

Execution Version

SETTLEMENT AGREEMENT

made and entered into as of February 21, 2013

by and among

the LBI TRUSTEE

and

LBIE,

by its Joint Administrators

and

the JOINT ADMINISTRATORS

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SETTLEMENT AGREEMENT

This Settlement Agreement (this “**Agreement**”) is made and entered into as of February 21, 2013 (the “**Execution Date**”) by and among (i) James W. Giddens, without personal liability and solely in his capacity as trustee for the liquidation of Lehman Brothers Inc. under SIPA (as defined in Annex A), (ii) Lehman Brothers International (Europe) (in administration), a corporation organized under the laws of the United Kingdom (“**LBIE**”), acting (x) on its own account, (y) on behalf of Underlying Customers in respect of the Omnibus Customer Claim (both as defined in Annex A) (LBIE, in such capacity, the “**Omnibus Customer Claimant**”), and (z) in its capacity as the trustee of the UK statutory trust of client money arising under CASS 7 (LBIE, in such capacity, the “**LBIE Client Money Trustee**”), in each case by the Joint Administrators (as defined in Annex A) acting as agents and without personal liability, and (iii) solely with respect to Articles VI (so far as relating to them) and XIII through XXVI and Sections 2.04(b), 4.03, 4.04(a) (first sentence), 9.02 and 10.06, the Joint Administrators. The LBI Trustee (as defined in Annex A), LBIE and the Joint Administrators may each be referred to individually as a “**Party**” and collectively as the “**Parties**” but references to a Party or Parties shall only include the Joint Administrators to the extent stated above.

RECITALS

A. At 7:56 a.m., local time, on September 15, 2008, the High Court of Justice of England and Wales, Chancery Division, Companies Court, acting in case number 7942 of 2008 (the “**UK Proceeding**”), made an administration order, pursuant to the (UK) Insolvency Act 1986, in respect of LBIE and at such time appointed Anthony Victor Lomas and Steven Anthony Pearson, and by an order made on November 30, 2009 appointed Derek Anthony Howell, and by an order made on November 2, 2011 appointed Paul David Copley and Russell Downs, each of the foregoing a partner of PricewaterhouseCoopers LLP (“**PwC**”), as joint administrators of LBIE with power to act severally.

B. 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 section 78eee(b)(3) of SIPA and (ii) removed the case to the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) pursuant to section 78eee(b)(4) of SIPA (the “**SIPA Proceeding**”).

C. On January 30, 2009, LBIE initially filed claims against the LBI estate on its own account and on behalf of its underlying clients. LBIE and the LBI Trustee are currently litigating the LBIE House Claim and Omnibus Customer Claim (each as defined in Annex A) in the Bankruptcy Court. Pursuant to the Initial Scheduling Orders and Discovery Plans entered by the Bankruptcy Court on August 8, 2011 (the “**House Scheduling Order**,” Docket No. 08-01420, ECF No. 4475) and December 20, 2011 (the “**Omnibus Scheduling Order**,” Docket No. 08-01420, ECF No. 4813), and the Stipulation and Order entered September 13, 2012 (Docket No. 08-01420, ECF No. 5291), the Parties have already engaged in extensive discovery, and trial, if necessary, would be scheduled to begin in 2013.

D. On July 31, 2012, the LBI Trustee submitted a proof of debt to the Joint Administrators in respect of LBI's unsecured claims against LBIE (the "**LBI Unsecured Claim**").

E. In addition to the LBI Unsecured Claim against LBIE, LBI has asserted claims for certain securities held immediately prior to the commencement of the UK Proceeding by LBIE in trust for LBI (such claims, the "**Trust Assets Claim**") and a Client Money Claim (as defined in Annex A) comprising, among other claims, claims in respect of exchange-traded derivatives and post-administration income on securities held by LBIE (such Client Money Claim, the "**LBI Client Money Claim**").

F. LBIE and the LBI Trustee have engaged in extensive discussions, negotiations and due diligence, as well as an extensive exchange of information, all in a good faith attempt to reach an overall settlement that would result in the final determination of all claims and the conclusion of all litigation between them.

G. The Parties recognize that there are certain claims filed against both of their estates that should properly have been filed in whole or in part, if at all, only against the LBIE estate, and the Parties agree that a fundamental premise of this Agreement is that such duplicative or otherwise improper claims will be disallowed and expunged from the LBI estate and that such claimants will be enjoined from seeking recourse against LBIE with respect to such claims other than through the UK Proceeding.

H. The LBI Trustee, LBIE and the Joint Administrators desire to resolve all disputes and issues among them so as to avoid extensive, uncertain and expensive litigation.

I. The LBI Trustee believes that implementing the overall settlement with LBIE as set forth herein (and satisfying the conditions hereof) will enable him to make a 100% distribution, with respect to allowed LBI customer claims, and expeditiously to allocate customer and general estate assets, provide for the distribution of post-filing income and distribute estate property to customers and general unsecured creditors, in each case with LBIE's support.

AGREEMENT

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 is hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

1.01. *Definitions.* Except as otherwise specified herein, capitalized terms used but not defined in this Agreement have the respective meanings set forth in Annex A hereto.

1.02. *Other Definitional and Interpretative Provisions.* The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement unless otherwise specified. The headings utilized herein are included for convenience of reference only and shall

in no way affect the construction, meaning or interpretation hereof. References in this Agreement to Articles, Sections, Annexes, Schedules and Exhibits are to Articles and Sections of, and Annexes, Schedules and Exhibits to, this Agreement unless otherwise specified. Each of Annex A and the Schedules and Exhibits hereto is hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in Annex A, or in any Schedule, but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Words importing a gender include every gender. Except as the context otherwise may require, the word “or” shall not be exclusive. Whenever the words “include,” “includes” or “including” (but not, for the avoidance of doubt, the word “included”) are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” whether or not they are in fact followed by those words or words of like import. “Writing,” “written” and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any statute, or secondary or subordinate legislation, shall be deemed to refer to such statute, or secondary or subordinate legislation, as amended from time to time (and as in effect at any particular time) and, where applicable, to any rules or regulations promulgated thereunder (and in effect at any particular time). References to “from” or “through” any date mean, unless otherwise specified, from and including or through and including, respectively. References to “law” or “laws” shall be deemed also to include any and all applicable law, including any applicable statute, code, ordinance, rule, regulation, judgment, order, writ, decree or injunction and any applicable common law. References to “third parties” shall be deemed to refer to Persons other than LBIE, the LBI Trustee and the Joint Administrators. References to any agreement shall be deemed to refer to such agreement as amended, supplemented or otherwise modified from time to time. Unless otherwise specified, all references to dollar amounts expressed herein are to United States dollars. References herein to a Person “in any capacity” (or the like) includes such Person in its individual capacity and/or for its own account.

ARTICLE II SETTLEMENT OF CLAIMS

2.01. Disposition of LBI Claims Against LBIE.

(a) Trust Assets Claim and LBI Client Money Claim.

(A) *Trust Assets Claim.* If the Effective Time occurs, then, effective automatically upon, and as of, the occurrence of the Effective Time (and without the necessity of any further action on the part of any Party), but subject to Section 2.01(a)(C) as regards any Barclays APA Transferred Property, the LBI Trustee hereby assigns, without giving any covenants for title, any and all right, title and interest of the LBI Trustee at the Effective Time in, to or under the Trust Assets Claim to LBIE, subject to such Encumbrances as may apply thereto (or to any portion thereof) or to the assets which are the subject matter of that Claim (or to any portion thereof) at the Effective Time.

(B) *LBI Client Money Claim.* Contemporaneously with the execution and delivery hereof, the LBI Trustee is executing and delivering, and depositing into escrow pursuant to a separate letter agreement with the Escrow Agent (the “**Escrow**

Agreement”), the Deed of Assignment. If the Effective Time occurs, then, effective automatically upon delivery by the Escrow Agent in accordance with the Escrow Agreement of the Deed of Assignment, but subject to Section 2.01(a)(C) as regards any Barclays APA Transferred Property, the LBI Trustee will have (pursuant to said Deed of Assignment) assigned, without giving any covenants for title, any and all right, title and interest of the LBI Trustee at the Effective Time in, to or under the LBI Client Money Claim to Laurifer Limited, a company incorporated under the laws of Jersey, having its registered office at Ogier House, The Esplanade, St Helier, Jersey JE4 9WG (“**Laurifer**”), subject to Encumbrances as set forth in the Deed of Assignment. LBIE agrees that it shall have notice of such assignment by virtue of delivery of the Deed of Assignment in accordance with the Escrow Agreement. The LBI Trustee further covenants that, between the Execution Date and the Effective Time, he will not (except to the extent required under or pursuant to the Barclays APA, and subject in any event to Section 23 of the Barclays Clarification Letter and without limitation of the LBI Trustee’s obligations under Article X) assign or transfer any right, title or interest of the LBI Trustee in, to or under the LBI Client Money Claim to any third party. If, notwithstanding the Deed of Assignment, the LBI Trustee receives at any time after the Execution Date any payment which pursuant to the Deed of Assignment should have been paid to Laurifer if the Effective Time had occurred, the LBI Trustee shall (i) promptly upon receipt of such payment notify LBIE that he has received such payment and the amount thereof, and (ii) at LBIE’s sole expense, promptly after receipt of such payment (if the Effective Time has occurred) or (if the Effective Time has not occurred) promptly after the occurrence of the Effective Time, deliver such payment to such account as LBIE may specify in writing to the LBI Trustee. If, before, on or after the occurrence of the Effective Time, the LBI Trustee shall repurchase or otherwise reacquire from Barclays any interest in the LBI/LBIE ETD Accounts that immediately prior to such repurchase or reacquisition constituted Barclays APA Transferred Property (or shall purchase or otherwise acquire any Barclays LBI ETD Claim), then the LBI Trustee shall (x) promptly after consummation of such transaction, notify LBIE thereof, and (y) promptly after consummation of such transaction (if the Effective Time has occurred) or (if the Effective Time has not occurred) promptly after the occurrence of the Effective Time, execute and deliver to Laurifer a deed of assignment assigning to Laurifer, without giving any covenants for title (and subject to such Encumbrances as may apply thereto (or to any portion thereof)), any and all right, title and interest of the LBI Trustee in, to or under such interest in the LBI/LBIE ETD Accounts (or Barclays LBI ETD Claim) so purchased or otherwise acquired. If, after the occurrence of the Effective Time, it shall be definitively and finally determined that an interest in the LBI/LBIE ETD Accounts that, as at the Effective Time, constituted Barclays APA Transferred Property by reason of the first sentence of Section 23 of the Barclays Clarification Letter will never be sold pursuant to said first sentence of Section 23 of the Barclays Clarification Letter, then the LBI Trustee shall, promptly upon receiving notice from LBIE of such development or promptly upon himself becoming aware of such development, to the extent that the LBI Trustee may do so without violating the Barclays APA (as determined in good faith by the LBI Trustee), execute and deliver to Laurifer a deed of assignment assigning to Laurifer, without giving any covenants for title (and subject to such Encumbrances as may apply thereto (or to any portion thereof)), any and all right, title and interest of the LBI Trustee in, to or under such incremental interest in the LBI/LBIE ETD Accounts described above in this sentence.

(C) *No Disposition of Barclays APA Transferred Property.*

Notwithstanding anything in this Agreement or the Deed of Assignment to the contrary, the LBI

Trustee does not pursuant to any provision of this Agreement or the Deed of Assignment purport to assign, transfer, waive, withdraw with prejudice, expunge, disallow or Release or to have agreed to assign, transfer, waive, withdraw with prejudice, expunge, disallow or Release, and in any event shall not be deemed pursuant to any provision of this Agreement or the Deed of Assignment to have assigned, transferred, waived, withdrawn with prejudice, expunged, disallowed or Released or to have agreed to assign, transfer, waive, withdraw with prejudice, expunge, disallow or Release, any Barclays APA Transferred Property.

(b) *No Support For or Benefit from Tracing Claim.* LBIE covenants (i) to procure that neither Laurifer nor any direct or indirect successor or assignee thereof in respect of the interest in the LBI Client Money Claim (inclusive of any interest in LBI/LBIE ETD Accounts or Barclays LBI ETD Claims) to be assigned to Laurifer pursuant to the Deed of Assignment and any other deed of assignment executed and delivered pursuant to Section 2.01(a)(B) shall directly or indirectly prosecute, assert, pursue, support or provide support (other than to the extent ordered by a competent court to pay or contribute to costs) for any claim, proceeding, motion or other action against LBHI in respect of Client Money (any of the foregoing, a “**Tracing Claim**”) and (ii) to the extent that Laurifer or any direct or indirect successor or assignee thereof receives an enhanced recovery of Client Money referable to a Claim acquired pursuant to the Deed of Assignment or any other deed of assignment executed and delivered pursuant to Section 2.01(a)(B) by reason of the Client Money Pool being increased by the proceeds of any Tracing Claim, within thirty (30) days of any distribution of Client Money to pay to LBHI an amount equal to the amount by which Laurifer’s share, and/or the share of any direct or indirect successor or assignee of Laurifer, of any such distribution is so enhanced (it being agreed for this purpose that the proceeds of a Tracing Claim shall be deemed distributed before any other amounts forming part of the Client Money Pool at the time of the relevant distribution).

2.02. Disposition of LBIE Claims Against LBI.

(a) Omnibus Customer Claims.

(A) *Allowed Omnibus Customer Claim.* If the Effective Time occurs, then, effective automatically upon, and as of, the occurrence of the Effective Time (and without the necessity of any further action on the part of any Party), the Omnibus Customer Claim is hereby allowed in accordance with SIPA as a customer claim in the SIPA Proceeding for, and in the net equity amount of, the cash and securities described on Schedule 2.02(a)(A) (the “**Allowed Omnibus Claim**”). The amount of the Allowed Omnibus Claim shall not be subject to further reduction.

(B) *Omnibus Distributions.* If the Effective Time occurs, then, after the Effective Time, subject to Sections 2.02(e) and 2.06(b) and Article VIII and to any applicable terms of the Bankruptcy Court Orders other than the Expungement Order (to the extent in accordance with Section 11.03(a)) entered by the Bankruptcy Court and becoming Final Orders prior to the Effective Time (and in effect), the LBI Trustee shall distribute (in accordance with Section 2.02(f)(A)) to LBIE (which distribution shall be held by LBIE in trust under English law to be distributed by LBIE in a manner consistent with this Agreement (LBIE, in such capacity, the “**Omnibus Claim Trustee**”)), the following:

(i) subject to Sections 2.02(a)(E), 2.02(j) and 2.06(b), the securities listed on Schedule 2.02(a)(B) hereto (collectively, subject to Sections 2.02(a)(E), 2.02(j) and 2.06(b), the “**Omnibus Securities**”);

(ii) subject to Sections 2.02(a)(E), 2.02(j) and 2.06(b), an amount of cash equal to \$1,573,858,096 (such amount, subject to Sections 2.02(a)(E), 2.02(j) and 2.06(b), the “**Omnibus Cash-In-Lieu Payment**”); and

(iii) subject to Section 2.06(b), an amount of cash equal to \$2,323,900,665 (such amount, subject to Section 2.06(b), the “**Omnibus Cash Payment**”).

