

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into as of June 25, 2013 among the LBI Trustee, LB Luxembourg and the LB Luxembourg Liquidators. Capitalized terms are used as defined in the Definitions in Section 1.01.

RECITALS

WHEREAS, on September 19, 2008, the Honorable Gerard E. Lynch, District Judge of the United States District Court for the Southern District of New York, entered the LBI Liquidation Order which, among other things, (i) appointed the LBI Trustee for the liquidation of the business of LBI pursuant to SIPA § 78eee(b)(3) and (ii) removed the case to the Bankruptcy Court pursuant to § 78eee(b)(1);

WHEREAS, consistent with SIPA, the valuation of allowable claims against LBI is determined as of September 19, 2008;

WHEREAS, on April 1, 2009, the LB Luxembourg Liquidators were appointed by the Luxembourg Court;

WHEREAS, the LBI Trustee and the LB Luxembourg Liquidators are parties to the Lehman Global Protocol which, among other things, provides for mutual information sharing and cooperation between the parties thereto;

WHEREAS, the LBI Trustee submitted claims against LB Luxembourg;

WHEREAS, LB Luxembourg filed claims against LBI;

WHEREAS, the Parties are desirous of resolving all disputes and issues between the LBI Trustee and LB Luxembourg so as to avoid extensive, uncertain and expensive litigation;

WHEREAS, solely for the purposes of obtaining Luxembourg Court Approval this Settlement Agreement is intended to constitute a settlement ("*transaction*") within the meaning of section 2044 and following of the Luxembourg *Code civil* and requires Luxembourg Court Approval in accordance with the provisions of the LB Luxembourg Liquidation Order stating that the liquidators may, with the approval of the court given upon the report of the supervisory judge, settle or compromise all claims, including rights relating to real estate, where such transactions or compromises are for an indeterminate value or a value exceeding 100,000 euros.

NOW, THEREFORE, in consideration of the recitals stated above, the agreements, promises and warranties set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I. DEFINITIONS, CONSTRUCTION & INTERPRETATION

Section 1.01 *Definitions*. Capitalized terms used herein shall have the following meanings:

Affiliate means each of LBHI and any entity of which LBHI was the direct or indirect ultimate parent company as of September 15, 2008.

Asset means, as the context requires, property, rights, Claims and assets, including securities and money.

Bankruptcy Court means the United States Bankruptcy Court for the Southern District of New York.

Bankruptcy Court Approval means the entry of a Final Order approving and sanctioning and granting authority by the Bankruptcy Court for the LBI Trustee to execute and deliver this Settlement Agreement, perform all obligations hereunder and comply with the terms of this Settlement Agreement.

Business Day means any day that is not a Saturday, Sunday, United States federal holiday, a New York state holiday or a Luxembourg holiday.

Claim means: (i) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (ii) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy (or right to payment to which it gives rise) is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

Effective Date means the first Business Day after which both Bankruptcy Court Approval and Luxembourg Court Approval have occurred.

Encumbrance means any interest or equity of any Person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other right that encumbers or restricts the entitlement of the owner or holder of an Asset until one or more obligations owed to another Person are discharged in full, other encumbrance or security interest or arrangement of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid.

Execution Date means the date this Settlement Agreement is executed by all Parties.

Extended Lien Provision means (1) with respect to LBI, a term in any agreement between LBI and an Affiliate which purports to confer an Encumbrance in favor of any other Affiliate in respect of Assets to secure debts owed by LBI to such other Affiliate; and (2) with respect to LB Luxembourg, a term in any agreement between that LB Luxembourg and an Affiliate which purports to confer an Encumbrance in favor of any other Affiliate in respect of Assets to secure debts owed by LB Luxembourg to such other Affiliate.

Final Order means an order of the Bankruptcy Court, the Luxembourg Court or any other court of competent jurisdiction that

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- i. is in full force and effect;
- ii. is not reversed or vacated; and
- iii. as to which the time to appeal, petition for certiorari, and move for reargument or rehearing has expired and (A) as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or (B) in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been timely sought, such appeal, writ of certiorari, or reargument or rehearing shall have been withdrawn, denied or resolved by the highest court to which such order was appealed or from which certiorari, rehearing or reargument was sought; provided that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Federal Rules of Bankruptcy Procedure or applicable law, may be filed with respect to such order shall not prevent such order from being a Final Order.

