

[On letterhead of LBNL]

IMPORTANT INFORMATION

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. LEHMAN BROTHERS INTERNATIONAL (EUROPE) (IN ADMINISTRATION) ("LBIE") HAS DETERMINED THAT YOU ARE AN ELIGIBLE CREDITOR FOR THE PURPOSES OF THE SECOND LBIE ADMITTED CLAIMS AUCTION (LACA II).

YOU ARE BEING OFFERED, BY LEHMAN BROTHERS NOMINEES LIMITED, AN OPPORTUNITY TO PARTICIPATE IN THE SECOND LBIE ADMITTED CLAIMS AUCTION, DESIGNED TO ENABLE YOU TO SELL YOUR ELIGIBLE ADMITTED CLAIM AND COMPLETELY EXIT FROM THE LBIE ADMINISTRATION IN RELATION TO YOUR ELIGIBLE ADMITTED CLAIM.

IF YOU HAVE SOLD OR OTHERWISE TRANSFERRED YOUR ELIGIBLE ADMITTED CLAIM AND/OR ANY OF YOUR RIGHTS, INTERESTS AND ENTITLEMENTS AGAINST LBIE IN RESPECT OF YOUR ELIGIBLE ADMITTED CLAIM, PLEASE CONTACT THE JOINT ADMINISTRATORS AS SOON AS POSSIBLE BY EMAILING claimsdeed@lbia-eu.com.

THIS LETTER SHOULD BE READ IN CONJUNCTION WITH THE UCC2 AND THE UCC2 EXPLANATORY NOTE AVAILABLE ON THE LBIE SURPLUS PORTAL.

IF YOU ARE UNSURE ABOUT THE CONTENTS OF THIS LETTER, THE UCC2 OR THE UCC2 EXPLANATORY NOTE YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

To: [xyz]
[Address]

15 June 2016

Dear Sirs

Second LBIE Admitted Claims Auction (LACA II)

Legal Entity: [xyz]

GAC no. [xyz]

Eligible Agreement: [123_C_1]

Applicable Claim Pool: [xyz]

Identified Eligible Admitted Claim Value: GBP [xyz]

Identified Eligible Admitted Claim Surplus Entitlement (GBP Equivalent):

GBP [xyz]

Individual Reserve Price: GBP [xyz]

LACA II Fee: GBP [xyz]

Minimum Purchase Price: GBP [xyz]

1 Introduction

- 1.1** Further to the announcement made on PwC's LBIE Website on 15 June 2016 concerning the second LBIE admitted claims auction (or LACA II), we (Lehman Brothers Nominees Limited ("**LBNL**")) are writing to confirm your inclusion as an Eligible Creditor and your entitlement to participate in the LACA II.
- 1.2** Unless stated otherwise, defined terms used in this offer letter have the meanings given to them in the LACA II terms and conditions accompanying this offer letter and available on the LBIE Surplus Portal (the "**Terms and Conditions**").
- 1.3** This offer letter is the Offer of Participation described in the Terms and Conditions.

2 The offer

- 2.1** LBNL are offering the Legal Entity the option to participate in the LACA II on and subject to the terms of the Contractual Documents, pursuant to which the Legal Entity will, among other things:
 - 2.1.1** at the Acceptance Deadline, agree to the disclosure by LBIE of information (including any notices) relating to the Identified Eligible Admitted Claim to LBNL and/or any potential third party purchasers who have entered into a suitable confidentiality agreement (as determined by LBIE in its sole discretion) with LBIE, such information being derived from one or more of the Legal Entity's UCC1, UCC2, the Eligible Agreement, any Creditor Agreement(s) and any other information held by LBIE;
 - 2.1.2** at the Acceptance Deadline, agree to the Identified Eligible Admitted Claim being included in the Applicable Claim Pool and marketed, for the purposes of the Auction, by LBIE, to potential third party purchasers;
 - 2.1.3** at the Transfer Time, sell, convey, transfer and assign the Legal Entity's rights, title and interests in, to and under, or arising out of, in connection with and/or related to the Assigned Rights to LBNL on and subject to the terms of the Contractual Documents, in consideration for the right to receive payment of the Purchase Price; and
 - 2.1.4** at the Transfer Time, provide a full release to the Relevant Persons in respect of the Assigned Rights and the Legal Entity's participation in the LACA II.
- 2.2** The Purchase Price will be determined pursuant to the Auction and in accordance with the terms of the Contractual Documents.
- 2.3** The Minimum Purchase Price set out above has been calculated by:
 - 2.3.1** applying the relevant discount for the Applicable Claim Pool to the Identified Eligible Admitted Claim Surplus Entitlement (GBP Equivalent) (i.e.: (i) in respect of the USD Claim Pool, a discount of 20 per cent.; (ii) in respect of the Euro Claim Pool, a discount of 17 per cent.; and (iii) in respect of the Other Claim Pool, a discount of 15 per cent.); and
 - 2.3.2** from the amount calculated in paragraph 2.3.1, deducting the LACA II Fee.