Such distributions (as the same may be reduced pursuant to Sections 2.02(e), 2.06(b) and Article VIII, if applicable) shall be in complete satisfaction of the Allowed Omnibus Claim (except for, if, pursuant to a mutual waiver of the 100% Conditions, the LBI Trustee fails to effect a 100% Distribution in respect of the Allowed Omnibus Claim (it being understood that such failure, to the extent not in violation of any agreement entered into by the LBI Trustee and LBIE in connection with any such mutual waiver of the 100% Conditions, would not constitute a breach of this Agreement), any claim in the SIPA Proceeding that LBIE would have in respect of the shortfall between the amount that the LBI Trustee does distribute in respect of the Allowed Omnibus Claim and the amount that the LBI Trustee would have distributed if he had effected such 100% Distribution in respect of the Allowed Omnibus Claim (an “**Omnibus Shortfall Claim**”)), and LBIE shall have no further or other rights with respect to the Omnibus Customer Claim, the Allowed Omnibus Claim or the Omnibus Accounts (or, in each case, the accounts, securities, transactions and/or balances referred to therein) (except (aa) with respect to the Specified Post-Filing Income as specified pursuant to Section 2.02(c), (bb) as specified in the parenthetical to this sentence that begins with the words “except for”, and/or (cc) as the Parties may otherwise agree in negotiating a waiver).

(C) *Nature of Omnibus Cash-In-Lieu Payment.* The Parties acknowledge that the Omnibus Cash-In-Lieu Payment (in the initial amount specified in Section 2.02(a)(B)(ii)) is in lieu of the securities listed on Schedule 2.02(a)(C) hereto, as prepared as of September 30, 2012.

(D) *Change in Value of Omnibus Securities.* The LBI Trustee shall not have any Liability to LBIE, and no adjustment shall be made to any of the distributions specified to be made by the LBI Trustee pursuant to this Article II, in each case in respect of, or otherwise as a result of, any change, prior to, on or after the Execution Date, in the market value of the Omnibus Securities. Nothing in this Section 2.02(a)(D) limits or qualifies Section 2.02(a)(E) or Section 2.02(j).

(E) Corporate Actions and the Like Affecting Omnibus Securities.

(I) *Corporate Actions Removing or Replacing Omnibus Securities.* It is understood that Schedule 2.02(a)(B) was prepared as of September 30, 2012, and that as of the Execution Date, the LBI Trustee may already have

ceased to hold, and/or may have received cash, securities or other property in lieu of, certain of the securities listed on such Schedule, as a result of maturities, redemptions, mergers, reclassifications, reorganizations, other corporate actions or the like (including stock dividends but in any event excluding cash dividends or interest) (any of the foregoing, a “**Corporate Action**”) that have occurred since September 30, 2012, and that such events will continue to occur after the Execution Date.

(II) *Corporate Actions Affecting Cash*

Components of the Allowed Omnibus Claim. It also is understood that, since September 30, 2012, (i) the LBI Trustee may have received payments or distributions of principal or capital in respect of certain of the securities listed on Schedule 2.02(a)(B) (or other securities in lieu thereof as described in Section 2.02(a)(E)(I)) (including as a result of events of the nature described in Section 2.02(a)(E)(I)), and (ii) the LBI Trustee may have experienced chargebacks from depositories or other securities intermediaries as corrections to amounts previously credited as payments or distributions of principal or capital of the nature described in clause (i), and that (in the case of each of (i) and (ii)) such events will continue to occur after the Execution Date.

(III) In light of the circumstances described in Sections 2.02(a)(E)(I) and 2.02(a)(E)(II), the Parties agree that the composition of the Omnibus Securities automatically shall be modified from time to time, and the Omnibus Cash-In-Lieu Payment automatically shall be adjusted from time to time, (i) to reflect the changing composition of Omnibus Securities after September 30, 2012 as described in Section 2.02(a)(E)(I) and (ii) to increase the Omnibus Cash-In-Lieu Payment dollar-for-dollar in respect of payments or distributions of principal or capital received by the LBI Trustee after September 30, 2012, and to reflect chargebacks after September 30, 2012, in each case as described in Section 2.02(a)(E)(II), in the case of each of (i) and (ii) strictly in accordance with (including as to the extent and amount of any such modification) the same methodology as was used by the Parties in (x) preparing Schedules 2 and 3 to the Term Sheet, (y) updating Schedules 2 and 3 to the Term Sheet to prepare Schedule 2.02(a)(B) and Schedule 2.02(a)(C) hereto, respectively, and (z) updating the initial Omnibus Cash-In-Lieu Payment specified in Section 2.02(a)(B)(ii) from the corresponding sum specified in clause 2 of Paragraph B of Part I of the Term Sheet ((x), (y) and (z), collectively, the “**Prior Determinations**”).

(IV) The Parties further acknowledge that in performing the Prior Determinations they have endeavored in good faith to reflect, in the manner specified in Section 2.02(a)(E)(III) with respect to Corporate Actions, payments or distributions of principal or capital, or chargebacks, that have occurred, or may occur, after September 30, 2012, all Corporate Actions, payments or distributions of principal or capital, or chargebacks, occurring during the period from (and including) April 1, 2012 through (and including) September 30, 2012, but that certain of such transactions may have been omitted from the Prior Determinations. The Parties agree that, to the extent that any such omitted transactions are discovered (and notified by LBIE to the LBI Trustee, or by the LBI Trustee to LBIE) prior to the commencement of distributions pursuant to Section 2.02(f)(A) hereof, the Parties shall modify the composition of the Omnibus Securities, and the amount of the Omnibus Cash-In-Lieu Payment, to put the

Parties in the same position they would have been in, in relation to such composition or amount, as the case may be, if such omitted transactions had so initially been included in the Prior Determinations provided that this clause (IV) shall be applied only to the extent that the aggregate net impact of such application does not result in a net change in the amount of the Omnibus Cash-In-Lieu Payment in excess of \$25 million.

(V) The Parties acknowledge and agree that, anything in this Section 2.02(a)(E) above to the contrary notwithstanding, no adjustment will be made pursuant to this Section 2.02(a)(E) in respect of distributions or payments on the Omnibus Securities that have been or will be allocated to Specified Post-Filing Income.

(VI) (i) The LBI Trustee shall provide LBIE, commencing as promptly as practicable after the Execution Date, with real-time, read-only access to information with respect to the Omnibus Securities, and the additions to the Omnibus Cash-In-Lieu Payment pursuant to Section 2.02(a)(E)(III), segregated in accordance with Section 2.02(g) (provided that, from and after the Execution Date and until such real-time, read-only, access is provided to LBIE, the LBI Trustee shall provide LBIE with such information (that would have been available to LBIE through such real time, read-only, access (if it was already available to LBIE)) as LBIE reasonably may request from time to time), and (ii) from and after the Execution Date, the Parties periodically shall confer to (x) review and resolve any questions or disagreements concerning the changes in the composition of the Omnibus Securities, and in the amount of the Omnibus Cash-In-Lieu Payment, pursuant to Section 2.02(a)(E)(III) and (y) effect the modifications to the composition of the Omnibus Securities or the amount of the Omnibus Cash-in-Lieu Payment pursuant to Section 2.02(a)(E)(IV).

(b) LBIE House Claim.

(A) Effective automatically upon, and as of, the occurrence of the Effective Time (and without the necessity of any further action on the part of any Party), the LBIE House Claim is hereby allowed in the SIPA Proceeding, as follows (and only as follows):

(i) A customer claim for, and in the net equity amount of, \$500,000,000 in cash in accordance with SIPA (the “**Allowed House Customer Claim,**” and together with the Allowed Omnibus Claim, the “**Allowed LBIE Customer Claims**”) (such amount of such allowed claim not being subject to further reduction); and

(ii) \$4,000,000,000, as a non-priority general unsecured creditor claim (the “**Allowed House General Creditor Claim**” and together with the Allowed House Customer Claim, the “**Allowed House Claim**”) (the amount of such allowed claim not being subject to further reduction and to be treated as provided in Section 2.02(b)(C)).

(B) *Allowed House Customer Claim Distributions.* If the Effective Time occurs, then after the Effective Time, subject to Sections 2.02(e) and 2.06(a) and to any applicable terms of the Bankruptcy Court Orders other than the Expungement Order (to

the extent in accordance with Section 11.03(a)) entered by the Bankruptcy Court and becoming Final Orders prior to the Effective Time (and in effect), the LBI Trustee shall distribute (in accordance with Section 2.02(f)(A)) \$500,000,000 in cash to LBIE. Such distribution (as the same may be reduced pursuant to Section 2.02(e) or 2.06, if applicable) shall be in complete satisfaction of the Allowed House Customer Claim (except for, if, pursuant to a mutual waiver of the 100% Conditions, the LBI Trustee fails to effect a 100% Distribution in respect of the Allowed House Customer Claim (it being understood that such failure, to the extent not in violation of any agreement entered into by the LBI Trustee and LBIE in connection with any such mutual waiver of the 100% Conditions, would not constitute a breach of this Agreement), any claim in the SIPA Proceeding that LBIE would have in respect of the shortfall between the amount that the LBI Trustee does distribute in respect of the Allowed House Customer Claim and the amount that the LBI Trustee would have distributed if he had effected such 100% Distribution in respect of the Allowed House Customer Claim (a “**House Shortfall Claim**”), and LBIE shall have no further rights with respect to the Allowed House Customer Claim (or the accounts, securities, transactions and/or balances referred to therein) (except as specified in the parenthetical to this sentence that begins with the words “except for” and/or as the Parties may otherwise agree in negotiating a waiver) or (except for the Allowed House General Creditor Claim) with respect to the LBIE House Claim (or the accounts, securities, transactions and/or balances referred to therein).

(C) *General Creditor Claim Distributions.* If the Effective Time occurs, then, after the Effective Time, the Allowed House General Creditor Claim, the Omnibus Shortfall Claim (if any) and the House Shortfall Claim (if any) shall receive the same treatment afforded other allowed non-priority general unsecured claims in the SIPA Proceeding, including with respect to any applicable distribution rate and the time of distribution.

(c) Specified Post-Filing Income.

(A) In addition to the distributions described in Sections 2.02(a) and 2.02(b), if the Effective Time occurs, then, after the Effective Time, subject to Sections 2.02(e), 2.06 and Article VIII, the LBI Trustee shall make one or more distributions (in accordance with Sections 2.02(f)(C) and 2.02(f)(D)) to LBIE (which distribution shall be held by LBIE as Omnibus Claim Trustee) in respect of the Specified Post-Filing Income (the “**Specified Post-Filing Income Distributions**”).

(B) The “**Specified Post-Filing Income**” means, and will consist of (and only of), the following Post-Petition D&I, without duplication:

(I) the sum of \$614,235,817, which the Parties agree reflects the Parties’ mutual calculation as of the date hereof of the amount of Post-Petition D&I that would be distributed to LBIE pursuant to the form of Post-Filing Income Methodology Order set forth in Part B of Exhibit B hereto through December 31, 2012; plus

(II) an amount equal to all cash dividends and interest actually, and definitively, credited to the Settlement Agreement Accounts after December 31, 2012 (other than as a result of depository, or other intermediary,

corrections, adjustments, chargebacks, reconciliations or the like with respect to cash dividend or interest payments occurring prior to or on December 31, 2012) with respect to the securities (constituting Omnibus Securities from time to time in accordance with Section 2.02(a)(E)) carried therein from time to time (it being acknowledged by the Parties that the LBI Trustee commenced the segregation required pursuant to clause (ii) of the first sentence of Section 2.02(g)(A) prior to that date (i.e., prior to the Execution Date)), after reflecting the effects in relation thereto of any depository, or other intermediary, corrections, adjustments, chargebacks, reconciliations or the like; plus

(III) to the extent that, for any period of time after December 31, 2012, any particular security (constituting an Omnibus Security at that time in accordance with Section 2.02(a)(E)) was not or is not carried in a Settlement Agreement Account, the amount of Post-Petition D&I that would be distributed to LBIE pursuant to the Post-Filing Income Methodology Order with respect to such particular Omnibus Security with respect to such period of time, as determined in good faith by the LBI Trustee after consultation with LBIE.

(d) *No Setoff.* Neither the amounts of the LBIE Allowed Claims, the Omnibus Shortfall Claim (if any) and the House Shortfall Claim (if any) nor any distributions in respect thereof nor the Specified Post-Filing Income Distributions shall be subject to Setoff by the LBI Trustee; provided, however, that (i) solely with respect to any such distributions, this Section 2.02(d) is subject, as applicable, to Sections 2.02(e) and 2.06 and Article VIII, and (ii) it is understood and agreed for the avoidance of doubt that if (as is likely to be the case) the distributions in respect of allowed non-priority general unsecured claims in the SIPA Proceeding, as provided for in Section 2.02(b)(C), are less than 100% of the subject claims, this shall not comprise a reduction within the meaning of the definition of the term “Setoff” or otherwise constitute a Setoff.

(e) *100% Distribution.* The Parties acknowledge that the distributions specified in Sections 2.02(a)(B), 2.02(b)(B), and 2.02(c) hereof (collectively, the “**Specified LBIE Allowed Customer Distributions**”) assume that the 100% Conditions will be satisfied and that a 100% Distribution will occur. However, if (i) the 100% Conditions are not satisfied, but are waived in accordance with Article XI, and (ii) the Effective Time otherwise occurs pursuant to Article XI, then, notwithstanding anything in this Agreement (other than the terms of Article XI) to the contrary, only a portion of the Specified LBIE Allowed Customer Distributions will be made (and will be required to be made) by the LBI Trustee to LBIE (as agreed by the LBI Trustee and LBIE in connection with any such waiver of the 100% Conditions).

(f) *Timing of Distributions.* If the Effective Time occurs, then, subject to, and in accordance with, Sections 2.02(e) and 2.02(h):

(A) the LBI Trustee shall complete the distributions specified in Sections 2.02(a)(B) and 2.02(b)(B) as soon as reasonably practicable after the Effective Time (and within ten (10) Business Days after the Effective Time with respect to the cash portion of such distributions and within sixty (60) days after the Effective Time with respect to the Omnibus Securities), provided that the LBI Trustee may take a longer period solely to the extent that, with respect to any particular securities (or other property, including with respect to cash

transfers), in the good faith determination of the LBI Trustee, a longer period is required due to operational, contractual, legal, administrative or other like constraints, provided, further, that in any event the LBI Trustee shall (x) complete the cash portion of the distributions within sixty (60) days after the Effective Time and (y) complete the securities (and other non-cash property) portion of the distributions within one hundred eighty (180) days after the Effective Time or such later date as LBIE (acting reasonably) may agree;

(B) the LBI Trustee shall provide written notice to LBIE compliant with Article XXI no later than sixty (60) days after the Effective Time identifying the securities or other property that the LBI Trustee determines are subject to the first proviso to Section 2.02(f)(A) and the reason therefor;

(C) the LBI Trustee will distribute that portion of the Specified Post-Filing Income Distributions payable to LBIE pursuant to clause (I) of Section 2.02(c)(B) within the time period specified (for the cash distributions described therein) in Section 2.02(f)(A) (including the provisos thereto); and

(D) the LBI Trustee will distribute that portion of the Specified Post-Filing Income Distributions payable to LBIE pursuant to clause (II) or (III) of Section 2.02(c)(B) in relation to any particular security, (i) with respect to all items of Specified Post-Filing Income received by the LBI Trustee more than 90 days prior to the first delivery to LBIE of securities pursuant to said Section 2.02(f)(A), within the time period specified (for the cash distributions described therein) in Section 2.02(f)(A) (including the provisos thereto), or (ii) except as otherwise specified in clause (i), within 90 days of the delivery to LBIE of such particular security pursuant to said Section 2.02(f)(A) (or, in the case of each of (i) and (ii), such later date as may be agreed by the LBI Trustee and LBIE).