LB Luxembourg means Lehman Brothers (Luxembourg) S.A. (in liquidation).

LB Luxembourg Asset means, wherever located and by whomever held, any Asset owned or held directly or indirectly by LB Luxembourg or to which LB Luxembourg is directly or indirectly entitled.

LB Luxembourg Claims means the claims of LB Luxembourg in Section 3.01 which are allowed pursuant to this Settlement Agreement.

LB Luxembourg Liquidation Order means the Order entered by the Luxembourg Court on April 1, 2009 appointing Jacques Delvaux and Laurent Fisch as liquidators of LB Luxembourg, as amended from time-to-time.

LB Luxembourg Liquidators means Jacques Delvaux and Laurent Fisch in their capacities as joint liquidators of LB Luxembourg.

LB Luxembourg Released Claim means all claims, demands, rights, duties, remedies, judgments, executions, debts, damages, liabilities, causes of action, costs, expenses, and Claims, of every kind, nature, character and description whatsoever, whether accrued or unaccrued, known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, certain or contingent, whether based on contract, federal, state, local, statutory or common law (including LB Luxembourg Law) or any other law, rule or regulation of any jurisdiction, or otherwise, that have been, could have been or might hereafter be asserted in any action, suit or proceeding, whether directly, indirectly, representatively or in any other capacity, in law or in equity, against any of the LB Luxembourg Released Parties arising out of or in any way related to any members of the former Lehman Brothers group (including, without limitation, the business activities, assets or liabilities thereof). The release of the LB Luxembourg Released Claims by the LB Luxembourg Releasing Parties shall be a waiver and relinquishment, to the fullest extent permitted by law, of all provisions, laws and rules limiting relinquishment of unknown or unsuspected claims, including the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides:

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“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR”

and any and all provisions, rights and benefits of any similar statute or common law rule of any other jurisdiction. The term LB Luxembourg Released Claim shall specifically include, without limitation: (i) any administrative expense claim arising under applicable Luxembourg Law or US Bankruptcy Law, (ii) any US Avoidance Action or Luxembourg Avoidance Action, (iii) any right of subrogation; and (iv) any Claim based upon any Extended Lien Provision.

LB Luxembourg Released Party means each of the following persons: (i) LBI, (ii) the LBI Trustee, (iii) SIPC, (iv) all past and present employees, professionals and advisors of SIPC, LBI and the LBI Trustee, respectively, and (v) all successors, assigns, heirs, and personal representatives, and all past and present officers, directors, employees, agents, representatives, consultants, financial advisors, accountants and attorneys, of each Person referred to in this definition.

LB Luxembourg Releasing Party means LB Luxembourg, on behalf of itself, its estate, its successors and assigns, and any Person claiming through or on behalf of such LB Luxembourg (including the LB Luxembourg Liquidators).

Luxembourg Avoidance Actions means all avoidance actions and causes of action which may be brought by LB Luxembourg against any LB Luxembourg Released Party pursuant to applicable Luxembourg Law, including but not limited to the provisions or 445 and 446 of the Luxembourg Commercial Code.

Luxembourg Court means the District Court of and in Luxembourg-City, second chamber, sitting in commercial matters.

Luxembourg Court Approval means the entry of a Final Order approving and sanctioning and granting authority by the LB Luxembourg Court for the LB Luxembourg Liquidators to perform all obligations hereunder and comply with the terms of this Settlement Agreement.

Luxembourg Law means the laws of Luxembourg and the LB Liquidation Order.

LBHI means Lehman Brothers Holdings Inc.

LBI means Lehman Brothers Inc.

LBI Asset means, wherever located and by whomever held, any Asset held by the LBI Trustee or to which the LBI Trustee is entitled.

LBI Liquidation Order means the Order Commencing Liquidation, entered September 19, 2008, by the Honorable Gerald E. Lynch, District Judge of the United States District Court

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for the Southern District of New York, pursuant to the provisions of SIPA in the case captioned SIPC vs. LBI, Case No. 08-CIV-8119 (GEL).

