement Notice" and "Physical Settlement Notice Period" therein and by adding the following definitions of "Certificate Settlement Notice" and "Certificate Settlement Notice Period" therein, after the definition of "Cash Settled Certificates":

""*Certificate Settlement Notice*" shall have the meaning assigned thereto in Condition 9(j) (*Certificate Settlement Notice*);

"*Certificate Settlement Notice Period*" shall mean the period during which a Certificate Settlement Notice is required to be delivered as specified in the applicable Pricing Supplement;"

9. The provisions of Clauses 1 (*Interpretation*), 7.3 (*Notices*), 7.5 (*Communication*), 7.6 (*Law and Jurisdiction*), 7.7 (*Counterparts*) and 7.9 (*Third Parties*) shall apply *mutatis mutandis* to this Supplemental Agency Agreement.

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

LEHMAN BROTHERS TREASURY CO. B.V.)
as Issuer)

LEHMAN BROTHERS SECURITIES N.V.)
as Issuer)

LEHMAN BROTHERS (LUXEMBOURG))
EQUITY FINANCE S.A.)
as Issuer)

LEHMAN BROTHERS HOLDINGS INC.)
as the Guarantor)

LEHMAN BROTHERS INTERNATIONAL)
(EUROPE))
as Calculation Agent)

CITIBANK, N.A., LONDON)
as Principal Paying Agent)

CITIBANK, N.A., ZURICH)
as Swiss Paying Agent)

SCHEDULE 1
FORMS OF SETTLEMENT NOTICE

Part A
Form of Certificate Settlement Notice for Cash Settled Certificates

[LEHMAN BROTHERS TREASURY CO. B.V./LEHMAN BROTHERS SECURITIES
N.V./LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A.]
(the "**Issuer**")

Issue of [Description of Certificates] (the "**Certificates**")

Guaranteed by
Lehman Brothers Holdings Inc.
(the "**Guarantor**")

When completed this Certificate Settlement Notice should be sent by tested telex (to be confirmed in writing) or delivered in writing to [insert name(s) of the relevant Clearing System(s)], with a copy to the Principal Paying Agent, to arrive during the Certificate Settlement Notice Period. Any capitalised term used but not defined herein shall have the meaning set forth in the Terms and Conditions of the above-captioned Certificates.

To: [Insert name(s) of relevant Clearing System(s)]

With a copy to: [Name of Principal Paying Agent]
[Address]
[Address]
[Address]

PLEASE USE BLOCK CAPITALS

1. Name(s) of Holder(s)

2. Address(es) of Holder(s)

3. Number of Certificates

The Number of Certificates to which this Certificate Settlement Notice relates is:

4. Account details

I/We* hereby irrevocably instruct [insert name(s) of relevant Clearing System(s)] to debit on or before the Redemption Date my/our* account with the number of Certificates to which this Certificate Settlement Notice relates.

My/Our* account with [insert name(s) of relevant Clearing System(s)] to be debited is:

5. Account details for payment of Cash Settlement Amount

My/Our* account with [insert name(s) of relevant Clearing System(s)] to be credited with the Cash Settlement Amount (or the Alternative Settlement Amount) for each Certificate to which this Certificate Settlement Notice relates, is as follows:

6. Expenses etc.

I/We* hereby undertake to pay all applicable Expenses and I/we* hereby irrevocably instruct [insert name(s) of relevant Clearing System(s)] to deduct the amount thereof from the Cash Settlement Amounts (or Alternative Settlement Amounts) for the Certificates or, at any time after the Settlement Date, to debit my/our* account specified in paragraph 4 above with an amount or amounts in respect thereof and to pay any such Expenses to the extent of such amount or amounts deducted and/or debited.