(g) Management and Custody of Omnibus Securities and Cash.

(A) With regard to the management of the securities included in the Omnibus Securities, at all times after the Execution Date and prior to the distribution of such securities to LBIE, as Omnibus Claim Trustee, in accordance with the terms hereof: (i) the LBI Trustee will not voluntarily sell, transfer or otherwise dispose of the Omnibus Securities (it being understood and agreed, for the avoidance of doubt, that this clause (i) applies only to the specific quantum, of any particular security, included in the Omnibus Securities and that (without limitation of the foregoing) this clause (i) does not restrict in any manner any sale, transfer or other disposition by the LBI Trustee of a particular security of a class or series included in the Omnibus Securities so long as the LBI Trustee complies with clause (i) in relation to such specific quantum, of such security, included in the Omnibus Securities, provided that the LBI Trustee further covenants that (to the extent that he may do so without violation of any confidentiality obligations to which he may be subject or any applicable law) he will give LBIE at least ten (10) days' prior notice (or, if giving ten (10) days' prior notice is not commercially practicable in any particular instance, such shorter advance notice as is commercially practicable under such circumstances) of any such voluntary sale by the LBI Trustee of a particular class or series of securities (listed on a national securities exchange or regularly quoted in an over-the-counter market by one or more members of a national or an affiliated securities association) of the same class or series of securities included in the Omnibus Securities (other than pursuant to a

Corporate Action and other than, for the avoidance of doubt, any return of securities to customers or other distribution of securities in the SIPA Proceeding) if (x) the aggregate proceeds to the LBI Trustee of such sale is anticipated to exceed \$50 million (with respect to equity securities) or \$150 million (with respect to debt securities) or (y) the amount of such securities that the LBI Trustee intends to sell constitutes not less than 3% (with respect to equity securities) or 5% (with respect to debt securities) of all the outstanding securities of such class or series (such notice to include identification of the particular class or series of the securities that the LBI Trustee proposes to sell, as well as the estimated quantum, estimated sales price, and earliest possible date, of such proposed sale)); and (ii) to the extent reasonably practicable, the LBI Trustee will carry the Omnibus Securities, and the additions to the Omnibus Cash-In-Lieu Payment pursuant to Sections 2.02(a)(E)(III) and 2.02(a)(E)(IV), in one or more separate securities, brokerage or deposit accounts or sub-accounts, as applicable, of the LBI Trustee maintained on the books and records of his securities intermediaries and identified on the LBI Trustee's books and records as being held for potential distribution to LBIE pursuant to this Agreement (collectively, the "**Settlement Agreement Accounts**"). The obligations (including restrictions) imposed on the LBI Trustee under this Section 2.02(g)(A) are subject to any action he may be required to take in order properly to discharge his fiduciary duties, as determined by the LBI Trustee in good faith; provided, that (x) nothing in this sentence imposes any obligation on the LBI Trustee to take any particular action, (y) the LBI Trustee shall notify LBIE (to the extent that he may do without violation of any confidentiality obligations to which he may be subject or any applicable law) not less than ten (10) days' prior to taking (or, if giving ten (10) days' prior notice is not commercially practicable in any particular instance, such shorter advance notice as is commercially practicable under such circumstances) any particular action in reliance on his fiduciary duties that he otherwise would have been prohibited from taking pursuant to this Section 2.02(g)(A), and (z) without limitation of the foregoing, this sentence is subject to Section 2.02(g)(B). For the avoidance of doubt, as used in this Section 2.02(g)(A), the term "Omnibus Securities" shall not include any Omnibus Securities that are not to be delivered to LBIE as a result of the application of Section 2.02(e).

(B) It is acknowledged and agreed that, as between the Parties, except as provided in the first sentence of Section 2.02(g)(A), the LBI Trustee shall not have any obligation to take any action (or to forbear to take any action) with respect to the administration or management of the Omnibus Securities. In furtherance and not in limitation of the preceding sentence or of Section 2.02(a)(D), in no event shall the LBI Trustee have any Liability for any act or omission (at any time prior to, on or after the Execution Date) by him in connection with the administration or management of the Omnibus Securities in breach of Section 2.02(g)(A), provided that this sentence shall not apply to any act or omission of the LBI Trustee constituting gross negligence or willful misconduct. For the avoidance of doubt, nothing in this Section 2.02(g)(B) limits or qualifies the LBI Trustee's obligations (or Liability in relation thereto) set forth in Sections 2.02(a), 2.02(c), 2.02(f), 2.02(h) and 2.02(j).

(h) *Distribution Account; Cooperation to Effect Transfers.* All distributions of securities, cash or other property by the LBI Trustee to LBIE pursuant to this Agreement shall be effected: (i) with respect to securities held by the LBI Trustee or his securities intermediary through a clearinghouse or book-entry system, by a transfer (including by transfers of security entitlements (as such term is defined under Section 8-102 of the New York Uniform Commercial Code)) of the LBI Trustee's entitlements to such securities to a brokerage

or securities account (“**LBIE’s Securities Account**”) that LBIE shall have established in its name (in its capacity as Omnibus Claim Trustee), or in the name of the Withholding Agent, in each case at the LBI Trustee’s securities intermediary at or through which the Omnibus Securities are then being held or at such other securities intermediary (including a securities intermediary located outside of the United States) as directed by LBIE and consented to by the LBI Trustee (such consent not to be unreasonably withheld, conditioned or delayed) (“**LBIE’s Custodian**”); (ii) with respect to certificated securities in the possession of the LBI Trustee or his agent or securities intermediary (and, for the avoidance of doubt, not falling within clause (i)), by the delivery to LBIE’s Custodian of such certificated securities, (x) if LBI or the LBI Trustee is the registered holder of any particular certificated security, duly endorsed, or accompanied by stock powers or bond powers duly executed, by the LBI Trustee in blank or in the name of LBIE’s Custodian, or (y) if neither LBI nor the LBI Trustee is the registered holder of any particular certificated security, as the same may have been endorsed by the registered holder thereof or together with such stock power or bond power executed by the registered holder thereof as may be in the possession of the LBI Trustee or its agent or securities intermediary, for credit to LBIE’s Securities Account; (iii) with respect to uncertificated securities registered in the name of LBI or the LBI Trustee or its or their nominee (and, for the avoidance of doubt, not falling within clause (i)), by the registration of such securities in the name of LBIE’s Custodian; (iv) with respect to cash, by transfer (including by wire transfer) of such funds to a deposit account that LBIE shall have established in its name (in its capacity as Omnibus Claim Trustee or LBIE Client Money Trustee or for its own account, as applicable), or in the name of the Withholding Agent, with an intermediary selected by LBIE and consented to by the LBI Trustee (such consent not to be unreasonably withheld, conditioned or delayed); and (v) with respect to any other property, in such manner reasonably agreed by the Parties; provided that, notwithstanding any provision of this Agreement to the contrary, with respect to any fractional share otherwise to be distributed to the Omnibus Claim Trustee under this Section 2.02, the LBI Trustee may, in his discretion, either (i) deliver such fractional share, (ii) deliver a whole share in lieu of such fractional share or (iii) in lieu of delivering such fractional share, pay to the Omnibus Claim Trustee the cash value (at the time) of such fractional share as reasonably determined by the LBI Trustee. LBIE shall execute and deliver to the LBI Trustee, and the LBI Trustee shall execute and deliver to LBIE, such instruments as may be reasonably requested from time to time (provided that the LBI Trustee in no event shall be required to incur any Liabilities, or make any representation or warranty, pursuant to any such request) so that any such transfer by the LBI Trustee fully complies with all provisions of law, including United States securities laws, applicable to such transfer and also complies, to the extent applicable, with all restrictions, or other terms and conditions, to which the LBI Trustee (or the relevant property) is subject in connection with such transfer by the terms of any contract, the terms of any certificate of incorporation or other governing document of an issuer or the like (all such applicable laws or restrictions or other terms or conditions, collectively, the “**Transfer Restrictions**”). Without limitation of the preceding sentence, it is understood and agreed that, subject to Section 2.02(j), any other term of this Agreement to the contrary notwithstanding, the LBI Trustee shall not be considered to be in violation of any provision of this Agreement to the extent that the transfer to LBIE or LBIE’s Custodian of any particular Omnibus Securities is delayed, or prevented, as a result of the existence of any Transfer Restrictions. The Parties shall reasonably cooperate and support each other in resolving any Transfer Restrictions. Without limitation of the foregoing, automatically upon the transfer of any particular Omnibus Security

(or other property other than cash) to LBIE's Custodian pursuant to this Section 2.02, LBIE shall be deemed to have assumed, and to have agreed to pay, perform and discharge when due or otherwise required to be performed or discharged, as the case may be, any and all Liabilities of LBI and/or the LBI Trustee (whether existing or accrued as of, or arising on or after, the Effective Time) directly relating to such Omnibus Security (or other property other than cash) (collectively, the "**Omnibus Securities Assumed Liabilities**"); provided that to the extent that any Omnibus Securities Assumed Liability is incurred by LBIE in connection with a breach by the LBI Trustee of Section 4.01(g), such costs associated with such Omnibus Securities Assumed Liabilities shall be borne solely by LBI.

(i) *Cooperation to Effect Assignment of Certain Securities.* If the Effective Time shall occur, then, after the Effective Time, within the time period specified in Section 2.02(f)(A) with respect to the Omnibus Securities, the LBI Trustee shall, with respect to (and solely with respect to) each of the physical certificated securities specified in Schedule 2.02(i) hereto that are in LBIE's possession but registered in the name of LBI, deliver to LBIE a stock power or bond power duly executed by the LBI Trustee in blank or in the name of LBIE (to the extent appropriate) or such other documents reasonably agreed by the Parties that may be required to effect the transfer. LBIE shall execute and deliver to the LBI Trustee, and the LBI Trustee shall execute and deliver to LBIE, such instruments as may be reasonably requested from time to time (provided that the LBI Trustee in no event shall be required to incur any Liabilities, or make any representation or warranty, pursuant to any such request), so that any such transfer by the LBI Trustee fully complies with all Transfer Restrictions. The Parties shall reasonably cooperate and support each other in resolving any Transfer Restrictions. Without limitation of the preceding sentence, it is understood and agreed that, any term of this Agreement to the contrary notwithstanding, the LBI Trustee shall not be considered to be in violation of any provision of this Agreement to the extent that compliance by the LBI Trustee with this Section 2.02(i) is delayed, or prevented, as a result of the existence of any Transfer Restrictions.

(j) *Failure as a Result of a Transfer Restriction to Deliver Omnibus Securities or Non-Cash Property.* If the LBI Trustee fails (except as otherwise specified in this Section 2.02(j)) as a result of a Transfer Restriction to deliver to LBIE (in the manner specified in Section 2.02(h)) any particular securities or other non-cash property required to be distributed by the LBI Trustee to LBIE pursuant to this Section 2.02 (other than Section 2.02(i)) (for the avoidance of doubt, after giving effect to Sections 2.02(e) and 2.06(b) and Article VIII, to the extent applicable) within one hundred eighty (180) days after the Effective Time (or such later date as LBIE (acting reasonably) may agree), and such failure is not due in whole or in part to any breach by LBIE of any of its obligations hereunder (including its obligations under Section 2.02(h)), then, in lieu of delivering such particular securities or other non-cash property (which shall be retained by the LBI Trustee), the LBI Trustee shall increase the Omnibus Cash-In-Lieu Payment by an amount equal to the fair market value of such particular securities or other non-cash property as of the LBI Filing Date. For the purposes of the preceding sentence, "fair market value" shall be as agreed between the Parties, acting reasonably, and, in the absence of such agreement, as determined by an independent valuation expert reasonably acceptable to the Parties, or failing agreement on an independent valuation expert, as determined by the Bankruptcy Court.

2.03. Onward Distribution of the Allowed Omnibus Claim to Customers.

(a) Onward Distribution.

(A) *Certain LBIE Responsibility.* As between the LBI Trustee, on the one hand, and LBIE, as Omnibus Claim Trustee, on the other, responsibility for determining the amount and manner of distribution to the Underlying Customers of the Underlying Customer Distribution Proceeds, including but not limited to whether any portion of such property shall be liquidated, shall not rest with the LBI Trustee and, for the avoidance of doubt, no determinations and allocations in respect of the Underlying Customer Distribution Proceeds are being made or consented to hereunder. For the further avoidance of doubt, this Section 2.03(a)(A) does not qualify, and is subject to, Section 2.03(a)(B).

(B) Onward Distribution.

(i) LBIE, as Omnibus Claim Trustee, covenants to distribute, or cause to be distributed, all of the Underlying Customer Distribution Proceeds solely to Underlying Customers (in their respective capacities as Underlying Customers), except as in accordance with Section 2.03(a)(B)(iii). Nothing in this Section 2.03(a)(B) shall in any respect limit LBIE's ability to liquidate, hold, manage and deal with the property from time to time comprising the Underlying Customer Distribution Proceeds, provided always that the Proceeds of any such liquidation, holding, management or dealing shall themselves form part of the Underlying Customer Distribution Proceeds (other than any UCDP Expenses) and shall be subject to the covenants on the part of LBIE contained in this Section 2.03(a)(B).

(ii) For the avoidance of doubt, the LBI Trustee shall not reduce any distributions to LBIE pursuant to this Agreement on account of any deduction by LBIE, as Omnibus Claim Trustee, pursuant to the Onward Distribution Exceptions. Nothing herein is intended to, or shall, create any property right of any individual Underlying Customer in all or any part of the Underlying Customer Distribution Proceeds. Subject to any confidentiality obligations, the LBI Trustee shall provide reasonable cooperation to LBIE (as requested by LBIE from time to time) in sharing relevant data concerning positions claimed by the Underlying Customers against LBIE in relation to the Allowed Omnibus Claim.