LBI Released Claim means all claims, demands, rights, duties, remedies, judgments, executions, debts, damages, liabilities, causes of action, costs, expenses, and Claims, of every kind, nature, character and description whatsoever, whether accrued or unaccrued, known or unknown, suspected or unsuspected, matured or unmatured, liquidated or unliquidated, certain or contingent, whether based on contract, federal, state, local, statutory or common law (including Luxembourg Law) or any other law, rule or regulation of any jurisdiction, or otherwise, that have been, could have been or might hereafter be asserted in any action, suit or proceeding, whether directly, indirectly, representatively or in any other capacity, in law or in equity, against the any of the LBI Released Parties arising out of or in any way related to any members of the former Lehman Brothers group (including, without limitation, the business activities, assets or liabilities thereof). The release of the LBI Released Claims by the LBI Releasing Parties shall be a waiver and relinquishment, to the fullest extent permitted by law, of all provisions, laws and rules limiting relinquishment of unknown or unsuspected claims, including the provisions, rights and benefits of Section 1542 of the California Civil Code, which provides:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR”

and any and all provisions, rights and benefits of any similar statute or common law rule of any other jurisdiction. The term LBI Released Claim shall specifically include, without limitation: (i) any administrative expense claim arising under applicable Luxembourg Law or US Bankruptcy Law, (ii) any US Avoidance Action or Luxembourg Avoidance Action, (iii) any right of subrogation; and (iv) any Claim based upon any Extended Lien Provision.

LBI Releasing Parties means the LBI Trustee, on behalf of himself, the LBI estate, his successors and assigns, and any entity claiming through or on behalf of the LBI Trustee or LBI.

LBI Released Parties means: (i) the LB Luxembourg, (ii) the LB Luxembourg Liquidators, (iii) all past and present employees, professionals and advisors of LB Luxembourg and the LB Luxembourg Liquidators, respectively, and (iv) all successors, assigns, heirs, and personal representatives, and all past and present officers, directors, employees, agents, representatives, consultants, financial advisors, accountants and attorneys, of each Person referred to in this definition.

LBI SIPA Proceeding means the SIPA liquidation of LBI pending in the Bankruptcy Court and captioned In re Lehman Brothers Inc., 08-01420 (JMP) SIPA.

LBI Trustee means James W. Giddens, as trustee in the Securities Investor Protection Act liquidation of LBI, without personal liability and solely in his capacity as trustee and on behalf of LBI.

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Lehman Global Protocol means the Cross-Border Insolvency Protocol for the Lehman Brothers Group of Companies dated May 12, 2009.

Non-Party Claim means any Claim of a Party against any Person other than a Party.

Party means the LBI Trustee, LB Luxembourg and the LB Luxembourg Liquidators.

Parties means collectively the LBI Trustee, LB Luxembourg and the LB Luxembourg Liquidators.

Person means an individual, partnership, government entity, corporation, limited liability company, limited liability partnership or any other entity.

Security Interest Claim means a Claim by a Person to the benefit of an Encumbrance.

Settlement Agreement means this Agreement.

SIPA means the Securities Investor Protection Act.

SIPC means the Securities Investor Protection Corporation.

US\$ means the lawful currency of the United States of America.

US Avoidance Action means (i) any and all actions under US Bankruptcy Law seeking the avoidance of a transfer or obligation, including Sections 542-553 of the Bankruptcy Code; and (ii) similar actions under other applicable law.

US Bankruptcy Law means the US Bankruptcy Code, SIPA and any other law applicable in the LBI SIPA Proceeding.

Section 1.02 *Construction*. This Settlement Agreement shall be interpreted according to the following rules of construction:

- (a) This Settlement Agreement constitutes a fully negotiated agreement among commercially sophisticated parties and therefore shall not be construed or interpreted for or against any Party, and any rule or maxim of construction to such effect shall not apply to this Settlement Agreement.
- (b) Words or terms expressed in the plural include the singular and vice versa.
- (c) Words importing a gender include every gender.
- (d) The word "including" does not limit the generality of any preceding words.
- (e) The word "or" shall not be exclusive.

Section 1.03 *Severability*. If any term or other provision of this Settlement Agreement is invalid, illegal or incapable of being enforced, all other terms and provisions of this Settlement Agreement shall nevertheless remain in full force and effect.

