

## TEMPORARY GLOBAL SECURITY

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTION 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

LEHMAN BROTHERS SECURITIES N.V.  
TEMPORARY GLOBAL SECURITY

Representing (as at the date of this Temporary Global Security):

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Guaranteed by

LEHMAN BROTHERS HOLDINGS INC.

This Temporary Global Security, entered into by way of deed, represents a duly authorised series of Certificates (or such aggregate Nominal Amount thereof as, from time to time, are issued and outstanding, the details in respect of which are set out in the First Schedule hereto) (the "**Certificates**") relating to the underlying asset(s) and expiring or redeemable on the date specified to the Final Terms or, as the case may be, the Drawdown Prospectus forming the Second Schedule hereto, subject to and in accordance with the terms and conditions set forth herein and in the amended and restated Master Warrant and Certificate Agreement dated as of 30 August 2005 as supplemented and amended by the supplemental master warrant and certificate agreement dated 9 May 2006 (the "**Securities Agency Agreement**"), between Lehman Brothers Finance S.A., Lehman Brothers Securities N.V. (the "**Issuer**"), Lehman Brothers (Luxembourg) Equity Finance S.A., Lehman Brothers Bankhaus AG, Lehman Brothers Holdings Inc., The Bank of New York, New York (the "**US Securities Agent**"), The Bank of New York, Brussels (the "**Belgian Securities Agent**") and The Bank of New York (Luxembourg) S.A. (the "**Luxembourg Securities Agent**").

References in this Temporary Global Security to the Conditions are to the terms and conditions applicable to the Certificates issued by the Issuer pursuant to the Securities Agency Agreement and are set out in Schedule 11 thereof and incorporate any additional provisions forming part of such Conditions and set out in the Final Terms forming the Second Schedule hereto (the "**Final Terms**"), and references to specific Conditions shall be construed accordingly. In the event of any conflict between the contents of the Final Terms and the Conditions, the contents of the Final Terms shall prevail. Expressions defined in the Securities Agency Agreement, the Conditions and the Final Terms shall bear the same meanings herein.

References in this Temporary Global Security to the Conditions are to the terms and conditions applicable to the Certificates issued by the Issuer pursuant to the Securities Agency Agreement as set out in the Securities Note forming the Second Schedule hereto (the "**Securities Note**"). Expressions defined in the Securities Agency Agreement and the Securities Note shall bear the same meaning herein.

The Certificates have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws. The Certificates may not be offered, sold or delivered within the United States or to U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

If this Temporary Global Security is originally issued in respect of an aggregate Nominal Amount of the Certificates less than the maximum aggregate Nominal Amount of the Certificates, then, at any time any further Certificates are issued, the aggregate Nominal Amount of Certificates represented by this Temporary Global Security shall be increased by the aggregate Nominal Amount of such further Certificates and the Issuer shall procure that the aggregate Nominal Amount of Certificates represented by this Temporary Global Security

(which shall be the previous aggregate Nominal Amount of Certificates represented by this Temporary Global Security plus the aggregate Nominal Amount of such further Certificates) is noted in the First Schedule hereto, whereupon the aggregate Nominal Amount of Certificates represented by this Temporary Global Security shall for all purposes be as most recently so noted.

The Issuer, for value received, subject to and in accordance with the Conditions, promises to pay the bearer of this Certificate any amounts that become due and payable and agrees to the due and punctual settlement in full of all obligations due and owing by the Issuer under the Certificates, upon presentation, and, at maturity, surrender hereof at the office of the Principal Securities Agent.

The Issuer covenants with the holders of the Certificates and each of them duly to comply with the Conditions, which form part of this Temporary Global Security and shall have the same effect as if set forth herein and the Final Terms or, as the case may be, the Drawdown Prospectus forming the Second Schedule hereto, subject to the requirements as to certification as provided herein.

The Issuer's obligations in respect of the Certificates are guaranteed by Lehman Brothers Holdings Inc. in accordance with the terms of the guarantee made by it dated 30 August 2005.