(iii) The obligation of LBIE, as Omnibus Claim Trustee, set forth in Section 2.03(a)(B)(i) is subject to, with respect to any particular Underlying Customer, without duplication: (v) the application of Underlying Customer Distribution Proceeds otherwise to be distributed to such Underlying Customer pursuant to this Section 2.03(a)(B) to the payment of any indebtedness, or the fulfillment of any other obligation, such Underlying Customer owes to LBIE, provided that LBIE shall be acting in a good faith belief in such application being the lawful exercise of its rights as against such Underlying Customer; (w) the application of Underlying Customer Distribution Proceeds otherwise to be distributed to such Underlying Customer pursuant to this Section 2.03(a)(B) in accordance with the terms of any agreement between LBIE and such Underlying Customer now or hereafter in effect, or in accordance with any

instruction of such Underlying Customer, provided that no deduction on account of any costs or expenses of LBIE may be made pursuant to this clause (w) (but instead may be made as provided in, and only as provided in, clause (x)); (x) a deduction from the aggregate amount of Underlying Customer Distribution Proceeds otherwise to be distributed to such Underlying Customer pursuant to this Section 2.03(a)(B) solely in respect of reasonable costs and expenses incurred by LBIE, provided that such deduction, when aggregated with all other similar deductions or recoveries by LBIE (whether made by agreement, court order or otherwise), may not exceed the lesser of (I) one percent (1%) of the aggregate amount (plus VAT, if applicable) that, but for such deduction and such other deductions and recoveries, otherwise would be distributed to such Underlying Customer by LBIE, as Omnibus Claim Trustee, whether related to the Omnibus Accounts or otherwise, and (II) \$2.5 million (plus VAT, if applicable); (y) any interest in any Underlying Customer Distribution Proceeds otherwise to be distributed to such Underlying Customer pursuant to this Section 2.03(a)(B) in favor of a Person entitled to benefit from a valid security interest or lien granted by such Underlying Customer; and (z) any necessary Tax withholdings or deductions by LBIE, with respect to any Underlying Customer Distribution Proceeds otherwise to be distributed to such Underlying Customer pursuant to this Section 2.03(a)(B), for or on account of any Taxes that are required or advisable to be paid or deducted and any deduction by LBIE on account of any Taxes that have been assessed, levied or withheld on, from or by LBIE, or that LBIE reasonably anticipates will be so assessed, levied or withheld (with any amounts withheld or deducted based upon anticipated Taxes being paid over to such Underlying Customer as soon as reasonably practicable if such Taxes are not in fact, and in LBIE's reasonable judgment will not in fact be required to be, assessed, levied or withheld or finally determined to be due), as a result of LBIE receiving or holding or causing to be distributed such Underlying Customer Distribution Proceeds otherwise to be distributed to such Underlying Customer pursuant to this Section 2.03(a)(B) (the exceptions specified in the foregoing clauses (v) through (z) may be referred to herein collectively, as the "**Onward Distribution Exceptions**").

(C) *Plan of Distribution to Customers.* LBIE shall inform periodically (including promptly upon any request by the LBI Trustee) the LBI Trustee (which for the avoidance of doubt the LBI Trustee may share with SIPC), in reasonable detail, as to the manner in which LBIE, as Omnibus Claim Trustee, then currently proposes to distribute or apply (or is then distributing or applying) the Underlying Customer Distribution Proceeds (including information as to the methodologies, any standard form of agreement to be offered to Underlying Customers and (to the extent then known) the specific allocations to Underlying Customers LBIE then currently intends to employ, seek or effect (or has employed, sought or effected or is then employing, seeking or effecting) in connection therewith).

(b) *Reports with respect to LBIE Customer Distributions.* Without limitation of Section 2.03(a)(C), periodically (and in any event not less than once every ninety (90) days (or such greater number of days as the LBI Trustee may consent to in his discretion upon request by LBIE)) after the Effective Time, until all of the Underlying Customer Distribution Proceeds have been distributed or applied in accordance with Section 2.03(a)(B) (or the Undistributed Surplus shall be transferred to the LBI Trustee in accordance with Section 2.03(c)), LBIE shall deliver to the LBI Trustee (which for the avoidance of doubt the LBI

Trustee may share with SIPC) a report (in reasonable detail) (i) specifying (x) the composition of the Underlying Customer Distribution Proceeds (including, by CUSIP, the quantity (but not the value) of the securities included therein) and (y) aggregate UCDP Expenses, in each case as of the day that is thirty (30) days before the date of such report, (ii) specifying (on an Underlying Customer-by-Underlying Customer basis) to the day that is thirty (30) days before the date of such report the distribution or other application by LBIE, as Omnibus Claim Trustee, of the Underlying Customer Distribution Proceeds (or former Underlying Customer Distribution Proceeds), including amounts deducted with respect to each such Underlying Customer in accordance with (broken out separately) each of the Onward Distribution Exceptions, and (iii) including such other information as reasonably may be requested by the LBI Trustee from time to time in relation to Section 2.03(a)(B) and that (in the case of this clause (iii)) is capable of being provided at no significant cost to LBIE (unless the LBI Trustee agrees in writing to reimburse LBIE for such cost, including any irrecoverable VAT) (an “**Onward Distribution Report**”). The Onward Distribution Reports shall be in such format as reasonably may be specified by the LBI Trustee from time to time (if he shall so specify such a format) and consented to by LBIE (such consent not to unreasonably be withheld, conditioned or delayed). LBIE promptly shall reply, in reasonable detail (including to provide any further information reasonably requested and that is capable of being provided at no significant cost to LBIE, unless the LBI Trustee agrees in writing to reimburse LBIE for such cost, including any irrecoverable VAT), to any questions that the LBI Trustee might reasonably pose with respect to the information set forth in any Onward Distribution Report. Without limitation of the foregoing, LBIE promptly shall notify the LBI Trustee when it has completed all distributions that it, as Omnibus Claim Trustee, has intended to make pursuant to Section 2.03(a)(B).

(c) *Undistributed Surplus.* If, by the date that is ninety (90) days after the latest of (i) the final resolution of any and all Claims between LBIE, as Omnibus Claim Trustee, and its Underlying Customers in relation to the distribution of the Underlying Customer Distribution Proceeds, (ii) the expiration of any statutes of limitation or other time limitations applicable to any Claims that could be asserted by any Underlying Customer against LBIE in relation to the distribution of the Underlying Customer Distribution Proceeds, and (iii) the completion of all distributions of the Underlying Customer Distribution Proceeds by LBIE, as Omnibus Claim Trustee, pursuant to Section 2.03(a)(B), LBIE, as Omnibus Claim Trustee, has not distributed to the Underlying Customers (other than by reason of any of the Onward Distribution Exceptions) 100% of the Underlying Customer Distribution Proceeds, then, LBIE shall as soon as reasonably practicable (and in any event within thirty (30) days of the occurrence of the date contemplated above) redeliver or transfer (or cause to be redelivered or transferred), as applicable, the Undistributed Surplus (provided that LBIE shall only be obligated to use reasonable efforts to redeliver or cause to be redelivered Undistributed Surplus that is comprised of not freely negotiable securities) to the LBI Trustee by redelivery or transfer thereof to an account specified by the LBI Trustee, without Setoff (except (i) to the extent an obligation with respect to the delivery of the Specified LBIE Allowed Customer Distributions (subject to Sections 2.02(e) and 2.06 and Article VIII) by the LBI Trustee to LBIE, as Omnibus Claim Trustee, is not fulfilled or (ii) as required by law), but subject to any necessary Tax withholdings or deductions by LBIE, with respect to the Undistributed Surplus otherwise to be paid to the LBI Trustee pursuant to this Section 2.03(c), for or on account of any Taxes that are required by law to be paid or deducted and to any deduction by LBIE on account of the net amount (taking into account any current Tax savings actually realized by LBIE attributable to associated Tax

deductions or credits of LBIE which may be utilized at that time, provided that LBIE shall not be required to utilize such Tax deductions or credits to the extent other Tax deductions, credits or reliefs are available to be utilized in priority) of any Taxes that have been assessed, levied or withheld on, from or by LBIE, or that LBIE reasonably anticipates will be so assessed, levied or withheld (with any amounts withheld or deducted based upon anticipated Taxes, together with related interest actually received (in cash or as a credit or offset against other Tax liabilities of LBIE) from a Tax authority, being paid over to the LBI Trustee, subject to any necessary withholdings or deductions by LBIE, as soon as reasonably practicable if such Taxes are not in fact, and in LBIE's reasonable judgment will not in fact be required to be, assessed, levied or withheld or finally determined to be due), as a result of LBIE receiving or holding or causing to be distributed such Undistributed Surplus pursuant to this Section 2.03(c). If, within three (3) years of the date of a relevant payment by LBIE under this Section 2.03(c), LBIE actually realizes and utilizes any additional Tax deductions or credits (other than to the extent the relevant payment was reduced on account of such Tax deductions or credits) associated with the relevant payment under this Section 2.03(c), or the circumstances giving rise to such payment, LBIE shall pay to the LBI Trustee such additional amount as will leave LBIE (after payment of such additional amount) in no better and no worse position than it would have been in if it had not been able to actually utilize such additional Tax deductions or credits, provided that LBIE shall not be required to utilize such additional Tax deductions or credits to the extent other Tax deductions, credits or reliefs are available to be utilized in priority. Without limitation of its obligations pursuant to this Section 2.03(c), LBIE has no proprietary interest in any Undistributed Surplus in any capacity, it being acknowledged that Undistributed Surplus constitutes amounts or assets that, although distributed to LBIE by the LBI Trustee in accordance with Section 2.02(a)(B), are not used to satisfy distributions to Underlying Customers and therefore, with the benefit of information not available to the Parties on the Execution Date, should not have been so distributed by the LBI Trustee to LBIE.

(d) Until distributed or applied in accordance with Section 2.03(a)(B) (including and subject to any of the Onward Distribution Exceptions), LBIE shall carry the Underlying Customer Distribution Proceeds in one or more securities or deposit accounts or sub-accounts, as applicable, of LBIE maintained on the books and records of its intermediaries separately, and identified on LBIE's books and records as being held by LBIE in its capacity as Omnibus Claim Trustee separately, from the other assets of LBIE and from the assets of the Client Money Pool.

2.04. Allowance, Withdrawal, Expungement and Disallowance of Claims.

(a) Other than as provided for in Sections 2.01 and 2.02, if the Effective Time occurs, then, effective automatically upon the occurrence of the Effective Time (and without the necessity of any further action on the part of any Party), without limitation of Article VI hereof, the LBIE Claims are allowed to the extent set forth in Section 2.02 but otherwise are, and the LBI Unsecured Claim is, hereby withdrawn with prejudice, disallowed, expunged and Released.

(b) LBIE and the Joint Administrators, jointly and severally, agree that at all times after the Effective Time (i) they shall provide the LBI Trustee with all information and copies of documents which the LBI Trustee may from time to time request, including

materials on the court file in the UK Proceeding, provided that the LBI Trustee would have been entitled to the same (or access to the same) as of right as an admitted creditor in the UK Proceeding, and (ii) they will provide the LBI Trustee with copies of all notices and reports sent by the Joint Administrators to LBIE's general creditors other than any such notices or reports which are publicly available for inspection on the LBIE website page administered by PwC and which the Joint Administrators communicate to creditors generally by such means.

2.05. Duplicative Claims.

(a) Upon reasonable request by the LBI Trustee, LBIE shall (and shall cause its Representatives to) cooperate with and support the LBI Trustee in opposing (in whole or in part, as determined by the LBI Trustee), and effecting the expungement and disallowance of (and the overruling of any objections thereto), the Duplicative Claims, such cooperation and support (in addition to the obligations of Article XXII) to include, subject to LBIE's reasonable discretion, (i) providing evidence of and information relating to the customer relationship between LBIE and the Persons asserting Duplicative Claims, based on the books and records of LBIE and other information within the possession, custody or control of LBIE or the Joint Administrators, and, if requested by the LBI Trustee or the Bankruptcy Court (and to the extent practicable), providing evidence as to LBIE's intent and plan with respect to the distribution of the Underlying Customer Distribution Proceeds, and (ii) filing a brief (or filing or otherwise providing other written and oral submissions) in the Bankruptcy Court (and in any other courts to which this issue is presented) in support (or signing onto a brief by the LBI Trustee in support) of the Expungement Order and asserting and testifying as to the Underlying Customer relationships with LBIE, and LBIE's intent and plan with respect to the distribution of the Underlying Customer Distribution Proceeds; provided that nothing in this Section 2.05(a) shall require LBIE, in supporting the expungement and disallowance of the Duplicative Claims, to make any specific assertion of fact to any court or to make any specific legal argument to any court.

(b) Without prejudice to Section 2.03(a) and for the avoidance of doubt, the status and quantum of any of the Claims against LBIE of a Person asserting a Duplicative Claim is a matter to be determined as between LBIE and such Person and is in no way being determined, affected or consented to in or in connection with this Agreement, provided that (i) nothing in this Section 2.05(b) qualifies or limits LBIE's obligations in Sections 2.05(a) or 2.05(c), (ii) nothing in this Agreement is intended to, or shall in any way, negate, amend, expunge, alter or otherwise affect the rights of (x) LBIE against any Person asserting a Duplicative Claim, or (y) any Person asserting a Duplicative Claim against LBIE in a forum permitted under the Approval Order, and (iii) nothing in this Agreement is intended to, or shall, create any entitlement against LBIE by any Person asserting a Duplicative Claim.

(c) Without limitation of the foregoing provisions of this Section 2.05, (i) the LBI Trustee shall support LBIE in opposing any Claims asserted against LBIE that the LBI Trustee has determined as allowed customer claims against LBI and (ii) LBIE shall support the LBI Trustee in opposing any Claims asserted against LBI that LBIE has accepted or that arise under FSA Rules, as the case may be, provided that neither the LBI Trustee nor LBIE shall be required, in providing such support, to make any specific assertion of fact to any court or to make any specific legal argument to any court.

(d) The LBI Trustee acknowledges and agrees that any indebtedness (including margin debt) of a Duplicative Claimant in connection with a Duplicative Claim expunged pursuant to the Expungement Order is a matter as between LBIE and such Duplicative Claimant, and the LBI Trustee shall not assert a Claim against such Duplicative Claimant to recover any of such indebtedness.

(e) Subject to, and without limitation of, Sections 3.01, 3.02, 6.04 and 6.05, nothing in this Agreement shall abrogate, Release, waive or otherwise impair any Party's rights against a third party (that is not a Lehman Entity) arising from any Encumbrance granted to it by such third party to satisfy indebtedness properly owed to such Party by such third party.

2.06. No Double Recoveries.

(a) *No Double Recoveries by LBIE.* Notwithstanding anything in this Agreement to the contrary, in no event shall LBIE be entitled to, and LBIE hereby confirms that it has not obtained and will not seek, any House Double Recovery. Any term of this Agreement to the contrary notwithstanding, without limitation of the foregoing, (i) LBIE promptly shall notify the LBI Trustee of any House Double Recovery of which LBIE (to the actual knowledge of the Joint Administrators) hereafter becomes aware, and (ii) to the extent that LBIE has heretofore received, or hereafter receives, any House Double Recovery, the cash provided to be distributed by the LBI Trustee to LBIE under Section 2.02(b)(B) (and not already distributed to LBIE at the time that this clause (ii) is being applied) shall be appropriately adjusted (or, to the extent that, due to the distributions already made by the LBI Trustee to LBIE under Section 2.02(b)(B) at the time that this clause (ii) is being applied, such an adjustment in future distributions will not suffice fully to eliminate such House Double Recovery, LBIE as soon as reasonably practicable shall return to the LBI Trustee such cash as is required) so as to eliminate such House Double Recovery, provided that LBIE shall be entitled to make any necessary Tax withholdings or deductions for or on account of any Taxes that are required by law to be paid or deducted and also to make a deduction on account of the net amount (taking into account any current Tax savings actually realized by LBIE attributable to associated Tax deductions or credits of LBIE which may be utilized at the same time, provided that LBIE shall not be required to utilize such Tax deductions or credits to the extent other Tax deductions, credits or reliefs are available to be utilized in priority) of any Taxes that have been assessed, levied or withheld on, from or by LBIE, or that LBIE reasonably anticipates will be so assessed, levied or withheld (with any amounts withheld or deducted based upon anticipated Taxes, together with related interest actually received (in cash or as a credit or offset against other Tax liabilities of LBIE) from a Tax authority, being paid over to the LBI Trustee, subject to any necessary withholdings or deductions by LBIE, as soon as reasonably practicable if such Taxes are not in fact, and in LBIE's reasonable judgment will not in fact be required to be, assessed, levied or withheld or finally determined to be due), as a result of LBIE receiving, holding or transferring relevant cash. If, within three (3) years of the date of a relevant payment by LBIE under this Section 2.06(a), LBIE actually realizes and utilizes any additional Tax deductions or credits (other than to the extent the relevant payment was reduced on account of such Tax deductions or credits) associated with the relevant payment under this Section 2.06(a), or the circumstances giving rise to such payment, LBIE shall pay to the LBI Trustee such additional amount as will leave LBIE (after payment of such additional amount) in no better and no worse position than it would have been in if it had not been able to actually utilize such additional Tax deductions or credits,

provided that LBIE shall not be required to utilize such additional Tax deductions or credits to the extent other Tax deductions, credits or reliefs are available to be utilized in priority.