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Section 1.04 *Headings*. The headings utilized in this Settlement Agreement are for convenience only and shall in no way affect the construction, meaning or interpretation hereof. All Schedules attached to this Settlement Agreement are hereby made a part hereof and incorporated herein by reference for all purposes.

Section 1.05 *Binding Effect; Successor and Assigns*.

- (a) Any declaration or statement of the LBI Trustee shall only be made in his capacity and function as the LBI Trustee and shall in no circumstance be construed as being a declaration or statement of the LBI Trustee on his own and personal behalf.
- (b) Any declaration or statement of the LB Luxembourg Liquidators shall only be made in their respective capacities and functions as the LB Luxembourg Liquidators of the LB Luxembourg, and shall in no circumstance be construed as being a declaration or statement of the LB Luxembourg Liquidators on their own and personal behalf.
- (c) This Settlement Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

Section 1.06 *Entire Agreement*. This Settlement Agreement constitutes the entire and only agreement of the Parties concerning the subject matter hereof. This Settlement Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements between the Parties concerning the subject matter hereof.

Section 1.07 *No Oral Modifications*. This Settlement Agreement may not be modified or amended except by written agreement of the Parties. No waiver of any provision of this agreement shall be valid unless in writing signed by the waiving Party. No waiver of any breach of any term or provision of this Settlement Agreement shall be construed as a waiver of any subsequent breach.

Section 1.08 *No Admission of Liability*. Each Party acknowledges that this Settlement Agreement effects a settlement of potential Claims and counterclaims some or all of which are denied and contested, and that nothing contained herein shall be construed as an admission of liability or wrongdoing.

ARTICLE II. EFFECTIVENESS

Section 2.01 *Effectiveness*. This Settlement Agreement shall become effective on and from the Effective Date.

Section 2.02 *Counterparts*. This Settlement Agreement may be executed in counterparts, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The signatures of all of the Parties need not appear on the same counterpart. A copy or a facsimile of a signature shall be binding upon the signatory as if it were an original signature.



ARTICLE III. SETTLEMENT OF CLAIMS

Section 3.01 *LB Luxembourg Claims.* The LB Luxembourg Claims shall be allowed as a Claim against the LBI general estate in the amount of US\$158,000,000.00 (one hundred fifty-eight million U.S. dollars).

Section 3.02 *Expungment and Disallowance of Claims.* Other than as provided for in Section 3.01, any and all Claims asserted by LB Luxembourg or the LBI Trustee against each other shall be expunged, disallowed and released in accordance with Article VIII.

ARTICLE IV. EXTENDED LIENS

Section 4.01 *LBI Trustee's Release of Extended Liens.* The LBI Trustee:

- (a) Waives and releases any Claim, right and entitlement that LBI or the LBI Trustee may have to the exercise of any Extended Lien Provision or enforcement of any Encumbrance over any LB Luxembourg Asset.
- (b) Covenants and agrees that he shall not, on behalf of himself, LBI or for the benefit of another Person, apply or exercise, or seek the application or exercise of any Extended Lien Provision or enforcement of any Encumbrance or right of set-off or counterclaim or any similar or analogous procedure or right in respect of any LB Luxembourg Asset.

Section 4.02 *LB Luxembourg's Release of Extended Liens.* LB Luxembourg:

- (a) Waives and releases any Claim, right and entitlement that LB Luxembourg or the LB Luxembourg Liquidators may have to the exercise of any Extended Lien Provision or enforcement of any Encumbrance over any LBI Asset.
- (b) Covenants and agrees that it shall not, on behalf of itself or for the benefit of another Person apply or exercise, or seek the application or exercise of any Extended Lien Provision or enforcement of any Encumbrance or right of set-off or counterclaim or any similar or analogous procedure or right in respect of any LBI Asset.

Section 4.03 *Valid Extended Lien Provision.* If: (i) a Person asserts that it has a claim against a Party that is secured by an Extended Lien Provision (an "Extended Lien Claim"), then the relevant Party shall follow any Final Order resolving a dispute between the Party and the Person asserting the Extended Lien Claim or, in the alternative, follow the joint instruction of the Party and the Person asserting the Extended Lien Claim.