7. US Selling Restrictions Certification

[Insert appropriate US Selling Restrictions certification required by Condition 9(o) if applicable]

*

8. Name of Holder*

Signed/By:

Name:

Dated:

Part B
Form of Certificate Settlement Notice for Physical Delivery Certificates

[LEHMAN BROTHERS TREASURY CO. B.V./LEHMAN BROTHERS SECURITIES
N.V./LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A.]
(the "**Issuer**")

Issue of [Description of Certificates] (the "**Certificates**")

Guaranteed by
Lehman Brothers Holdings Inc.
(the "**Guarantor**")

When completed this Certificate Settlement Notice should be sent by tested telex (to be confirmed in writing) or delivered in writing to [insert name(s) of relevant Clearing System(s)], with a copy to the Principal Paying Agent, to arrive during the Certificate Settlement Notice Period. Any capitalised term used but not defined herein shall have the meaning set forth in the Terms and Conditions of the above-captioned Certificates.

To: [Insert name(s) of relevant Clearing System(s)]

With a copy to: [Name of Principal Paying Agent]
[Address]
[Address]
[Address]

PLEASE USE BLOCK CAPITALS

1. Name(s) of Holder(s)

2. Address(es) of Holder(s)

3. Number of Certificates

The Number of Certificates to which this Certificate Settlement Notice relates is:

4. Account details

I/We* hereby irrevocably instruct [insert name(s) of relevant Clearing System(s)] to debit on or before the Redemption Date my/our* account with the number of Certificates to which this Certificate Settlement Notice relates.

My/Our* account with [insert name(s) of relevant Clearing System(s)] to be debited Certificates is:

5. Details for delivery of Physical Settlement Amount

I/We* hereby instruct the Issuer to deliver or procure the delivery of the Physical Settlement Amount to:

(in respect of the Relevant Assets): (in respect of evidence):

whose address is:

whose address is:

6. Expenses

I/We* hereby undertake to pay all applicable Expenses and I/we* hereby irrevocably instruct [insert name(s) of relevant Clearing System(s)] to debit on or at any time after the Settlement Date my/our* account with an amount or amounts in respect thereof and to pay such Expenses.

* Delete as appropriate.

My/Our* cash account with [insert name(s) of relevant Clearing System(s)] to be debited in accordance with this paragraph is:

7. US Selling Restrictions Certification

[Insert appropriate US Selling Restrictions certification required by Condition 9(o) if applicable]

8. Name of Holder

*Signed/By:

Name:

Dated

SCHEDULE 2
FORM OF PRICING SUPPLEMENT

Set out below is a pro forma Pricing Supplement which, subject to completion and amendment, will be issued in respect of issues of Certificates under the Programme. Text in this section appearing in italics does not form part of the Pricing Supplement but denotes guidance for completing the Final Terms.

Pricing Supplement dated []

**[LEHMAN BROTHERS TREASURY CO. B.V./LEHMAN BROTHERS SECURITIES
N.V./LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A.]**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Certificates]
under the Certificates Programme of Lehman Brothers Treasury Co. B.V.,
Lehman Brothers Securities N.V. and
Lehman Brothers (Luxembourg) Equity Finance S.A.
dated as of [•], 2008**

**Unconditionally and Irrevocably Guaranteed by
Lehman Brothers Holdings Inc.**

Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions set forth in the Programme Prospectus dated November 29, 2007 and the Programme Prospectus Supplement dated 17 March 2008 [and the Programme Prospectus Supplement dated [•]]. This Pricing Supplement comprises the Final Terms of the Certificates described herein and must be read in conjunction with such Programme Prospectus [as so supplemented].

PART A – FINAL TERMS

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

- | | | |
|----|------------------------|--|
| 1. | (i) Issuer: | [Lehman Brothers Treasury Co. B.V./Lehman Brothers Securities N.V./Lehman Brothers (Luxembourg) Equity Finance S.A.] |
| | (ii) Guarantor: | Lehman Brothers Holdings Inc. |
| 2. | [(i)] [Series Number:] | [•] |
| | [(ii) Tranche Number: | [•] |
| | | [(If fungible with an existing Series, details of that Series, including the date on which the Certificates become fungible).] |