The Certificates will constitute direct, unconditional and (except as provided herein) unsecured obligations of the Issuer and will rank *pari passu* in right of payment among themselves, prior to the equity securities of the Issuer and equally with all other unsecured and unsubordinated indebtedness of the Issuer (subject, in the event of insolvency, to laws affecting creditors' rights generally).

Unless otherwise specified in the attached Final Terms or, in the case of Certificates which are subject of a Drawdown Prospectus, the attached Securities Note, interests in this Temporary Global Security will be exchangeable upon presentation hereof at the office of the Principal Securities Agent, on or after the Exchange Date (as defined herein), for, in whole, interests in a Permanent Global Security in bearer form of the same Series substantially in the form of Schedule 1, Part C of the Securities Agency Agreement with appropriate insertions and/or deletions in an aggregate Nominal Amount equal to that portion of this Temporary Global Security in respect of which there shall have been presented to the Principal Securities Agent a certificate from Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**"), or from Clearstream, Banking, société anonyme ("**Clearstream, Luxembourg**"), substantially in the form as set forth in the Third Schedule hereto to the effect that it has received in writing, by tested telex or by electronic transmission a certification or certifications in substantially the form set forth in the Fourth Schedule hereto and signed by the person appearing in its records as the owner of this Temporary Global Security or portions thereof being exchanged; provided that if Definitive Certificates in bearer form have previously been issued in exchange for an interest in a Permanent Global Security in bearer form representing Certificates of this same Series, then (unless the Certificates which would continue to be represented by any such Permanent Global Security would be regarded by Euroclear and Clearstream, Luxembourg as fungible with any such Definitive Certificate if issued in partial exchange for interests in any such Permanent Global Security) interests in this Temporary Global Security shall only henceforth be exchangeable, in whole, for Definitive Certificates in bearer form (for the avoidance of doubt, prepared in accordance with the terms of the Securities Agency Agreement). Upon such presentation for exchange the Issuer shall procure that the Principal Securities Agent completes, authenticates and delivers Certificates in such forms and in such an aggregate Nominal Amount as so requested as provided above. The aggregate Nominal Amount of this Temporary Global Security shall be reduced on exchange as specified below. Upon final exchange, this Temporary Global Security shall become void.

For the purposes of this Temporary Global Security, "**Exchange Date**" means the date that is the earlier of (i) the first Business Day following the expiration of a period of 40 days after the original issue date of the Certificates (or the "restricted period" within the meaning of U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)).

Upon any redemption or purchase hereof, in whole or in part, or payment of an instalment of principal hereof or upon any exchange of the whole or any portion of this Temporary Global Security as set forth above, the Principal Securities Agent shall endorse the First Schedule of this Temporary Global Security to reflect the reduction of the Nominal Amount by an amount equal to the aggregate Nominal Amount so exchanged, paid, redeemed or purchased, whereupon the aggregate Nominal Amount of this Temporary Global Security and the Certificates represented by this Temporary Global Security shall be reduced for all purposes by such amount. Except as otherwise provided herein or in the Securities Agency Agreement, until exchanged in full as set forth above, this Temporary Global Security shall in all respects be subject to and entitled to the same benefits and conditions under the Securities Agency Agreement as a duly authenticated and delivered Definitive Certificate in bearer form of this same Series.

This Temporary Global Security shall not become valid or obligatory until the certificate of authentication hereon or on a facsimile hereof shall have been duly signed by a duly authorised officer of the Principal Securities Agent acting in accordance with the Securities Agency Agreement.

This Temporary Global Security shall be governed by and construed in accordance with the laws of England.

In witness whereof, **LEHMAN BROTHERS SECURITIES N.V.** has caused this Temporary Global Security to be executed as a deed in its corporate name by a duly authorised officer or director.

Dated: [ \_\_\_\_\_ ]

Executed as a deed by

**LEHMAN BROTHERS SECURITIES N.V.**

and signed and delivered as a deed on its behalf

By: 

Name: Jonathan J. Knapp

Title: Managing Director

**CERTIFICATE OF AUTHENTICATION**

This is the Temporary Global Security representing the Securities described in the Securities Agency Agreement.