ARTICLE V. COVENANTS, REPRESENTATIONS & WARRANTIES

Section 5.01 *Covenants, Representations & Warranties by the LBI Trustee.* In order to induce LB Luxembourg and the LB Luxembourg Liquidators to enter into and perform their obligations under this Settlement Agreement, the LBI Trustee hereby covenants, represents, warrants and acknowledges as follows:

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- (a) *Bankruptcy Court Approval.* As soon as practicable after execution of this Settlement Agreement, the LBI Trustee shall seek Bankruptcy Court Approval.
- (b) *Authority.* Subject to Bankruptcy Court Approval, (i) the LBI Trustee has the power and authority to execute, deliver and perform his obligations under this Settlement Agreement, and to consummate the transactions contemplated herein; and (ii) the execution, delivery and performance of this Settlement Agreement by the LBI Trustee and the consummation of the transactions contemplated herein have been duly authorized by all necessary action on the part of the LBI Trustee and no other proceedings on the part of the LBI Trustee are necessary to authorize and approve this Settlement Agreement or any of the transactions contemplated herein.
- (c) *Validity.* Subject to Bankruptcy Court Approval, this Settlement Agreement has been duly executed and delivered by the LBI Trustee and constitutes the legal, valid and binding agreement of the LBI Trustee, enforceable against the LBI Trustee in accordance with its terms.
- (d) *Authorization of Governmental Authorities and Creditors.* Subject to Bankruptcy Court Approval, no action by (including any authorization, consent or approval), in respect of, or filing with, any governmental authority is required for, or in connection with, the valid and lawful authorization, execution, delivery and performance by the LBI Trustee pursuant to this Settlement Agreement, other than as provided herein.
- (e) *No Reliance Other Than Representations, Warranties & Covenants.* The LBI Trustee: (i) is a sophisticated party with respect to the subject matter of this Settlement Agreement, (ii) has been represented and advised by legal counsel in connection with this Settlement Agreement, (iii) has adequate information concerning the matters that are the subject of this Settlement Agreement, (iv) acknowledges that he has entered into this Settlement Agreement voluntarily and of his own choice and not under coercion or duress, and (v) has independently and without reliance upon LB Luxembourg, the LB Luxembourg Liquidators or any officer, employee, agent, counsel or other representative thereof, and based on such information as the LBI Trustee has deemed appropriate, made his own analysis and decision to enter into this Settlement Agreement, provided, that the LBI Trustee has relied upon the express representations, warranties and covenants of the LB Luxembourg and LB Luxembourg Liquidators in this Settlement Agreement.

Section 5.02 *Covenants, Representations & Warranties by LB Luxembourg.* In order to induce the LBI Trustee to enter into and perform his obligations under this Settlement Agreement, each of the LB Luxembourg Liquidators and LB Luxembourg hereby covenants, represents, warrants and acknowledges as follows:

- (a) *LB Luxembourg Court Approval.* As soon as practicable after execution of this Settlement Agreement, LB Luxembourg, acting through the LB Luxembourg Liquidators, shall seek Luxembourg Court Approval.
- (b) *Authority.* Subject to LB Luxembourg Court Approval, (i) LB Luxembourg has the power and authority to execute, deliver and perform its obligations under this Settlement

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Agreement, and to consummate the transactions contemplated herein; and (ii) the execution, delivery and performance of this Settlement Agreement by LB Luxembourg and the consummation of the transactions contemplated herein have been duly authorized by all necessary action on the part of LB Luxembourg and no other proceedings on the part of LB Luxembourg are necessary to authorize and approve this Settlement Agreement or any of the transactions contemplated herein.