3. Specified Currency or Currencies: [•] [(being the equivalent of [•] Units)]¹
4. Aggregate Nominal Amount: [•]
- [(i)] Series: [•]
- [(ii)] Tranche: [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)] [/[amount in specified currency] per Unit]²
- A fee may have been paid by the Lead Manager to an introducing agent/distributor. Further information is available from the Lead Manager upon request at any time
6. Specified Denomination(s) and Units
- (i) Specified Denomination(s): [•]
- (ii) Calculation Amount [•]
- (iii) Trading in Units: [Applicable/Not Applicable]
- If Trading in Units is specified as being Applicable then the Certificates will be tradeable by reference to the number of Certificates being traded (each having the Specified Denomination) as opposed to the aggregate principal amount of Certificates being traded.
- [Trading in Units may only be specified as being Applicable if the Certificates have a single Specified Denomination.]*
7. Minimum initial purchase of the Securities: [*Minimum initial purchase*]
8. Minimum transferable number (for the purposes of Condition 1(c)): [*Minimum transferable number*]
- [(i)] Issue Date: [•]
- [(ii)] Interest Commencement Date: [•]
9. Maturity Date: [*Fixed Rate – specify date/Floating Rate – specify Interest Payment Date falling in or nearest to month and year*]
10. Strike Fixing Date: [•]

¹ Insert only in case Trading in Units is specified as being applicable.

² Insert only in case Trading in Units is specified as being applicable.

11. Interest Basis: [[•] per cent. Fixed Rate]
 [specify reference rate +/- [•] per cent. Floating Rate]
 [Zero Coupon]
 [Index-Linked Interest]
 [Equity-Linked Interest]
 [Other (specify)]
 (further particulars specified below)
12. Redemption/Payment Basis: [Redemption at par]
 [Index-Linked Redemption Amount]
 [Equity-Linked Redemption Amount]
 [Dual Currency Redemption]
 [Partly Paid]
 [Instalment]
 [Extendible]
 [Other (specify)]
- Change of Interest or Redemption/Payment Basis: [(Specify details of any provision for convertibility of Certificates into another interest or redemption/payment basis)]
14. Put/Call Options: [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
15. Last Trading Day (for the purposes of Condition 1(c): [3 Business Days before the commencement of Certificate Settlement Notice Period]
16. Underlying: Commodity (or Basket of Commodities)/Debt Security (or Basket of Debt Securities)/Share (or Basket of Shares) /Index (or Basket of Indices) [please specify]/[Not Applicable]
17. Commodity: [specify]/[Not Applicable]
18. Debt Security: [specify]/[Not Applicable]
19. Depositary Receipt: [specify]/[Not Applicable]
20. Share(s): [specify]/[Not Applicable]
21. Index or Indices: [specify]/[Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

22. Fixed Rate Certificate Provisions [Applicable/Not Applicable](*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Fixed Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semiannually/quarterly/monthly/other (*specify*)] in arrear]
 - (ii) Interest Payment Date(s): [•] in each year up to and including the Maturity Date]/[*specify other – consider whether to adjust in accordance with a Business Day Convention – see items 22(vi) and (vii)*]
 - (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
 - (iv) Fixed Day Count Fraction: [30/360]/[Actual/Actual (ICMA)] [*If neither of these options applies, give details*]
 - (v) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
 - (vi) Other terms relating to the method of calculating interest or Fixed Rate Certificates: [Not Applicable/*give details*]
 - (vii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
23. Floating Rate Certificate Provisions [Applicable/Not Applicable. (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)]
- (i) Interest Period(s)/Interest Payment Date(s): [•]
 - (ii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (*give details*)]
 - (iii) Additional Business Centre(s) for interest accrual only (Condition 3(b)(B)): [*If Euro is the Specified Currency and Business Days are defined only by reference to TARGET or London, specify "Not Applicable". If any other currency is the Specified Currency and Business Days are defined only by reference to London and the principal financial centre of that currency, specify "Not Applicable". Otherwise give details*]
 - (iv) Manner in which the Rate(s) if Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/ other (*give details*)]
 - (v) Screen Rate Determination:

- Reference Rate: *[For example, LIBOR, EURO LIBOR BBA, EURIBOR or HIBOR]*
 - Interest Determination Date(s): *[(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR or if HK Dollars, HIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)]*
 - Relevant Screen Page: *[For example, Reuters page LIBOR 01 for LIBOR/EUROBOR01 for EURIBOR]*
 - Relevant Time: *[For example, 11.00 a.m. London time in the case of LIBOR/Brussels time in the case of EURIBOR]*
 - Relevant Financial Centre: *[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]*
- (vi) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: *[For example, Reset Date, for USD-LIBOR-BBA should be the first day of each Interest Period]*
- (vii) Margin(s): [+][•] per cent. per annum
- (viii) Multiplier: [Not Applicable/give details]
- (ix) Minimum Interest Rate: [•] per cent. per annum
- (x) Maximum Interest Rate: [•] per cent. per annum
- (xi) Day Count Fraction: [•]
- (xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Certificates, if different from those set out in the Conditions: [Not Applicable/give details]
24. Zero Coupon Certificate Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
 - (ii) Reference Price: [•]

- (iii) Day Count Fraction (for the purposes of Condition 5): [•]
- (iv) Any other formula/basis of determining amount payable: [•]
25. Index-Linked Interest Certificate/Equity-Linked Interest Certificate/Other Variable-Linked Interest Certificate Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula/other variable: [(give or annex details)]
- (ii) Name and address of Calculation Agent, if any, responsible for Calculating the principal and/or interest due [•]
- (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [•]
- (iv) Provisions for determining reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (v) Interest Period(s)/Interest Payment Dates: [•]
- (vi) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/ other (give details)]
- (vii) Additional Business Centre(s) (Condition 3(b)(B)): *[If Euro is the Specified Currency and Business Days are defined only by reference to TARGET or London, specify "Not Applicable". If any other currency is the Specified Currency and Business Days are defined only by reference to London and the principal financial centre of that currency, specify "Not Applicable". Otherwise give details]*
- (viii) Minimum Interest Rate for interest accrual only (Condition 3(b)(iv)): [•] per cent. per annum
- (ix) Maximum Interest Rate: [•] per cent. per annum
- (x) Interest Determination Date(s): [•]
- (xi) Day Count Fraction: [•]
26. Dual Currency Certificate Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-

paragraphs of this paragraph)

- (i) Rate of exchange/method of calculating rate of exchange: [give details]
- (ii) Provisions applicable where calculation by reference to rate of exchange is impossible or impracticable: [•]
- (iii) Person at whose option Specified Currency(ies) is/are payable: [•]

PROVISIONS RELATING TO SETTLEMENT AND REDEMPTION

- 27. Form of Settlement (for the purposes of Condition 1(d)): [Cash Settled Certificates [subject to the Holder's option to elect physical delivery]][Physical Delivery Certificates [subject to the Holder's option to elect cash settlement]]

[Specify detailed terms of Holder's option if applicable, or for any other form of settlement applicable]
- 28. Issuer's option to vary settlement in respect of the Certificates (for the purposes of Conditions 1(d) and 22): [Specify details if applicable]
[Not Applicable]
- 29. Valuation Date: [Date]
- 30. Averaging Dates: [Dates]
[Not Applicable]
- 31. Valuation Time: [Time][am/pm/noon] [City] time
- 32. Consequences of Averaging Date Disruption (for the purposes of Condition 25(b)): [Omission][Postponement][Modified Postponement]
[Not Applicable]
- 33. Certificate Settlement Notice Period: [From and including [date] to and including [date]]
[Not Applicable]
- 34. Business Day Centre(s): [City/cities]
- 35. Exchange Rate, including details of when such rate is to be ascertained: [Rate] as determined by [Specify] ascertained at [•] on [the Valuation Date / other]
[Not Applicable]
- 36. If Physical Delivery Certificates:
 - (i) the Relevant Asset(s) (for the purposes of the definition in Condition 32): [Applicable] [Not Applicable]
[Specify details if applicable]

