

Lehman Brothers International (Europe) (in administration) (“LBIE”) Disclosure of agreements relating to the Extended Liens Application

June 2011

Certain of the agreements between LBIE and its affiliates which may assert or have ownership claims to securities held by LBIE (“**Ownership Affiliates**”) contain provisions which confer upon LBIE lien and other security entitlements (“**Security Provisions**”) in relation to the assets in order to recover debts owed by Ownership Affiliates to LBIE or to other affiliates (“**Creditor Affiliates**”). Some Creditor Affiliates have contended that LBIE owes duties to them to exercise, on their behalf and at their request, rights conferred upon LBIE by the Security Provisions. Such claims by Creditor Affiliates are referred to as “**extended lien claims**”.

The Joint Administrators of LBIE (“**the Administrators**”) have made an Application to the English High Court relating to the determination of extended lien claims. They have made available on the PwC/LBIE website a list of Ownership Affiliates. They also wish to make available to Creditor Affiliates copies of agreements to which Ownership Affiliates are party which may contain Security Provisions relevant to the Application, in so far as those agreements are in LBIE’s possession.

The Administrators are conscious that LBIE may owe duties of confidentiality to the Ownership Affiliates in respect of these agreements. They have therefore sought consent from these entities relating to the disclosure of those agreements to Creditor Affiliates. Some Ownership Affiliates have provided that consent, but some have not. Where consent has been provided, in some cases it is qualified or restricted.

In circumstances where the Administrators have not received consent at all, or have received consent which is subject to restrictions or qualifications of a nature which hamper disclosure of copy agreements, the Administrators will seek orders from the English High Court to permit them to make these copy agreements available for the purposes of the Application.

However, where Ownership Affiliates have provided consent that is either unqualified or subject to qualifications which are practicable, the Administrators propose to make copy agreements to which such Ownership Affiliates are party available upon request to entities which confirm that they are Creditor Affiliates of the relevant Ownership Affiliates.

Disclosure is to be made in accordance with the following procedure:

- 1** Agreements will be provided in copy form via pdf electronic copy.
- 2** The would-be recipient will be required to agree to abide by the confidentiality provision set out below as a condition of receiving disclosure of the copy agreements.
- 3** A list of entities which request, and/or receive, copy agreements will be provided to the relevant Ownership Affiliates by the Administrators on a periodic basis.

Confidentiality Restriction

An entity which requests the disclosure of copy agreements under the protocol described by the Joint Administrators of LBIE undertakes to: (i) the Ownership Affiliate to which the agreement relates; (ii) each of the Joint Administrators of LBIE; and (iii) LBIE jointly and severally in the following terms:

- 1** That it will keep the copy agreement(s) supplied to it strictly confidential.
- 2** That it will not disclose the copy agreement(s) to any party other than to its legal and other professional advisors or save as required by a court or regulator of competent jurisdiction.
- 3** That it will not use the copy agreement(s) for any purpose other than for the Extended Lien Application issued by the Joint Administrators of LBIE (for the avoidance of doubt, a copy agreement may be used for the purpose of asserting an extended lien claim).