(b) *No Double Recoveries by Underlying Customers.* If an Underlying Customer makes a Customer Double Recovery then: (i) if and when LBIE obtains actual knowledge of such Customer Double Recovery, it shall reasonably promptly notify the LBI Trustee; (ii) the LBI Trustee may notify LBIE of such Customer Double Recovery (any notice delivered under (i) or (ii) being a “**Customer Double Recovery Notice**”); (iii) following delivery or receipt of a Customer Double Recovery Notice, if no securities, cash or other property has been distributed by the LBI Trustee to LBIE under Section 2.02(a)(B) in respect of the Allowed Omnibus Claim, then the securities, cash or other property to be distributed by the LBI Trustee to LBIE in respect of the Allowed Omnibus Claim shall be reduced to the extent that the Customer Double Recovery reduces the securities, cash or other property that LBIE would have otherwise distributed (or applied pursuant to Section 2.03(a)(B)(iii)) from the Underlying Customer Distribution Proceeds to that Underlying Customer as determined by LBIE in good faith; (iv) following delivery or receipt of a Customer Double Recovery Notice, if (x) securities, cash or other property has been distributed by the LBI Trustee to LBIE hereunder in respect of the Allowed Omnibus Claim and (y) LBIE has not yet distributed any Underlying Customer Distribution Proceeds to such Underlying Customer in respect of the Allowed Omnibus Claim at the time that LBIE delivers or receives a Customer Double Recovery Notice, then LBIE shall, as soon as reasonably practicable, return to the LBI Trustee Underlying Customer Distribution Proceeds, or value equivalent thereto, to the extent such Customer Double Recovery reduces the Underlying Customer Distribution Proceeds LBIE would have otherwise distributed (or applied pursuant to Section 2.03(a)(B)(iii)) to that Underlying Customer as determined by LBIE in good faith, provided further that LBIE shall be entitled to make any necessary Tax withholdings or deductions for or on account of any Taxes that are required by law to be paid or deducted and also to make a deduction on account of the net amount (taking into account any current Tax savings actually realized by LBIE attributable to associated Tax deductions or credits of LBIE which may be utilized at that time, provided that LBIE shall not be required to utilize such Tax deductions or credits to the extent other Tax deductions, credits, or reliefs are available to be utilized in priority) of any Taxes that have been assessed, levied or withheld on, from or by LBIE, or that LBIE reasonably anticipates will be so assessed, levied or withheld (with any amounts withheld or deducted based upon anticipated Taxes, together with related interest actually received (in cash or as a credit or offset against other Tax liabilities of LBIE) from a Tax authority, being paid over to the LBI Trustee, subject to any necessary withholdings or deductions by LBIE, as soon as reasonably practicable if such Taxes are not in fact, and in LBIE’s reasonable judgment will not in fact be required to be, assessed, levied or withheld or finally determined to be due), as a result of LBIE receiving, holding or delivering the securities, cash or other property to be so returned (or in respect of such equivalent value to be returned); provided further that once LBIE has distributed Underlying Customer Distribution Proceeds to such Underlying Customer in respect of the Allowed Omnibus Claim as contemplated in Section 2.03(a)(B) (unless such Underlying Customer is LBIE itself (as an assignee of a Filing Date UC) (as such term is defined in the definition of the term “Underlying Customer”)), (aa) upon request of the LBI Trustee, LBIE shall provide reasonable assistance and support to the LBI Trustee in recovering or seeking to recover, such Customer Double Recovery from such Underlying Customer, (bb) except as provided in clause (aa), LBIE shall cease to have any obligation to return Underlying Customer Distribution Proceeds, or value equivalent thereto,

pursuant to this Section 2.06(b) with respect to, or to take any legal action against, such Underlying Customer in respect of such Customer Double Recovery, and (cc) the LBI Trustee shall have no Claim against LBIE (in any capacity) in respect of such Customer Double Recovery. If, within three (3) years of the date of a relevant payment by LBIE under this Section 2.06(b), LBIE actually realizes and utilizes any additional Tax deductions or credits (other than to the extent the relevant payment was reduced on account of such Tax deductions or credits) associated with the relevant payment under this Section 2.06(b), or the circumstances giving rise to such payment, LBIE shall pay to the LBI Trustee such additional amount as will leave LBIE (after payment of such additional amount) in no better and no worse position than it would have been in if it had not been able to actually utilize such additional Tax deductions or credits, provided that LBIE shall not be required to utilize such additional Tax deductions or credits to the extent other Tax deductions, credits or reliefs are available to be utilized in priority.

ARTICLE III EXTENDED LIENS

3.01. *LBI Trustee's Release of Extended Liens.* If the Effective Time occurs, then, effective automatically upon, and as of (and as if delivered upon), the occurrence of the Effective Time (and without the necessity of any further action on the part of any Party), subject to Section 2.01(a)(C), the LBI Trustee:

(a) waives and Releases any Extended Lien Claim that LBI or the LBI Trustee may have in respect of any LBIE Extended Lien Asset; and

(b) covenants and agrees that he shall not, on behalf of himself (as LBI Trustee) or LBI or (except to the extent that he may be required to do so as a result of any obligations that LBI or the LBI Trustee might have in relation to the relevant Extended Lien Provision, as determined in good faith by the LBI Trustee) for the benefit of another Person, prosecute, apply or exercise, or seek the prosecution, application or exercise of, any Extended Lien Provision in respect of any LBIE Extended Lien Asset;

provided that, for the avoidance of doubt, the LBI Trustee does not hereby purport to waive or Release, and in any event shall not be deemed to have waived or Released or to have agreed to waive or Release, the Extended Lien Claims of any Lehman Entity other than LBI, or any right and entitlement that any Lehman Entity (other than LBI or the LBI Trustee) may have based on any Extended Lien Provision over any LBIE Extended Lien Asset (even if such Extended Lien Claim is pursuant to, or such Extended Lien Provision is set forth in, an agreement executed solely by LBIE and LBI) (collectively, the “**Excluded Extended Lien Claims on LBIE Assets**”).

3.02. *LBIE Release of Extended Liens.* If the Effective Time occurs, then, effective automatically upon, and as of (and as if delivered upon), the occurrence of the Effective Time (and without the necessity of any further action on the part of any Party), LBIE:

(a) waives and Releases any Extended Lien Claim that LBIE may have in respect of any LBI Extended Lien Asset; and

(b) covenants and agrees that it shall not, on behalf of itself or (except to the extent that LBIE may be required to do so as a result of any obligations that LBIE might have in relation to the relevant Extended Lien Provision, as determined in good faith by LBIE) for the benefit of another Person, prosecute, apply or exercise, or seek the prosecution, application or exercise of, any Extended Lien Provision in respect of any LBI Extended Lien Asset;

provided that, for the avoidance of doubt, LBIE does not hereby purport to waive or Release, and in any event shall not be deemed to have waived or Released or to have agreed to waive or Release, the Extended Lien Claims of any Lehman Entity other than LBIE, or any right and entitlement that any Lehman Entity (other than LBIE) may have based on any Extended Lien Provision over any LBI Extended Lien Asset (even if such Extended Lien Claim is pursuant to, or such Extended Lien Provision is set forth in, an agreement executed solely by LBIE and LBI) (collectively, the “**Excluded Extended Lien Claims on LBI Assets**”).

3.03. *LBHI Consent.* Effective automatically upon, and as of (and as if delivered upon), the occurrence of the Effective Time (and without the necessity of any further action on the part of any Party), LBIE hereby irrevocably consents to the extent required by Sections 2.02(b) and 2.03(e) of the UK Settlement Agreement, to the full Release and waiver of any Extended Lien Claim held by LBHI, Lehman Brothers Commodity Services Inc. (“**LBCS**”), Lehman Commercial Paper Inc. (“**LCPI**”), LB 745 or East Dover Limited (“**East Dover**”) in respect of any LBI Extended Lien Asset and LBIE agrees to not request such Person’s prosecution of any such Extended Lien Claims or the cooperation of such Persons with respect to the prosecution of such Extended Lien Claims. If requested by the LBI Trustee, LBIE agrees to consent to the Release and waiver by other Person(s) of Extended Lien Claims in respect of any LBI Extended Lien Asset to the extent that LBIE has agreed with such other Persons previously or hereafter that he may not Release or waive such Extended Lien Claims without LBIE’s consent.

ARTICLE IV REPRESENTATIONS & WARRANTIES

4.01. *Covenants, Representations & Warranties by the LBI Trustee.* In order to induce LBIE to enter into and perform its obligations under this Agreement, the LBI Trustee hereby, as of the Execution Date and as of the Effective Time, represents, warrants and acknowledges (and with respect to Sections 4.01(e), 4.01(f) and 4.01(g), also covenants) to LBIE as follows:

(a) *Authority.* Subject to (except with respect to the Immediately Effective Provisions) each of the Bankruptcy Court Orders being entered by, and becoming a Final Order of, the Bankruptcy Court in the SIPA Proceeding in accordance with Sections 11.03(a) and 11.04(c), (i) the LBI Trustee has the power and authority to execute, deliver and perform his obligations under this Agreement and the Deed of Assignment in accordance with their respective terms, and to consummate the transactions contemplated herein, and (ii) the execution, delivery and performance of this Agreement and the Deed of Assignment by the LBI Trustee in accordance with their respective terms and, with respect to the Deed of Assignment, the terms of the Escrow Agreement, and the consummation of the transactions contemplated

herein, have been duly authorized by all necessary actions 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 Agreement and the Deed of Assignment or any of the transactions contemplated herein or therein.

(b) *Validity.* This Agreement has been duly executed and delivered by the LBI Trustee and, subject to (except with respect to the Immediately Effective Provisions) each of the Bankruptcy Court Orders being entered by, and becoming a Final Order of, the Bankruptcy Court in the SIPA Proceeding in accordance with Sections 11.03(a) and 11.04(c), constitutes the legal, valid and binding agreement of the LBI Trustee, enforceable against the LBI Trustee in accordance with its terms. The Deed of Assignment has been duly executed by the LBI Trustee and, subject to each of the Bankruptcy Court Orders being entered by, and becoming a Final Order of, the Bankruptcy Court in the SIPA Proceeding in accordance with Sections 11.03(a) and 11.04(c), if and when delivered in accordance with the terms hereof and of the Escrow Agreement, the Deed of Assignment will have been duly delivered by the LBI Trustee and will constitute the legal, valid and binding agreement of the LBI Trustee, enforceable against the LBI Trustee in accordance with its terms.

(c) *Authorization of Governmental Authorities.* Subject to (except with respect to the Immediately Effective Provisions) each of the Bankruptcy Court Orders being entered by, and becoming a Final Order of, the Bankruptcy Court in the SIPA Proceeding in accordance with Sections 11.03(a) and 11.04(c), no action (including any authorization, consent or approval) by, 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 Agreement or the Deed of Assignment, other than as provided herein.

(d) *No Reliance Other Than Representations, Warranties & Covenants.* The LBI Trustee (i) is a sophisticated party with respect to the subject matter of this Agreement, (ii) has been represented and advised by legal counsel in connection with this Agreement, (iii) has adequate information concerning the matters that are the subject of this Agreement, (iv) acknowledges that he has entered into this Agreement voluntarily and of his own choice and not under coercion or duress, and (v) has independently and without reliance upon LBIE, the Joint Administrators or any of their respective Affiliates or any Representative of the foregoing, and based on such information as the LBI Trustee has deemed appropriate, made his own analysis and decision to enter into this Agreement, provided, that the LBI Trustee has relied upon the express representations, warranties, covenants and agreements of LBIE and the Joint Administrators in this Agreement.

(e) *No Prior Transfer of Claims.* The LBI Trustee has not prior to the Execution Date assigned or transferred, and will not prior to or upon the Effective Time assign or transfer, any of the Possible Claims Released by him, or that but for such assignment or transfer would be Released, under Section 2.04(a), 3.01 or 6.01, except in each case for any Excluded Item (as to which no representation, warranty, covenant or agreement is made under this Section 4.01(e)).

(f) *No Prior Incurrence of Transfer Restrictions.* The LBI Trustee has not, to the LBI Trustee's actual knowledge, prior to the Execution Date entered into any

agreement pursuant to which he incurred, and will not on or after the Execution Date enter into any agreement pursuant to which he would incur, any Transfer Restrictions with respect to the Omnibus Securities, in each case other than (i) in connection with a Corporate Action or (ii) with LBIE's consent.

(g) *No Knowledge of Liabilities.* The LBI Trustee has not, to the LBI Trustee's actual knowledge, prior to the Execution Date entered into any agreement pursuant to which he incurred, and will not on or after the Execution Date enter into any agreement pursuant to which he would incur, any Omnibus Securities Assumed Liabilities, in each case other than (i) in connection with a Corporate Action or (ii) with LBIE's consent.

4.02. *Covenants, Representations & Warranties by LBIE.* In order to induce the LBI Trustee to enter into and perform his obligations under this Agreement, LBIE hereby, as of the Execution Date and as of the Effective Time, represents, warrants and acknowledges (and with respect to Section 4.02(e), also covenants) to the LBI Trustee as follows:

(a) *Authority.* (i) LBIE, acting on its own account, and acting in its capacity as Omnibus Customer Claimant and LBIE Client Money Trustee, in each such capacity as applicable, has the power and authority to execute, deliver and perform its obligations under this Agreement, and to consummate the transactions contemplated herein, and (ii) the execution, delivery and performance of this Agreement by LBIE (including as Omnibus Customer Claimant and as LBIE Client Money Trustee) and the consummation of the transactions contemplated herein have been duly authorized by all necessary actions on the part of LBIE (including as Omnibus Customer Claimant and as LBIE Client Money Trustee) and no other proceedings on the part of LBIE (including as Omnibus Customer Claimant or as LBIE Client Money Trustee) are necessary to authorize and approve this Agreement or any of the transactions contemplated herein.

(b) *Validity.* This Agreement has been duly executed and delivered by one of the Joint Administrators as agent of LBIE and constitutes the legal, valid and binding agreement of LBIE (including as Omnibus Customer Claimant and as LBIE Client Money Trustee) and is enforceable against LBIE (including as Omnibus Customer Claimant or as LBIE Client Money Trustee) in accordance with its terms.

(c) *Authorization of Governmental Authorities.* No action (including any authorization, consent or approval) by, or filing with, any governmental authority is required for, or in connection with, the valid and lawful authorization, execution, delivery and performance by LBIE (including as Omnibus Customer Claimant and as LBIE Client Money Trustee) pursuant to this Agreement, other than as provided herein.