- (ii) method of delivery of the Physical Settlement Amount (for the purposes of Condition 23(a)): [Applicable] [Not Applicable]
[Specify details if applicable]
- (iii) method of evidencing the Physical Settlement Amount (for the purposes of Condition 23 (a)) [Applicable] [Not Applicable]
[Specify details if applicable]
- (iv) treatment of dividends payable on the Relevant Assets(s) (for the purposes of Condition 23(b)): [Not Applicable][Applicable]
[Specify details if Condition 23(b) does not apply][Condition 23(b) applies]
37. If Physical Delivery Certificates, any modification of minimum Board Lot requirement in relation to settlement (for the purpose of Condition 22): [Specify details if applicable]
[Not Applicable]
38. Call Option [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s) (Call): [(Consider for Fixed Rate Certificates adjustment in accordance with a Business Day Convention – see items 22(vi) and (vii)]
- (ii) Optional Redemption Amount(s) of each Certificate (Call) and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [•] per Calculation Amount
- (b) Higher Redemption Amount: [•] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between such Issuer and the Agent.)*
39. Put Option [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): [(Consider for Fixed Rate Certificates adjustment in accordance with a Business Day Convention – see items 22(vi) and (vii)]

- (ii) Optional Redemption Amount(s) of each Certificate (Call) and method, if any, of calculation of such amount(s): [•] per Calculation Amount
- (iii) If redeemable in part: [•]
 - (a) Minimum Redemption Amount: [•] per Calculation Amount
 - (b) Higher Redemption Amount: [•] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between such Issuer and the Agent.)*

40. Final Redemption Amount of each Certificate: [•] per Calculation Amount

[In cases where the Final Redemption Amount is Index-Linked/Equity-Linked/Other variable-linked:

- (i) Index/Share/Formula/variable: [give or annex details]
- (ii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
- (iii) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (iv) Payment Date: [•]
- (v) Minimum Final Redemption Amount: [•] per Calculation Amount
- (vi) Maximum Final Redemption Amount: [•] per Calculation Amount

41. Early Redemption Amount of each Certificate

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in [•]

the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

42. If Commodity-Linked Certificates, [Applicable] [Not Applicable]
provisions for calculations: [Specify details if applicable]
43. If Index-Linked Certificates:
- (a) Exchange: [Specify relevant exchange or quotation system in relation to each Index] [Specify relevant Multi-exchange Index] [Not Applicable]
 - (b) Related Exchange: [Specify relevant exchange or quotation system in relation to each Index][All Exchanges] [Not Applicable]
 - (c) Consequences of Index Adjustment Event (for the purposes of Condition 26(a)(ii)):
 - (i) Index Modification: [Calculation Agent Adjustment] [Cancellation and Payment] [Not Applicable]
 - (ii) Index Cancellation: [Calculation Agent Adjustment] [Cancellation and Payment] [Not Applicable]
 - (iii) Index Disruption: [Calculation Agent Adjustment] [Cancellation and Payment] [Not Applicable]
44. If Equity-Linked Securities:
- (a) Exchange: [Specify relevant exchange or quotation system in relation to each Share] [Not Applicable]
 - (b) Related Exchange: [Specify relevant exchange or quotation system in relation to each Share] [Not Applicable]
 - (c) Method of Adjustment (for the purposes of Condition 26(b)): [Options Exchange Adjustment] [Calculation Agent Adjustment] [Not Applicable]
 - (d) Consequences of Merger Events (for the purposes of Condition 27(a)):
 - (i) Share-for-Share: [Alternative Obligation] [Cancellation and Payment] [Options Exchange Adjustment] [Calculation Agent Adjustment] [Modified Calculation Agent Adjustment] [Component Adjustment] [Not Applicable]
 - (ii) Share-for-Combined: [Alternative Obligation] [Cancellation and Payment] [Options Exchange Adjustment] [Calculation Agent Adjustment] [Modified Calculation Agent Adjustment] [Component Adjustment] [Not Applicable]