- (c) *Validity.* Subject to Luxembourg Court Approval, this Settlement Agreement has been duly executed and delivered by LB Luxembourg and constitutes the legal, valid and binding agreement of LB Luxembourg, enforceable against LB Luxembourg in accordance with its terms.
- (d) *Authorization of Governmental Authorities and Creditors.* Subject to Luxembourg Court Approval, no action by (including any authorization, consent or approval), in respect of, or filing with, any governmental authority is required for, or in connection with, the valid and lawful authorization, execution, delivery and performance by LB Luxembourg and/or the LB Luxembourg Liquidators pursuant to this Settlement Agreement, other than as provided herein.
- (e) *No Reliance Other Than Representations, Warranties & Covenants.* Each of the LB Luxembourg Liquidators and LB Luxembourg acting through the LB Luxembourg Liquidators (i) is a sophisticated party with respect to the subject matter of this Settlement Agreement, (ii) has been represented and advised by legal counsel in connection with this Settlement Agreement, (iii) has adequate information concerning the matters that are the subject of this Settlement Agreement, (iv) acknowledges that it has entered into this Settlement Agreement voluntarily and of its own choice and not under coercion or duress; and (v) has independently and without reliance upon the LBI Trustee or any of the LBI Trustee's or LBI's respective affiliates or any officer, employee, agent, counsel or other representative thereof, and based on such information as each of the LB Luxembourg Liquidators and LB Luxembourg has deemed appropriate, made its own analysis and decision to enter into this Settlement Agreement, provided, that each of the LB Luxembourg Liquidators and LB Luxembourg has relied upon the express representations, warranties and covenants of the LBI Trustee in this Settlement Agreement.
- (f) *Title; No Prior Transfer of Claims.*
 - (i) As of the Execution Date, LB Luxembourg owns and has good title to its respective LB Luxembourg Claims, free and clear of any and all liens, security interests, participations or encumbrances created or incurred by or against LB Luxembourg and has not transferred or assigned to any other person any of the Claims that are the subject of this Settlement Agreement, in whole or in part.
 - (ii) After the Effective Date, LB Luxembourg may transfer any LB Luxembourg Claim, or any rights or interests arising thereunder, in whole or in part; provided, that any transferee of such LB Luxembourg Claims agrees in writing that the terms of this

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Settlement Agreement shall be binding in all respects upon, and shall govern its acts and those of any successor transferees.

ARTICLE VI. CONTRACTS

Section 6.01 *Contracts.* Any contract or agreement not identified in this section that is between (i) LBI or the LBI Trustee, and (ii) LB Luxembourg or any LB Luxembourg Liquidator, shall be rejected pursuant to section 365 of the Bankruptcy Code or otherwise terminated. Any Claim that arises from the rejection or termination of such contract or agreement is deemed to be satisfied in full by the claims allowed pursuant to this Settlement Agreement. The following contract shall survive the execution and consummation of this Settlement Agreement and shall continue to be enforceable pursuant to the terms thereof:

The Lehman Global Protocol

ARTICLE VII. CONTINUING CO-OPERATION

Section 7.01 The Parties will continue to exchange data relating to the respective bankruptcy cases and insolvency proceedings in order to assist each other in resolving Claims of Affiliates and other creditors pursuant to and subject to the terms of: (i) any data sharing agreement between (among others) the Parties, and (ii) the Lehman Global Protocol.

ARTICLE VIII. RELEASES

Section 8.01 *LBI Release.*

- (a) In consideration for LB Luxembourg's execution of this Settlement Agreement and in exchange for the obligations of LB Luxembourg under this Settlement Agreement, including the mutual release provisions of this Article VIII, effective upon the occurrence of the Effective Date each LBI Releasing Party hereby irrevocably releases, discharges and acquits, fully and forever, each LBI Released Party from any and all LBI Released Claims.
- (b) Nothing in this Settlement Agreement shall operate as a release or waiver of any LBI Non-Party Claim.

Section 8.02 *LB Luxembourg Release.*

- (a) In consideration for the LBI Trustee's execution of this Settlement Agreement and in exchange for the obligations of the LBI Trustee under this Settlement Agreement, including the mutual release provisions of this Article VIII, effective upon the occurrence of the Effective Date each LB Luxembourg Releasing Party hereby irrevocably releases, discharges and acquits, fully and forever, each LB Luxembourg Released Party from any and all LB Luxembourg Released Claims.
- (b) Nothing in this Settlement Agreement shall operate as a release or waiver of any LB Luxembourg Non-Party Claim.

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Section 8.03 *Interpretation of Releases.* For the avoidance of any doubt, nothing in this agreement shall be interpreted or construed as a release or waiver of any claim for (1) breach of any provision of this Settlement Agreement; or (2) breach of any provision of the Lehman Global Protocol that occurs after the Effective Date.