(d) *No Reliance Other Than Representations, Warranties & Covenants.* LBIE (i) is a sophisticated party with respect to the subject matter of this Agreement, (ii) has been represented and advised by legal counsel in connection with this Agreement, (iii) has adequate information concerning the matters that are the subject of this Agreement, (iv) acknowledges that it has entered into this 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, SIPC, or any Representative of the

foregoing, and based on such information as LBIE has deemed appropriate, made its own analysis and decision to enter into this Agreement, provided, that LBIE has relied upon the express representations, warranties, covenants and agreements of the LBI Trustee in this Agreement.

(e) No Prior Transfer of Claims; Title.

(A) LBIE has not (in any capacity), after the commencement of the UK Proceeding (or, in the case of the Section 5.07 Released Claims or Section 5.08 Released Claims, at any time), assigned or transferred, and will not, prior to or upon the Effective Time, assign or transfer, any of the Possible Claims Released by it, or that but for such assignment or transfer would be Released, under Section 2.04(a), 3.02, 5.07, 5.08 or 6.02.

(B) As of the Execution Date, LBIE, on its own account or as Omnibus Customer Claimant (as applicable), owns, and through the date of completion of the Specified LBIE Allowed Customer Distributions LBIE, on its own account or as Omnibus Customer Claimant (as applicable), will own, all of the LBIE Claims, free and clear of any and all participations or Encumbrances (excluding any Extended Lien Claims and any beneficial ownership interests of the Underlying Customers in the Underlying Customer Distribution Proceeds). Without limitation of the preceding sentence, LBIE has not (in any capacity), prior to the Execution Date, sold, assigned or transferred, and will not, prior to the date of completion of the Specified LBIE Allowed Customer Distributions, sell, assign or transfer, any of the LBIE Claims, in whole or in part, and any purported such sale, assignment or transfer shall be null and void ab initio (and shall for the avoidance of doubt not be binding against, and need not be recognized for any purpose by, LBI or the LBI Trustee), provided, for the avoidance of doubt, that LBIE is not making any representation, warranty or covenant in this Section 4.02(e)(B) with respect to any sale, assignment or transfer made by Underlying Customers of their beneficial ownership interests in the Underlying Customer Distribution Proceeds.

(C) No LBIE Related Entity has, after the commencement of the UK Proceeding, directly or indirectly acquired, and no LBIE Related Entity directly or indirectly will acquire prior to the Effective Time, any Claim of any third party which if such Claim had been directly acquired by LBIE prior to the Effective Time (and not re-assigned or re-transferred by LBIE prior to the Effective Time) would be Released under Section 2.04(a), 3.02 or 6.02.

(D) Prior to the Execution Date, there has been no submission by Barclays of any Barclays LBIE Client Money Claim (other than the Barclays LBIE Proof of Debt).

4.03. *Covenants, Representations & Warranties by the Joint Administrators.* In order to induce the LBI Trustee to enter into and perform his obligations under this Agreement, the Joint Administrators hereby, as of the Execution Date and as of the Effective Time, represent, warrant and acknowledge (and with respect to Section 4.03(d) also covenant) to the LBI Trustee as follows:

(a) *Authority.* (i) The Joint Administrators have the power and authority to execute, deliver and perform their obligations under this Agreement, and to consummate the transactions contemplated herein, and (ii) the execution, delivery and performance of this Agreement by the Joint Administrators and the consummation of the transactions contemplated herein have been duly authorized by all necessary actions on the part of the Joint Administrators and no other proceedings on the part of the Joint Administrators are necessary to authorize and approve this Agreement or any of the transactions contemplated herein.

(b) *Validity.* This Agreement has been duly executed and delivered by the Joint Administrators and constitutes the legal, valid and binding agreement of the Joint Administrators and is enforceable in accordance with its terms.

(c) *Authorization of Governmental Authorities.* No action (including any authorization, consent or approval) by, or filing with, any governmental authority is required for, or in connection with, the valid and lawful authorization, execution, delivery and performance by Joint Administrators pursuant to this Agreement, other than as provided herein.

(d) No Prior Transfer of Claims; Title.

(A) The Joint Administrators have not assigned or transferred and will not, prior to or upon the Effective Time, assign or transfer any of the Possible Claims Released by them, or that but for such assignment or transfer would be Released by them, under Section 6.02.

(B) The Joint Administrators have not, after the commencement of the UK Proceeding and prior to the Execution Date, admitted, rejected or agreed to any variation of the proof of debt submitted by BCI to the Joint Administrations dated July 26, 2012 in respect of BCI's unsecured claims against LBIE.

4.04. Exclusivity of Representations.

(a) LBIE AND THE JOINT ADMINISTRATORS EACH ACKNOWLEDGE AND AGREE THAT NEITHER THE LBI TRUSTEE (NOR LBI), NOR ANY PERSON ACTING ON BEHALF OF THE LBI TRUSTEE (OR LBI), HAS MADE, HEREBY MAKES OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING WITHOUT LIMITATION IN RELATION TO THE TRUST ASSETS CLAIM OR THE LBI CLIENT MONEY CLAIM), EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT (AND THE LBI TRUSTEE EXPRESSLY DISCLAIMS ANY SUCH OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES). LBIE FURTHER ACKNOWLEDGES, CONSENTS AND AGREES THAT THE LBI TRUSTEE WILL CONVEY, AND LBIE AND/OR LAURIFER (AS THE CASE MAY BE) WILL ACQUIRE, LBI'S RIGHT, TITLE AND INTEREST IN, TO OR UNDER THE TRUST ASSETS CLAIM AND THE LBI CLIENT MONEY CLAIM, RESPECTIVELY (OR THE TRUST ASSETS AND CLIENT MONEY TO WHICH THOSE CLAIMS RELATE),

WITHOUT ANY COVENANT FOR OR REPRESENTATION OR WARRANTY AS TO TITLE, IN AN “AS IS” CONDITION AND ON A “WHERE IS” BASIS.

(b) THE LBI TRUSTEE ACKNOWLEDGES AND AGREES THAT NEITHER LBIE, NOR ANY PERSON ACTING ON BEHALF OF LBIE, HAS MADE, HEREBY MAKES OR SHALL BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT (AND LBIE EXPRESSLY DISCLAIMS ANY SUCH OTHER EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES).

(c) THE LBI TRUSTEE ACKNOWLEDGES AND AGREES THAT ANY ACTUAL OR PURPORTED TRANSFER BY AN UNDERLYING CUSTOMER OF ANY OF ITS CLAIMS (OR POSSIBLE CLAIMS) AGAINST LBIE SHALL NOT, SUBJECT TO ANY APPLICABLE TERMS OF SECTION 2.06 OR OF ANY BANKRUPTCY COURT ORDER, AFFECT LBIE’S RIGHTS UNDER THIS AGREEMENT TO THE CASH, SECURITIES OR OTHER PROPERTY TO BE DISTRIBUTED IN ACCORDANCE WITH THIS AGREEMENT.

ARTICLE V ITS ACCOUNTS

5.01. *0311 Accounts.* All trading and cash positions booked in an account denominated by the LBI entity code “0311” shall be administered by the LBI Trustee, except that in respect of the accounts and trades listed in the ITS Schedules, the terms of this Article V shall apply.

5.02. **LBIE First Category ITS Accounts.**

(a) In respect of the accounts listed on Schedule 5.02 (the “**LBIE First Category ITS Accounts**”), LBIE shall contact the relevant account holders with the intent to (i) reach agreement with respect to the settlement of their respective LBIE First Category ITS Accounts and (ii) arrange for such account holders to execute and deliver a release of the LBI Trustee (in a form to be specified by the LBI Trustee) (such release, an “**LBI ITS Release**”).

(b) If the Effective Time occurs, then, with respect to any particular LBIE First Category ITS Account holder, (i) within fourteen (14) days of the later of (x) the occurrence of the Effective Time or (y) such LBIE First Category ITS Account holder’s execution and delivery to the LBI Trustee of an LBI ITS Release, the LBI Trustee shall (subject to any necessary Tax withholdings or deductions for or on account of any Taxes that are required by law to be paid or deducted) deliver to LBIE an amount of cash equal to the pre-petition cash balance(s) as set forth in Schedule 5.02 with respect to such holder’s LBIE First Category ITS Account(s) (subject to reduction to settle such account holder’s indebtedness to LBI, if any) (each such payment, an “**LBIE First Category ITS Account Payment**”); (ii) subject to receipt of the applicable LBIE First Category ITS Account Payment(s) from the LBI Trustee and the receipt of the LBI ITS Release(s) from the ITS Account holder(s), LBIE shall (subject to any

necessary Tax withholdings or deductions for or on account of any Taxes that are required or advisable to be paid or deducted and also subject to a reduction on account of any Taxes that have been assessed, levied or withheld on, from or by LBIE, or that it reasonably anticipates will be so assessed, levied or withheld (with any amounts withheld or deducted based upon anticipated Taxes being paid over to the relevant account holder as soon as reasonably practicable if such Taxes are not in fact, and in LBIE's reasonable judgment will not in fact be required to be, assessed, levied or withheld or finally determined to be due), as a result of LBIE receiving, holding or delivering the amounts in satisfaction of or otherwise satisfying a relevant account holder's claim) make distributions to such ITS Account holder(s) in respect of securities and/or cash balance(s) recorded in his/her/its LBIE First Category ITS Account(s) in a manner compliant with the terms agreed to pursuant to Section 5.02(a), and (iii) LBIE shall treat such LBIE First Category ITS Account Payment(s) received from LBI as part of the Client Money Pool.

5.03. LBIE Second Category ITS Accounts.

(a) In respect of the accounts listed on Schedule 5.03 (the "**LBIE Second Category ITS Accounts**"), LBIE shall contact the relevant account holders with the intent to (i) reach agreement with respect to the settlement of their respective LBIE Second Category ITS Accounts and (ii) arrange for such account holders to execute and deliver an LBI ITS Release.

(b) If the Effective Time occurs, then, with respect to any particular LBIE Second Category ITS Account holder, (i) within fourteen (14) days of the later of (x) the occurrence of the Effective Time or (y) such LBIE Second Category ITS Account holder's execution and delivery to the LBI Trustee of an LBI ITS Release, the LBI Trustee shall (subject to any necessary Tax withholdings or deductions for or on account of any Taxes that are required by law to be paid or deducted) deliver to LBIE an amount of cash equal to the pre-petition cash balance(s) as set forth in Schedule 5.03 with respect to such holder's LBIE Second Category ITS Account(s) (subject to reduction to settle such account holder's indebtedness to LBI, if any) (each such payment, an "**LBIE Second Category ITS Account Payment**") and, in addition, upon the receipt of an LBI ITS Release from the holder of ITS Account #04120145, \$399,499.75 representing the redemption value of the securities in ITS Account #04120145; (ii) subject to receipt of the applicable LBIE Second Category ITS Account Payment(s) (and with respect to ITS Account #04120145, subject to receipt of such relevant LBIE Second Category ITS Account Payment(s) and \$399,499.75) from the LBI Trustee, the receipt of the LBI ITS Release(s) from the ITS Account holder(s) and the satisfaction of any specific indebtedness owed by the ITS Account Holder to LBI as recorded on such LBIE Second Category ITS Account, LBIE shall (subject to any necessary Tax withholdings or deductions for or on account of any Taxes that are required or advisable to be paid or deducted and also subject to a reduction on account of any Taxes that have been assessed, levied or withheld on, from or by LBIE, or that it reasonably anticipates will be so assessed, levied or withheld (with any amounts withheld or deducted based upon anticipated Taxes being paid over to the relevant account holder as soon as reasonably practicable if such Taxes are not in fact, and in LBIE's reasonable judgment will not in fact be required to be, assessed, levied or withheld or finally determined to be due), as a result of LBIE receiving, holding or delivering the assets or amounts in satisfaction of or otherwise satisfying a relevant account holder's claim) make distributions to the ITS Account holder(s) in respect of the

securities and/or cash balance(s) recorded in his/her/its LBIE Second Category ITS Account(s) in a manner compliant with the terms agreed to pursuant to Section 5.03(a), and (iii) LBIE shall treat such LBIE Second Category ITS Account Payment(s) as either part of the LBIE general estate, as post-administration client money or the Client Money Pool, as required by the law of England and Wales.

5.04. LBI ITS Accounts.

(a) In respect of the accounts listed on Schedule 5.04 (the “**LBI ITS Accounts**”), the LBI Trustee shall contact the relevant account holders with the intent to (i) reach agreement with respect to the settlement of their respective LBI ITS Accounts and (ii) arrange for such account holders to execute and deliver a release of LBIE (in a form to be specified by LBIE) (such release, an “**LBIE ITS Release**”).

(b) If the Effective Time occurs, then, with respect to any particular LBI ITS Account holder, (i) within fourteen (14) days (with respect to cash) and sixty (60) days (with respect to securities) of the later of (x) the occurrence of the Effective Time or (y) such LBI ITS Account holder’s execution and delivery to LBIE of a LBIE ITS Release, LBIE shall (subject to any necessary Tax withholdings or deductions for or on account of any Taxes that are required by law to be paid or deducted and also subject to a reduction on account of the net amount (taking into account any current Tax savings actually realized by LBIE attributable to associated Tax deductions or credits of LBIE which may be utilized at the same time, provided that LBIE shall not be required to utilize such additional Tax deductions or credits to the extent other Tax deductions, credits or reliefs are available to be utilized in priority of any Taxes that have been assessed, levied or withheld on, from or by LBIE, or that it reasonably anticipates will be so assessed, levied or withheld (with any amounts withheld or deducted based upon anticipated Taxes, together with related interest actually received (in cash or as a credit or offset against other Tax liabilities of LBIE) from a Tax authority, being paid over to the LBI Trustee, subject to any necessary withholdings or deductions by LBIE, as soon as reasonably practicable if such Taxes are not in fact, and in LBIE’s reasonable judgment will not in fact be required to be, assessed, levied or withheld or finally determined to be due), as a result of LBIE receiving, holding or delivering the assets or amounts in question) deliver to the LBI Trustee the securities and cash balance(s) set forth in Schedule 5.04 with respect to such holder’s LBI ITS Account(s) (subject to reduction to settle such account holder’s indebtedness to LBIE, if any) (each such delivery and/or payment, an “**LBI ITS Account Payment**”); (ii) subject to receipt of the applicable LBI ITS Account Payment(s) from LBIE, the LBI Trustee shall (pursuant to and in accordance with SIPA, the Bankruptcy Code, the Claims Procedure Order and other applicable law, and subject to any necessary Tax withholdings or deductions for or on account of any Taxes that are required by law to be paid or deducted) make distributions to such ITS Account holder(s) in respect of the securities and/or cash balance(s) recorded in his/her/its LBI ITS Account(s) in a manner compliant with the terms agreed to pursuant to Section 5.04(a) and (iii) the LBI Trustee shall treat such LBI ITS Account Payment(s) in accordance with SIPA or other applicable law. If, within three (3) years of the date of a relevant LBI ITS Account Payment by LBIE under this Section 5.04(b), LBIE actually realizes and utilizes any additional Tax deductions or credits (other than to the extent the relevant payment was reduced on account of such Tax deductions or credits) associated with the relevant payment under this Section 5.04(a), or the circumstances giving rise to such payment, LBIE shall pay to the LBI Trustee such additional amount as will

leave LBIE (after payment of such additional amount) in no better and no worse position than it would have been in if it had not been able to actually utilize such additional Tax deductions or credits, provided that LBIE shall not be required to utilize such additional Tax deductions or credits to the extent other Tax deductions, credits or reliefs are available to be utilized in priority.