- (iii) Share-for-Other: [Cancellation and Payment] [Options Exchange Adjustment] [Calculation Agent Adjustment] [Modified Calculation Agent Adjustment] [Component Adjustment] [Not Applicable]
- (e) Consequences of Tender Offers (for the purposes of Condition 27(b))
- (i) Share-for-Share: [Cancellation and Payment] [Options Exchange Adjustment] [Calculation Agent Adjustment] [Modified Calculation Agent Adjustment] [Component Adjustment] [Not Applicable]
- (ii) Share-for Combined: [Cancellation and Payment] [Options Exchange Adjustment] [Calculation Agent Adjustment] [Modified Calculation Agent Adjustment] [Component Adjustment] [Not Applicable]
- (iii) Share-for-Other: [Cancellation and Payment] [Options Exchange Adjustment] [Calculation Agent Adjustment] [Modified Calculation Agent Adjustment] [Component Adjustment] [Not Applicable]
- (f) Options Exchange (for the purposes of Condition 32) [*Specify relevant exchange or quotation system*]
45. Additional Disruption Events:
- (a) Applicable Additional Disruption Events: [The following Additional Disruption Events apply:
- [Change in Law]
- [Failure to Deliver]
- [Hedging Disruption]
- [Increased Costs of Hedging]
- [Increased Cost of Stock Borrow. For the purposes of such event, the Initial Loan Rate is [*Specify details if applicable*]]
- [Insolvency Filing]
- [Loss of Stock Borrow. For the purposes of such event, the Maximum Loan Rate is [*Specify details if applicable*]]
- [None]
- (b) Consequences of Additional Disruption Event: [*Specify details if applicable*]
- [Not Applicable]
46. Details relating to Partly Paid Certificates: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of [Not Applicable/*give details*]

failure to pay, including any right of the Issuer to forfeit the Certificates and interest due on late payment:

47. Details relating to Instalment Certificates: [Not Applicable/Condition 4 [(a)/(b)] applies-
Instalment Amounts and Instalment Dates: *give details*]
48. Details relating to Extendible Certificates: [Not Applicable/give details (see Condition 4
(*Extendible Certificates*))]
49. Redenomination, renominalisation and [Not Applicable/The provisions [] apply]
reconventioning provisions:
501. Consolidation provisions: [Not Applicable/The provisions [in Condition 17
(Further Issues of Certificates)] [annexed to
these Final Terms] apply]
51. Calculation Agent: Lehman Brothers International (Europe)
52. Other final terms: [Not Applicable/*give details*]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factor" and consequently trigger the need for a Supplement.)*

DISTRIBUTION

53. Name and address of Lead Manager: [Not Applicable/give name and address]
54. Selling restrictions:
- (i) U.S. Selling Restrictions: [Type 1/Type 2/Type 3] [*specify one category
for every issue of Certificates*]
- (ii) Additional Selling Restrictions: [Not Applicable/give details]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement in accordance with ref. no. 68 of the Directive for the Listing of Derivatives of the SWX Swiss Exchange and with section 5 of Scheme C of the Annex to Listing Rules of the SWX Swiss Exchange. The Issuer confirms that to the best of its knowledge and belief, the information contained in this Pricing Supplement in relation to the Issuer and to the Certificates, excluding information regarding the Underlying, is correct and that no material fact relating to the Issuer or the Certificates has been omitted from this Pricing Supplement. The Guarantor confirms that to the best of its knowledge and belief, the information contained in this Pricing Supplement in relation to the Guarantor and to the Guarantee is correct and that no material fact relating to the Guarantor or the Guarantee has been omitted from this Pricing Supplement.

Except as disclosed in this Pricing Supplement there has been no material change in the assets and liabilities, the financial position and profits and losses of the Issuer or Guarantor since [• Date of the Programme Prospectus].