The Minimum Purchase Price indicates the minimum amount (after deduction of the LACA II Fee) you can expect to receive should your sale of the Identified Eligible Admitted Claim take place pursuant to the LACA II (subject to the terms of the Contractual Documents) on the assumption that the Clearing Price is the relevant Claim Pool Reserve Price.

3 Terms and Conditions

The LACA II is subject to and governed by the Terms and Conditions. LBNL will not accept any negotiation of, or amendment to, the Terms and Conditions or this offer letter.

4 Acceptance of the second LBIE admitted claims auction

- 4.1** Should you decide to participate in the LACA II and agree to be bound by the terms of the Contractual Documents in respect of the Identified Eligible Admitted Claim, a Primary User for the Legal Entity must accept the offer to participate in the LACA II via the LBIE Surplus Portal before 5 p.m. (London time) on 14 July 2016 (or such later date as is notified to Eligible Creditors by LBNL by email and announced on PwC's LBIE Website).
- 4.2** Payment of the Purchase Price to the Legal Entity will not be made unless and until (among other things) the Legal Entity's SSI for a bank account capable of receiving payments denominated in sterling have been confirmed, provided and/or updated (as applicable).

5 Completion

Please note that:

- 5.1.1** Acceptance does not guarantee that the Identified Eligible Admitted Claim will be sold;
- 5.1.2** transfer of the Assigned Rights will occur at the Transfer Time but (subject to clause 8 (*Payment*) of the Terms and Conditions) Payment will not occur until on or after the Settlement Date; and
- 5.1.3** the sale of the Identified Eligible Admitted Claim is subject to a number of conditions as set out in the Terms and Conditions.

6 Termination

At any time before the Bid Acceptance Date, LBNL may terminate the LACA II in respect of one or more Claim Pools pursuant to clause 9 (*Termination*) of the Terms and Conditions. If the Termination Right is exercised by LBNL in respect of the Applicable Claim Pool, you will be notified of this by LBNL by email and on PwC's LBIE Website. The decision of LBNL in this regard shall be final and conclusive.

7 Payment arrangements

Subject to clause 8 (*Payment*) of the Terms and Conditions, LBNL will pay, or procure the payment of, the Purchase Price to the bank account details contained in the Legal Entity's SSI.

8 No representation

- 8.1** None of the Relevant Persons make any representation as to whether any payment made to, or amount received by, you pursuant to the LACA II in relation to the Identified Eligible Admitted Claim will be the same, greater or less than any amount you would or may have otherwise received in respect of such Identified Eligible Admitted Claim had you not participated in the LACA II, whether on the judicial or consensual resolution of the Proceedings or otherwise.
- 8.2** You agree and acknowledge that by participating in the LACA II and having the right to receive payment of the Purchase Price pursuant to the LACA II in return for the sale of the Assigned Rights, you transfer to LBNL any and all rights in respect of such Assigned

Rights, including any rights to payment of statutory interest or amounts in respect of currency conversion claims.

9 Other information

9.1 Further information on the LACA II can be found in the FAQs contained in the LBIE Surplus Portal. Please note that the FAQs do not form part of the Contractual Documents and, in the event of any inconsistency between the FAQs and the Contractual Documents (or between the wording on the LBIE Surplus Portal and the Contractual Documents), the terms of the Contractual Documents shall prevail.

9.2 Should you have any questions regarding the LACA II which are not dealt with in the FAQs, please email lbni@lbia-eu.com.

Yours faithfully

[Signatory for LBNL]