5.05. *Financing Trade Assets and Liabilities.* If the Effective Time occurs, then, effective automatically upon, and as of, the occurrence of the Effective Time (and without the necessity of any further action on the part of any Party), the LBI Trustee hereby assigns to LBIE, without giving any covenants for title, all right, title and interest (if any) of the LBI Trustee in, to or under the assets described on Schedule 5.05 (to the extent (if any) not already owned by LBIE), and LBIE hereby accepts such assignment and assumes, and agrees to pay, perform and discharge when due or otherwise required to be performed or discharged, as the case may be, such of the Liabilities of LBI and/or the LBI Trustee (whether existing or accrued as of, or arising on or after, the Execution Date) arising out of, relating to or otherwise in respect of or in connection with such assets as are in respect of the relevant trades and are owed to the counterparty to such trades.

5.06. *Expungement and Disallowance of ITS Account Claims.* If any holder of an ITS Account fails to deliver an LBI ITS Release or LBIE ITS Release (in accordance with Section 5.02(a), 5.03(a) or 5.04(a), as applicable), without limitation of Article XXII, the Parties shall cooperate and support each other with respect thereto as follows:

(a) *Tripartite Negotiations.* Prior to undertaking the actions contemplated in clauses (b) and (c) below, the Parties shall seek to conduct tripartite negotiations with the relevant holder of the ITS Account in order to try to reach a consensual resolution in respect of the relevant account holder's claim to securities and/or cash balances (as the case may be).

(b) *LBIE Support.* The LBI Trustee may move to disallow and expunge any Claim(s) with respect to such holder's LBIE First Category ITS Account or LBIE Second Category ITS Account, and LBIE shall provide reasonable assistance and support to the LBI Trustee with respect to such motion(s) (and, for the avoidance of doubt, shall not unreasonably Object to any motions or orders relating thereto) in order to cause such Claim(s) to be disallowed and expunged by Final Order. If the LBI Trustee's motion to expunge any particular LBIE First Category ITS Account claim or LBIE Second Category ITS Account claim is denied, the relevant ITS Account will be administered pursuant to Section 5.04 as if it was an LBI ITS Account, including, for the avoidance of doubt, that LBIE shall, upon the receipt of a LBIE ITS Release from the relevant ITS Account holder, transfer to the LBI Trustee all of the securities recorded as of the commencement of the UK Proceeding in such ITS Account (or, in the case of any such securities that have been disposed of since the commencement of the UK Proceeding, all Proceeds of such securities) and any and all derived income or Proceeds from such securities, all for distribution by the LBI Trustee pursuant to Section 5.04.

(c) *LBI Trustee Support.* The LBI Trustee shall provide reasonable assistance and support to LBIE with respect to the resolution of Claims between LBIE and any account holders listed in Schedules 5.02, 5.03 and 5.04 (with respect to their respective LBIE First Category ITS Accounts, LBIE Second Category ITS Accounts or LBI ITS Accounts, as the

case may be) and, for the avoidance of doubt, shall not unreasonably Object to any motions or orders relating thereto.

(d) *Reconciliations.* With respect to LBIE's reconciliation of account balances with holders of ITS Accounts, the LBI Trustee shall, subject to his confidentiality obligations, provide relevant information to LBIE to support such reconciliation process to the extent that the LBI Trustee has such information readily available or otherwise can comply with such information request without undue burden or cost (unless, solely with respect to cost, LBIE agrees in writing to reimburse the LBI Trustee for such cost, including any irrecoverable VAT).

5.07. *Mexican Assets.* Within ten (10) Business Days after the Execution Date, the LBI Trustee shall pay \$7.35 million to LBIE in settlement, and complete satisfaction, of any and all Possible Claims that the LBIE Releasing Parties (or any of them) may have ever had prior to the time of such payment, may have at such time of payment, or could have after such time of payment, in each case against any LBI Released Party (or its properties or assets) for, upon or by reason of the accounts listed on Schedule 5.07 (or the securities, transactions and/or balances referred to therein) (all such Possible Claims, collectively, the "**Section 5.07 Released Claims**"), all of which shall be deemed to be Released automatically upon, and as of (and without the necessity of any further action on the part of any Party), such time of payment.

5.08. *Treasury Notes.* Within ten (10) Business Days after the Execution Date, the LBI Trustee shall pay \$10,518,187.50 in settlement, and complete satisfaction, of any and all Possible Claims that the LBIE Releasing Parties (or any of them) may have ever had prior to the time of such payment, may have at the time of such payment, or could have after such time of payment, in each case against any LBI Released Party (or its properties or assets) for, upon or by reason of the Treasury Notes (all such Possible Claims, collectively, the "**Section 5.08 Released Claims**"), all of which shall be deemed to be Released automatically upon, and as of (and without necessity of any further action on the part of any Party), such time of payment).

ARTICLE VI

RELEASES

6.01. *LBI Trustee Release.* Effective automatically upon, and as of (and as if delivered upon), the occurrence of (subject to the proviso below in this Section 6.01) the Effective Time (and without the necessity of any further action on the part of any Party), each LBI Releasing Party hereby, other than with respect to the Excluded Items, (i) Releases each LBIE Released Party from any and all Possible Claims that such LBI Releasing Party may have ever had prior to the Effective Time, may have at the Effective Time, or could have after the Effective Time, in each case against any LBIE Released Party (or its properties or assets) for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the Execution Date, (ii) without limiting the generality of clause (i), Releases each LBIE Released Party from (x) any administration expense claim in the UK Proceeding and (y) any US Avoidance Action (such Possible Claims Released, or intended or purported to be Released, under this Section 6.01, collectively, the "**LBI Released Claims**"), and (iii) agrees to the terms of Section 6.03 below in the context of this Section 6.01; provided, however, that (I) subject to clause (II) of this proviso and to Section 6.04, the foregoing Release set forth above in this

Section 6.01 (prior to this proviso) shall not, with respect to (and only with respect to) LBIE's then-continuing obligations under any particular LBIE Tri-Party Custody Encumbrance Agreement (and in any event not with respect to performance or non-performance, prior to the Effective Time, of LBIE of any of its obligations under such LBIE Tri-Party Custody Encumbrance Agreement), be effective as of the Effective Time to the extent (and solely to the extent) that such non-effectiveness as of the Effective Time is required in order to preserve the existence and/or perfected status of the LBIE Tri-Party Custody Encumbrance granted thereunder (any such obligations, to the extent that, pursuant to this clause (I), the foregoing Release set forth above in this Section 6.01 (prior to this proviso) is not effective as of the Effective Time, "**LBIE Continuing Security Obligations**"), (II) this Section 6.01 above (prior to this proviso) shall, with respect to any such LBIE Continuing Security Obligations, be applied as if (A) all references above in this Section 6.01 above (prior to this proviso) to the "Effective Time" instead were references to the earlier of (aa) the conclusion of the UK Proceeding and (bb) LBIE ceasing in accordance with the terms of such LBIE Tri-Party Custody Encumbrance Agreement (and/or Section 6.04(e)) to hold or have control over the cash, securities or other property subject to such LBIE Tri-Party Custody Encumbrance and (B) the phrase "for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the Execution Date" instead read "for, upon or by reason of any LBIE Continuing Security Obligation or any matter, cause or thing whatsoever arising out of or relating to any LBIE Continuing Security Obligation (including the existence, execution, delivery, performance and/or non-performance thereof)" (and the Possible Claims Released, or intended or purported to be Released, under this Clause (II) also shall be considered "LBI Released Claims").

6.02. *LBIE Release.* Effective automatically upon, and as of (and as if delivered upon), the occurrence of (subject to the proviso below in this Section 6.02) the Effective Time (and without the necessity of any further action on the part of any Party), each LBIE Releasing Party hereby, other than with respect to the Excluded Items, (i) Releases each LBI Released Party from any and all Possible Claims that such LBIE Releasing Party may have ever had prior to the Effective Time, may have at the Effective Time, or could have after the Effective Time, in each case against any LBI Released Party (or its properties or assets) for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the Execution Date, (ii) without limiting the generality of clause (i), Releases each LBI Released Party from (x) any administrative expense claim arising under the Bankruptcy Code and (y) any UK Avoidance Action (such Possible Claims Released, or intended or purported to be Released, under this Section 6.02, collectively, the "**LBIE Released Claims**"), and (iii) agrees to the terms of Section 6.03 below in the context of this Section 6.02; provided, however, that subject to clause (II) of this proviso and to Section 6.05, the foregoing Release set forth above in this Section 6.02 (prior to this proviso) shall not, with respect to (and only with respect to) LBI's then-continuing obligations under any particular LBI Tri-Party Custody Encumbrance Agreement (and in any event not with respect to performance or non-performance, prior to the Effective Time, of LBI of any of its obligations under such LBI Tri-Party Custody Encumbrance Agreement), be effective as of the Effective Time to the extent (and solely to the extent) that such non-effectiveness as of the Effective Time is required in order to preserve the existence and/or perfected status of the LBI Tri-Party Custody Encumbrance granted thereunder (any such obligations, to the extent that, pursuant to this clause (I), the foregoing Release set forth above in this Section 6.02 (prior to this proviso) is not effective as of the Effective Time, "**LBI Continuing Security Obligations**"), and (II) this Section 6.02 above (prior to this proviso) shall, with respect to any such LBI Continuing

Security Obligations, be applied as if (A) all references above in this Section 6.02 above (prior to this proviso) to the “Effective Time” instead were references to the earlier of (aa) the conclusion of the SIPA Proceeding and (bb) LBI ceasing in accordance with the terms of such LBI Tri-Party Custody Encumbrance Agreement (and/or Section 6.05(e)) to hold or have control over the cash, securities or other property subject to such LBI Tri-Party Custody Encumbrance and (B) the phrase “for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the Execution Date” instead read “for, upon or by reason of any LBI Continuing Security Obligation or any matter, cause or thing whatsoever arising out of or relating to any LBI Continuing Security Obligation (including the existence, execution, delivery, performance and/or non-performance thereof)” (and the Possible Claims Released, or intended or purported to be Released, under this Clause (II) also shall be considered “LBIE Released Claims”).

6.03. Certain Provisions of General Applicability Regarding Article VI.

(a) Sections 6.01 and 6.02 (i) shall be effective as a bar to each and every one of the Released Claims, and (ii) shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown, unsuspected or unanticipated Possible Claims (notwithstanding any state statute or other law, or rule of construction that, expressly or otherwise, limits the effectiveness of a general release of unknown, unsuspected or unanticipated Possible Claims), if any, as well as those relating to any other Possible Claims included in the Released Claims. The waiver set forth in this Section 6.03 is an essential and material term of this Article VI. If any Releasor should assert any Released Claim against any of its corresponding Released Parties, the applicable terms of Sections 6.01 or 6.02, as the case may be, shall serve as a complete defense to any such assertion. For the avoidance of doubt, the releases in Sections 6.01 and 6.02 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”.

(b) None of the terms of Sections 6.01 or 6.02, nor the furnishing of the consideration for the Released Claims specified therein, shall be deemed or construed at any time to be an admission by any Released Party of any improper or unlawful conduct.

(c) If any Releasor violates the terms of Section 6.01 or 6.02 by on or after the Effective Time suing any applicable Released Party on one or more of the applicable Released Claims, such Releasor will pay all costs and expenses (including any irrecoverable VAT) of defending against the suit incurred by such Released Party, including reasonable attorneys’ fees.

(d) It is acknowledged that a Releasor may hereafter discover facts different from or in addition to those now known, or believed to be true, regarding the subject matter of the terms of Section 6.01 or 6.02, and it is agreed that the terms of Sections 6.01 and

6.02 shall remain in full force and effect, notwithstanding the existence of any such different or additional facts.

(e) Whenever possible, each provision of the terms of Sections 6.01 and 6.02 shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the terms of Section 6.01 or 6.02, as the case may be, is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but the terms of Section 6.01 or 6.02, as the case may be, shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(f) EACH PARTY HERETO HEREBY AGREES THAT IT:

(A) HAS READ THE TERMS OF SECTIONS 6.01 AND 6.02 IN RESPECT OF WHICH IT IS THE RELEASOR CAREFULLY;

(B) UNDERSTANDS ALL OF ITS TERMS AND KNOWS THAT IT IS GIVING UP IMPORTANT RIGHTS;

(C) VOLUNTARILY CONSENTS TO EVERYTHING IN IT;

(D) HAS BEEN ADVISED TO CONSULT WITH AN ATTORNEY BEFORE EXECUTING THIS AGREEMENT AND HAS DONE SO; AND

(E) HAS EXECUTED THIS AGREEMENT KNOWINGLY AND VOLUNTARILY AND WITH THE ADVICE OF ANY COUNSEL RETAINED TO ADVISE THE UNDERSIGNED WITH RESPECT TO IT.

(g) Each Releasor hereby covenants (i) not to (at any time on or after the Effective Time) commence or maintain any Released Claim before any court, arbitrator or other tribunal in any jurisdiction, and (ii) with respect to any Released Claim pending at the Effective Time before any court, arbitrator or other tribunal in any jurisdiction, to take any and all actions necessary to (to the extent within the control of the Releasor) promptly withdraw with prejudice or otherwise promptly cause the dismissal with prejudice of such Released Claim in full. Any Released Party may plead this Article VI as a complete bar to any Released Claim brought or maintained in derogation of this covenant not to sue. For the avoidance of doubt, nothing in Article VI shall prevent (whether before or after the Effective Time) any of the Joint Administrators, LBIE, the LBI Trustee or LBI from participating in appellate proceedings arising out of or in connection with the order of the English Court in the UK Proceeding dated November 2, 2012 in respect of certain Extended Lien Provisions.

6.04. Provisions Regarding LBIE Continuing Security Obligations.

(a) In no event shall LBIE (or any other LBIE Released Party) be obligated in respect of any particular LBIE Tri-Party Custody Encumbrance, the related LBIE Tri-Party Custody Encumbrance Agreement and/or the related LBIE Continuing Security Obligations to deliver or distribute, or cause to be delivered or distributed (including by giving

any order or direction to deliver or distribute), to LBI any cash, securities or other property other than such cash, securities or other property, if any, otherwise to be distributed to the third party granting such LBIE Tri-Party Custody Encumbrance pursuant to any claim that such third party may have against LBIE in relation to the related LBIE Tri-Party Collateral (after giving effect to, and only after giving effect to, all reductions or deductions, on account of Liabilities of such third party to LBIE, to the amount otherwise distributable in respect of such claim), all as determined by LBIE in (as between LBIE and the LBI Trustee) its sole discretion.