For or on behalf of

**THE BANK OF NEW YORK, BRUSSELS**

By:

Name:

Title:

**First Schedule**

<b>Issue Date (or date on which the Nominal Amount of Certificates represented by this Temporary Global Security is changed)</b>	<b>Reduction of the Nominal Amount resulting from exchanges for interests in a Permanent Global Security</b>	<b>Nominal Amount of this Temporary Global Security Exercised or Redeemed</b>	<b>Remaining Nominal Amount of this Temporary Global Security</b>	<b>Notation made by or on behalf of Principal Securities Agent</b>
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**Second Schedule**

**Form of Final Terms/Drawdown Prospectus**

**Third Schedule**

**Form Of Certificate To Be Given By The Euroclear Operator Or To Clearstream, Luxembourg**

CERTIFICATE

[Title of Certificates]

[NAME OF ISSUER]

[Guaranteed by

LEHMAN BROTHERS HOLDINGS INC.]

(the "Securities")

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the securities principal amount set forth below (our "**Member Organisations**") substantially to the effect set forth in the Fourth Schedule to the Form of Temporary Global Security as set out in Schedule 1, Part B of the Securities Agency Agreement dated 30 August 2005, as supplemented and amended by the Supplemental Master Warrant and Certificate Agreement dated \_\_\_\_\_ relating to the Securities (the "**Securities Agency Agreement**"), as of the date hereof, [Currency and Amount] \_\_\_\_\_ principal amount of the above-captioned Securities (i) is owned by persons that are not citizens or residents of the United States, corporations, partnerships, or other entities created or organized in or under the laws of the United States, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more persons (as defined in the Code) have the authority to control all of its substantial decisions ("**United States persons**"), (ii) is owned by United States persons that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(v)) ("**financial institutions**") purchasing for their own account or for resale or (b) acquired the Securities through and are holding through on the date hereof (as such terms "acquired through" and "holding through" are described in US Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6)) foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case in (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and that United States or foreign financial institutions described in clause (iii) above (whether or not also described in clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia); and its "**possessions**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We further certify (i) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest on any portion of the Temporary Global Security excepted in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certificate is required in connection with certain tax laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorise you to produce this certificate to any interested party in such proceedings.

\* Dated: \_\_\_\_\_

Yours faithfully  
EUROCLEAR BANK S.A./N.V.,  
as operator of the Euroclear System]

[CLEARSTREAM BANKING, SOCIÉTÉ ANONYME, LUXEMBOURG]

By: \_\_\_\_\_

\* Not earlier than the relevant payment date or Exchange Date.

**Fourth Schedule**  
**Form Of Certificate To Be Provided To The Euroclear Operator Or To Clearstream, Luxembourg**

CERTIFICATE

[Title of Certificates]

[NAME OF ISSUER]

[Guaranteed by

LEHMAN BROTHERS HOLDINGS INC.]  
(the "Securities")

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by person(s) that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States federal income taxation regardless of its source ("**United States person(s)**"), (ii) are owned by United States person(s) that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(v)) ("**financial institutions**") purchasing for their own account or for resale or (b) acquired the Securities through and are holding through on the date hereof (as such terms "acquired through" and "holding through" are described in US Treasury Regulations Section 1.163-12(c)(1)(v)) foreign institutions on the date hereof (and in either case in (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in clause (iii) above (whether or not also described in clause (i) or (ii)) this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "**United States**" means the United States of America (including the States and the District of Columbia); and its "**possession**" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your Operating Procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to [Currency and Amount] \_\_\_\_\_ of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange for and delivery of Definitive Certificates in bearer form (or, if relevant, exercise of any rights or collection of any interest cannot be made until we do so certify.

We understand that this certification is required in connection with certain tax laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certificate to any interested party in such proceedings.

\* Dated: \_\_\_\_\_

By: \_\_\_\_\_

As, or as agent for, the beneficial owner(s) of the Securities to which this certificate relates.

\_\_\_\_\_

\* No earlier than 15 days prior to the relevant payment date or Exchange Date.