ARTICLE IX. TERMINATION

Section 9.01 *Automatic Termination.* This Settlement Agreement shall automatically terminate three (3) Business Days after the entry of a Final Order denying Bankruptcy Court Approval or Luxembourg Court Approval.

Section 9.02 *The LBI Trustee's Right to Terminate.* The LBI Trustee shall have the right to terminate this Settlement Agreement before the Effective Date by written notice to LB Luxembourg consistent with Article XI hereof if there is a material breach of the representations, warranties or covenants of LB Luxembourg hereunder, and LB Luxembourg shall fail to cure such breach within ten (10) Business Days following written notice of such breach from the LBI Trustee.

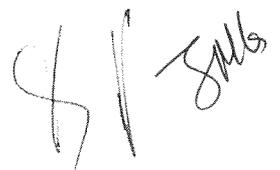
Section 9.03 *LB Luxembourg's Right to Terminate.* LB Luxembourg shall have the right to terminate this Settlement Agreement before the Effective Date by written notice to the LBI Trustee consistent with Article XI if there is a material breach of the representations, warranties or covenants of the LBI Trustee hereunder, and the LBI Trustee shall fail to cure such breach within ten (10) Business Days following written notice of such breach from the LB Luxembourg Liquidators.

Section 9.04 *Effect of Termination.* In the event that this Settlement Agreement is terminated in accordance with its terms, then neither this Settlement Agreement, nor any motion or other pleading filed in the Bankruptcy Court or Luxembourg Court with respect to the approval of this Settlement Agreement, shall have any *res judicata* or collateral estoppel effect or be of any force or effect. Each of the Parties' respective interests, rights, remedies and defenses shall be restored without prejudice as if this Settlement Agreement had never been executed (except as to this Section) and the Parties hereto shall be automatically relieved of any further obligations hereunder. Except as expressly provided herein, this Settlement Agreement and all communications and negotiations among the Parties with respect hereto or any of the transactions contemplated hereunder are without waiver of or prejudice to the Parties' rights and remedies and the Parties hereby reserve all claims, defenses and positions that they may have with respect to each other.

ARTICLE X. VENUE AND CHOICE OF LAW

Section 10.01 *Venue.*

- (a) To the maximum extent permissible by law, the Parties expressly consent and submit to the exclusive jurisdiction of the Bankruptcy Court over any actions or proceedings relating to the enforcement or interpretation of this Settlement Agreement and any Party bringing such action or proceeding shall bring such action or proceeding in the Bankruptcy Court.



- (b) Each of the Parties agrees that a final judgment in any such action or proceeding, including all appeals, shall be conclusive and may be enforced in other jurisdictions (including any foreign jurisdictions) by suit on the judgment or in any other manner provided by applicable law.
- (c) If the Bankruptcy Court refuses or abstains from exercising jurisdiction over the enforcement of this Settlement Agreement and/or any actions or proceedings arising hereunder or thereunder, then the Parties agree that venue shall be in any court in the State of New York having proper jurisdiction.
- (d) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, (i) any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Settlement Agreement with the Bankruptcy Court or with any other state or federal court located within the County of New York in the State of New York; and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.
- (e) Each Party irrevocably consents to service of process in the manner provided for notices in Section XI hereof. Nothing in this Settlement Agreement will affect the right, or requirement, of any Party to this Settlement Agreement to serve process in any other manner permitted or required by applicable law.

Section 10.02 *Choice of Law*. This Settlement Agreement and all claims and disputes arising out of or in connection with this Settlement Agreement, shall be governed by and construed in accordance with the laws of the State of New York and US Bankruptcy Law, without regard to choice of law principles to the extent such principles would apply a law other than that of the State of New York or US Bankruptcy Law.