Signed on behalf of the Issuer:

By:

Duly authorised

Signed on behalf of the Guarantor:

By:

Duly authorised

PART B – OTHER INFORMATION

1. OPERATIONAL INFORMATION

- ISIN Code: [•]
- Swiss Security Number (Valorennummer): [•]
- Swiss Symbol: [•]
- Any clearing system(s) other than SIS SegalInterSettle AG, Olten, Switzerland and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- Names and addresses of additional Paying Agent(s) (if any): [•]

2. LISTING

- (i) Listing: [The SWX/ other (*specify*)/ None] [Application has been/will be made for the Certificates to be provisionally admitted to trading on Scoach Schweiz AG and/or listing on SWX Swiss Exchange. Together, this Pricing Supplement and the Programme Prospectus shall form one document (the “Prospectus”) and comprise the listing prospectus according to Article 32 et seq. of the Listing Rules and ref. no. 54 and 65 of the Directive for the Listing of Derivatives of the SWX Swiss Exchange respectively.]
- (ii) Provisional Admission to Trading: No assurance can be given as to whether or not or when such application for listing/provisional admission to trading will be granted.

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)
- (iii) Recognised Representative (Art. 50 LR): Naegeli & Partners Attorneys at Law, Zurich
- (iv) Regulatory Qualification of the Certificates: The Certificates described herein do not constitute a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes. Therefore, the Certificates are not subject to approval, registration or supervision by any regulatory authority in Switzerland. Accordingly, prospective investors do not have the benefit of the specific investor protection provided under the Swiss Federal Act on Collective Investment Schemes. Investors should therefore be aware that they are exposed to the Credit Risk of the Issuer and the Guarantor.
- (v) Last Trading Day and Time Valuation Date, 17:00 (Zurich time)

(vi) Ex-Coupon Date (s)

[Not Applicable/*give details*]

3. ADDITIONAL RISK FACTORS

[NON-CAPITAL PROTECTED CERTIFICATES]

In addition to the Risk Factors set out above under Regulatory Qualification of the Certificates and in the Programme Prospectus, Investors should be aware that they are exposed to the risk of total loss of the capital invested including any transaction costs to purchase the Certificates

[CAPITAL PROTECTED CERTIFICATES]

In addition to the Risk Factors set out above under Regulatory Qualification of the Certificates and in the Programme Prospectus, Investors should be aware that they are exposed to a risk of loss which is, if the Certificates are not sold until the Redemption Date, limited to the difference of the capital invested to purchase the Certificates and the Capital Protection. However, the Certificates may trade below the Capital Protection during their life.

4. INFORMATION REGARDING THE UNDERLYING

The following information with regard to the Underlying is based on excerpts from, or summaries of publicly available information. The Issuer only accepts responsibility for the correct extraction or summary of such information.

[Underlying – Equity-Linked Certificates]

Share Company:	[•]
Country/Place of Domicile:	[•]
Headquarters:	[•]
Exchange:	[•]
Type and Form of Shares:	[•]
ISIN/Security Nr.:	[•]
Transferability and Limitations:	[•]
Price Development as per Issue Date in [Currency]:	2007: H: [•]/ L: [•] 2006: H: [•]/ L: [•] 2005: H: [•]/ L: [•]
Price Publication:	[Bloomberg or Reuterspages]

Current financial reports related to the issuer of the Underlying can be obtained cost-free during the entire term of the Certificates from the Swiss Paying Agent and/or the Lead Manager.

[Underlying – Equity Basket-Linked Certificates]

Share	ISIN/Security Nr.	Exchange	Initial Weight
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

[Underlying – Investment Fund Units Basket-Linked Certificates]

Investment Fund	ISIN/Security Nr.	Exchange	Initial Weight
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

All the Investment Funds listed above have been approved by the Swiss Federal Banking Commission for public distribution in and from Switzerland.

[Underlying – Index-Linked Certificates]

Index:

Description of the Index: [•]

ISIN: [if any]

Price Publication: [Bloomberg or Reuterspages]

Price Development as per Issue Date in [Currency]: 2007: H: [•] / L: [•]

2006: H: [•] / L: [•]

2005: H: [•] / L: [•]