ARTICLE XI. NOTICES

All notices and other communications given or made pursuant to this Settlement Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next Business Day, (c) three days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one Business Day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

To the LBI Trustee at:

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, New York 10004
Attn: James B. Kobak, Jr. & Jeffrey M. Greilshheimer
Email: kobak@hugheshubbard.com
greilshc@hugheshubbard.com

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To LB Luxembourg:

Jacques Delvaux
2, rue de la Chapelle
L-1325 Luxembourg
Boite postale 320
L-2013 Luxembourg
Email: avocat@jacques-delvaux.lu

-and-

Laurent Fisch
Avocat à la Cour
14, rue Auguste Lumiere
Luxembourg-City, L-1950
Email: laurent.fisch@luxlegal.com

With a copy (which shall not constitute notice) to:

Dechert LLP
1095 Avenue of the Americas
New York, New York 10036-6797
Attn: Shmuel Vasser
E-mail: shmuel.vasser@dechert.com

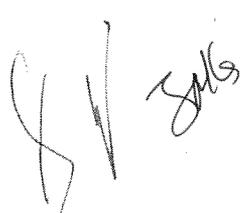
or to such other address as may have been furnished by a Party to each of the other Parties by notice given in accordance with the requirements set forth above.

ARTICLE XII. EXPENSES

The fees and expenses incurred by each Party (including the fees of any attorneys, accountants, investment bankers, financial advisors or any other professionals engaged by such Party) in connection with this Settlement Agreement and the transactions contemplated hereby, whether or not the transactions contemplated hereby are consummated, shall be paid by such Party.

ARTICLE XIII. NO PERSONAL LIABILITY

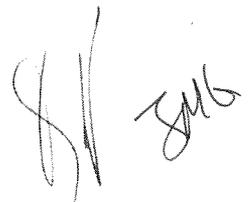
Section 13.01 *LBI Trustee*. The Parties accept and agree that this Settlement Agreement and all actions and measures contained herein do not give rise to any personal liability on the part of the LBI Trustee, his firm and its partners and employees, and their representatives or other professional advisors, and to the extent any such personal liability existed, the Parties explicitly waive any and all potential rights and claims against them, their firm and its partners and employees, and their representatives and other professional advisors. Any claim by a Party against the LBI Trustee or LBI arising under or relating to this Settlement Agreement shall only be satisfied out of the assets of LBI that are allocated to the LBI general estate.

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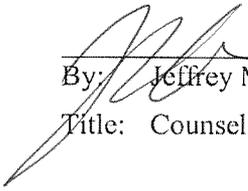
Section 13.02 *LB Luxembourg Liquidators*. The Parties accept and agree that this Settlement Agreement and all actions and measures contained herein do not give rise to any personal liability on the part of the LB Luxembourg Liquidators, their firm and its partners and employees, and their representatives or other professional advisors, and to the extent any such personal liability existed, the Parties explicitly waive any and all potential rights and claims against them, their firm and its partners and employees, and their representatives and other professional advisors. Any claim by a Party against the LB Luxembourg Liquidators or LB Luxembourg arising under or relating to this Settlement Agreement shall only be satisfied out of the assets of the insolvency estate of LB Luxembourg.

ARTICLE XIV. WAIVER OF JURY TRIAL

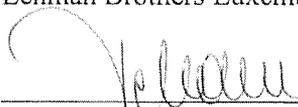
EACH OF THE PARTIES HERETO HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY, UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS SETTLEMENT AGREEMENT OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH OR IN RESPECT OF ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF ANY PARTY OR ARISING OUT OF ANY EXERCISE BY ANY PARTY OF ITS RESPECTIVE RIGHTS UNDER THIS SETTLEMENT AGREEMENT OR IN ANY WAY RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO ANY ACTION TO RESCIND OR CANCEL THIS SETTLEMENT AGREEMENT AND WITH RESPECT TO ANY CLAIM OR DEFENSE ASSERTING THAT THIS SETTLEMENT AGREEMENT WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER OF RIGHT TO TRIAL BY JURY IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH OF THE PARTIES HERETO IS HEREBY AUTHORIZED TO FILE A COPY OF THIS ARTICLE XIV IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER. THIS WAIVER OF JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE PARTIES HERETO TO ENTER INTO THIS SETTLEMENT AGREEMENT.

Handwritten signatures in black ink, appearing to be initials or names, located in the bottom right corner of the page.

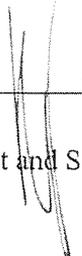
James. W. Giddens, as SIPA Trustee for the
Liquidation of Lehman Brothers Inc.


By: Jeffrey M. Greilshheimer
Title: Counsel

Lehman Brothers Luxembourg


By: Jacques Delvaux
Title: One of the Joint and Several
Liquidators

-and-


By: Laurent Fisch
Title: One of the Joint and Several
Liquidators