(b) Anything in any LBIE Tri-Party Custody Encumbrance Agreement to the contrary notwithstanding and without limitation of Section 6.04(a), (i) LBIE shall not be deemed to violate any LBIE Continuing Security Obligations by reason of complying with its obligations under this Agreement, (ii) LBIE shall not have any obligation to comply with any particular LBIE Continuing Security Obligation unless and until the LBI Trustee, on or after the Execution Date, as part of or enclosed with a notice making specific reference to this Section 6.04, shall have provided to LBIE a copy of the particular LBIE Tri-Party Custody Encumbrance Agreement setting forth such LBIE Continuing Security Obligation, (iii) to the fullest extent possible, as between LBI (and the LBI Trustee), on the one hand, and LBIE, on the other hand, from and after the Effective Time, the LBI Trustee shall, in his own name and (to the extent consented to by LBIE) in the name of LBIE, perform all of the LBIE Continuing Security Obligations, and, to the extent that any particular LBIE Continuing Security Obligation by its nature may only be performed by LBIE, the LBI Trustee shall cooperate in all respects requested by LBIE from time to time in connection therewith (including by preparing all notices, pleadings, motions and the like to the extent so requested), (iv) LBIE shall not have any duties to LBI with respect to any LBIE Tri-Party Custody Encumbrance Agreement other than the LBIE Continuing Security Obligations (and, without limiting the generality of the foregoing, LBIE shall not be subject to any fiduciary or other implied duties to LBI in respect of any LBIE Tri-Party Custody Encumbrance Agreement or any LBIE Tri-Party Collateral (or interest therein)), (v) LBIE shall not have any duty to take any discretionary action or exercise any discretionary powers or to take any action that, in the opinion of LBIE or the opinion of its counsel, may expose LBIE to liability or that is contrary to any LBIE Tri-Party Custody Encumbrance Agreement or applicable law, (vi) LBIE will not have any obligation to take, commence or maintain any Enforcement Action, provided that the LBI Trustee may, if and to the extent consented to by LBIE each instance, take any Enforcement Action in the name of LBIE, in each case in a manner strictly consistent with the relevant LBIE Tri-Party Custody Encumbrance Agreement, (vii) without limitation of clause (II) to the proviso to Section 6.01, LBIE shall not be liable for any action taken or not taken by it with respect to any LBIE Continuing Security Obligations in the absence of its own willful misconduct, and (viii) LBIE shall not be deemed to have knowledge of any particular facts or circumstances in relation to any LBIE Tri-Party Custody Encumbrance Agreement unless and until notice describing such particular facts and circumstances is given to LBIE by the LBI Trustee (each of the foregoing clauses (i) through (viii) being in addition to, and without limitation, of each other such clause).

(c) For the avoidance of doubt, LBIE, shall not, by reason of any LBIE Continuing Security Obligations, be required to assign or transfer to LBI any of the LBIE Tri-Party Collateral (or interest therein) that is subject to any particular LBIE Tri-Party Custody Encumbrance except to the extent that LBI (as determined by LBIE, as may be agreed by LBIE, the LBI Trustee and such third-party granting such Encumbrance in an instrument satisfactory to

LBIE or as may be determined by a Final Order of the English Court or, if the English Court does not have jurisdiction or otherwise declines to take jurisdiction, a court of competent jurisdiction) is entitled thereto solely by, through or under such third-party and such LBIE Tri-Party Custody Encumbrance (and subject in any event to Section 6.04(a)).

(d) In addition to, and without limitation of, any Liabilities of LBI under any particular LBIE Tri-Party Custody Encumbrance Agreement, LBI shall indemnify and hold harmless LBIE and its Representatives from and against all fees, costs, expenses, Claims or Liabilities reasonably incurred by, and all fees, costs, expenses, Claims or Liabilities suffered by or imposed upon, LBIE or any of its Representatives in connection with or arising out of the continued existence (after the Effective Time) of the LBIE Continuing Security Obligations (including LBIE's performance or non-performance (or alleged non-performance) of any such LBIE Continuing Security Obligations and/or any act or omission (or alleged act or omission) in connection with any of the foregoing).

(e) LBIE may, at any time after providing prior written notice to the LBI Trustee and in its discretion, exercise its termination rights under such LBIE Tri-Party Custody Encumbrance Agreement, provided that any such termination would not adversely affect the existence and/or perfected status with respect to the relevant LBIE Tri-Party Custody Encumbrance as determined by the LBI Trustee in his reasonable discretion.

6.05. Provisions Regarding LBI Continuing Security Obligations.

(a) In no event shall the LBI Trustee (or any other LBI Released Party) be obligated in respect of any particular LBI Tri-Party Custody Encumbrance, the related LBI Tri-Party Custody Encumbrance Agreement and/or the related LBI Continuing Security Obligations to deliver or distribute, or cause to be delivered or distributed (including by giving any order or direction to deliver or distribute), to LBIE any cash, securities or other property other than such cash, securities or other property, if any, otherwise to be distributed to the third party granting such LBI Tri-Party Custody Encumbrance pursuant to any allowed claim that such third party may have in the SIPA Proceeding in relation to the related LBI Tri-Party Collateral (after giving effect to, and only after giving effect to, all reductions or deductions, on account of Liabilities of such third party to LBI (in accordance with SIPA), to the amount otherwise distributable in respect of such allowed claim), all as determined by the LBI Trustee in (as between LBIE and the LBI Trustee) his sole discretion.

(b) Anything in any LBI Tri-Party Custody Encumbrance Agreement to the contrary notwithstanding and without limitation of Section 6.05(a), (i) LBI shall not be deemed to violate any LBI Continuing Security Obligations by reason of complying with its obligations under this Agreement, (ii) LBI shall not have any obligation to comply with any particular LBI Continuing Security Obligation unless and until LBIE, on or after the Execution Date, as part of or enclosed with a notice making specific reference to this Section 6.05, shall have provided to the LBI Trustee a copy of the particular LBI Tri-Party Custody Encumbrance Agreement setting forth such LBI Continuing Security Obligation, (iii) to the fullest extent possible, as between LBIE, on the one hand, and LBI (and the LBI Trustee), on the other hand, from and after the Effective Time, LBIE shall, in its own name and (to the extent consented to by the LBI Trustee) in the name of the LBI Trustee, perform all of the LBI Continuing Security

Obligations, and, to the extent that any particular LBI Continuing Security Obligation by its nature may only be performed by LBI, LBIE shall cooperate in all respects requested by the LBI Trustee from time to time in connection therewith (including by preparing all notices, pleadings, motions and the like to the extent so requested), (iv) neither LBI nor the LBI Trustee shall have any duties to LBIE with respect to any LBI Tri-Party Custody Encumbrance Agreement other than the LBI Continuing Security Obligations (and, without limiting the generality of the foregoing, neither LBI nor the LBI Trustee shall be subject to any fiduciary or other implied duties to LBIE in respect of any LBI Tri-Party Custody Encumbrance Agreement or any LBI Tri-Party Collateral (or interest therein)), (v) neither LBI nor the LBI Trustee shall have any duty to take any discretionary action or exercise any discretionary powers or to take any action that, in the opinion of the LBI Trustee or the opinion of his counsel, may expose LBI, the LBI Trustee or the LBI estate to liability or that is contrary to any LBI Tri-Party Custody Encumbrance Agreement or applicable law, (vi) neither LBI nor the LBI Trustee will have any obligation to take, commence or maintain any Enforcement Action, provided that LBIE may, if and to the extent consented to by the LBI Trustee in each instance, take any Enforcement Action in the name of LBI, in each case in a manner strictly consistent with the relevant LBI Tri-Party Custody Encumbrance Agreement, (vii) without limitation of clause (II) to the proviso to Section 6.02, neither LBI nor the LBI Trustee shall be liable for any action taken or not taken by it with respect to any LBI Continuing Security Obligations in the absence of its own willful misconduct, and (viii) neither LBI nor the LBI Trustee shall be deemed to have knowledge of any particular facts or circumstances in relation to any LBI Tri-Party Custody Encumbrance Agreement unless and until notice describing such particular facts and circumstances is given to the LBI Trustee by LBIE (each of the foregoing clauses (i) through (viii) being in addition to, and without limitation, of each other such clause).

(c) For the avoidance of doubt, LBI, shall not, by reason of any LBI Continuing Security Obligations, be required to assign or transfer to LBIE any of the LBI Tri-Party Collateral (or interest therein) that is subject to any particular LBI Tri-Party Custody Encumbrance except to the extent that LBIE (as determined by the LBI Trustee, as may be agreed by the LBI Trustee, LBIE and such third-party granting such Encumbrance in an instrument satisfactory to the LBI Trustee or as may be determined by a Final Order of the Bankruptcy Court or, if the Bankruptcy Court does not have jurisdiction or otherwise declines to take jurisdiction, a court of competent jurisdiction) is entitled thereto solely by, through or under such third-party and such LBI Tri-Party Custody Encumbrance (and subject in any event to Section 6.05(a)).

(d) In addition to, and without limitation of, any Liabilities of LBIE under any particular LBI Tri-Party Custody Encumbrance Agreement, LBIE shall indemnify and hold harmless LBI, the LBI Trustee and their respective Representatives from and against all fees, costs, expenses, Claims or Liabilities reasonably incurred by, and all fees, costs, expenses, Claims or Liabilities suffered by or imposed upon, LBI, the LBI Trustee or any of their respective Representatives in connection with or arising out of the continued existence (after the Effective Time) of the LBI Continuing Security Obligations (including LBI's and/or the LBI Trustee's performance or non-performance (or alleged non-performance) of any such LBI Continuing Security Obligations and/or any act or omission (or alleged act or omission) in connection with any of the foregoing).

(e) The LBI Trustee may, at any time after providing prior written notice to LBIE and in his discretion, exercise his termination rights under such LBI Tri-Party Custody Encumbrance Agreement, provided that any such termination would not adversely affect the existence and/or perfected status with respect to the relevant LBI Tri-Party Custody Encumbrance as determined by LBIE in its reasonable discretion.

ARTICLE VII AFFILIATE CLAIMS

7.01. 088 Accounts.

(a) In addition to the cooperation required pursuant to Article XXII, with respect to securities positions held by LBI in 088 Accounts at other Lehman Entities or securities positions held by other Lehman Entities in 088 Accounts at LBI, subject to its confidentiality obligations, LBIE will, on a security-by-security basis, (i) share relevant data from its books and records (including its debit-credit ledgers) concerning the gross and net positions of each relevant Lehman Entity with respect to such securities positions and (ii) cooperate as reasonably requested by the LBI Trustee from time to time with the LBI Trustee's attempts to resolve 088 Accounts Claims among LBI and any other Lehman Entity(ies).

(b) In addition to the cooperation required pursuant to Article XXII, with respect to securities positions held by LBIE in 088 Accounts at other Lehman Entities or securities positions held by other Lehman Entities in 088 Accounts at LBIE, subject to his confidentiality obligations, the LBI Trustee will, on a security-by-security basis, (i) share relevant data from LBI's books and records (including its debit-credit ledgers) concerning the gross and net positions of each relevant Lehman Entity with respect to such securities positions and (ii) cooperate as reasonably requested by LBIE from time to time with LBIE's attempts to resolve 088 Accounts Claims among LBIE and any other Lehman Entity(ies).

7.02. *Return of LBI Property Held by a Lehman Entity.* Without limitation of its obligations under Article XXII and Section 3.03, LBIE will not Object, and hereby consents, to the return to LBI of any property held on behalf of (or to secure trading of) LBI or its customers by or through any Lehman Entity (other than LBIE), including property held by Lehman Brothers Futures Asia Limited ("**LBFAL**") or Lehman Brothers Securities Asia Limited ("**LBSAL**") on behalf of (or to secure trading of) LBI or its customers, in each case unless such property also falls with the ambit of Section 7.03.

7.03. *Return of LBIE Property Held by a Lehman Entity.* Without limitation of its obligations under Article XXII, the LBI Trustee will not Object, and hereby consents, to the return to LBIE of any property held on behalf of (or to secure trading of) LBIE or its customers by or through any Lehman Entity (other than LBI), including property held by LBFAL or LBSAL on behalf of (or to secure trading of) LBIE or its customers, in each case unless such property also falls with the ambit of Section 7.02.

7.04. *Confirmatory Consents.* LBIE (with respect to Section 7.02), and the LBI Trustee (with respect to 7.03), each shall execute and deliver such confirmatory consents as the other Party reasonably may request from time to time consistent with the provisions of Sections

7.02 and 7.03, respectively, directly for the benefit of the applicable Lehman Entity holding the property in question.

ARTICLE VIII

TAXES

8.01. *General.* LBI or the LBI Trustee shall withhold any US withholding taxes (including, if applicable, backup withholding taxes and withholding taxes imposed under FATCA) (“**US Withholding Taxes**”) required to be withheld from distributions made by such person pursuant to Section 2.02, or from other payments made by LBI or the LBI Trustee pursuant to this Agreement, as set out in the remainder of this Article VIII.

8.02. LBI Withholding Obligations with respect to Subject Distributions.

(a) *Withholding on the basis of LBI Guidance.* If, at the time of any distribution or payment by LBI or the LBI Trustee pursuant to Section 2.02(a) or Section 2.02(c) (any such distribution or payment, a “**Subject Distribution**”), LBI Guidance has been received, the LBI Trustee shall withhold any US Withholding Taxes in accordance with and to the extent provided in LBI Guidance (or, in the case of backup withholding and/or FATCA taxes, to the extent not addressed in LBI Guidance, in a manner that is consistent with the principles of such LBI Guidance, or in the absence of any relevant principles in such guidance, in the manner the LBI Trustee determines such taxes are required to be withheld from such Subject Distribution), and shall promptly pay such amounts over to the IRS; provided, however, that if at the time of the relevant payment LBIE has appointed a Withholding Agent, LBI or the LBI Trustee, as applicable, shall make such payment to the Withholding Agent free of any withholding or deduction on account of US Withholding Taxes to the extent not inconsistent with LBI Guidance.

(b) *Withholding Agent Appointed.* If, at the time of any Subject Distribution, LBI Guidance has not been received, but LBIE has appointed a Withholding Agent, the LBI Trustee will not withhold US Withholding Taxes from such Subject Distribution, but shall make such Subject Distribution pursuant to this Agreement to the Withholding Agent free of any withholding or deduction on account of US Withholding Taxes.

(c) *Withholding in the absence of LBI Guidance and a Withholding Agent.*

(A) If, at the time of any Subject Distribution, LBI Guidance has not been received and LBIE has not appointed a Withholding Agent, the LBI Trustee shall, subject to Sections 8.02(c)(C) and 8.02(d) below, withhold and pay over to the IRS any US Withholding Taxes that he determines are required to be withheld from such Subject Distribution; provided, however, that at the time of such Subject Distribution, at its option, LBIE may require that LBI or the LBI Trustee not distribute or pay any of the Subject Distribution, or at LBIE’s option any of the Specified Post-Filing Income (or such other amount as LBIE and the LBI Trustee shall mutually agree, each acting reasonably), until the Determination Date, in which case LBI or the LBI Trustee, as applicable, shall not withhold or pay over to the IRS any

amount that relates to the Subject Distribution or Specified Post-Filing Income (or the amount mutually agreed pursuant to the preceding parenthetical), as the case may be, until the Determination Date. On the Determination Date, LBI or the LBI Trustee shall distribute or pay to LBIE or the Withholding Agent the amount not previously distributed or paid, subject to any deduction or withholding in accordance with the provisions of this Article VIII, taking into account whether LBI Guidance has been received or a Withholding Agent appointed.

(B) If LBIE elects to have LBI or the LBI Trustee defer a distribution or payment as described in Section 8.02(c)(A), LBIE shall indemnify LBI and the LBI Trustee (solely from the amount retained by the LBI Trustee pursuant to LBIE's election to defer the distribution or payment) for any penalties or interest that may be imposed on such person solely as a result of the IRS claiming or asserting a failure by such person to withhold and pay over to the IRS US Withholding Taxes at the time LBIE elected to defer the distribution or payment; provided, however, that LBIE shall have no responsibility and shall not be liable for any such penalties or interest that may be imposed as a result of any claimed or asserted failure by LBI or the LBI Trustee to have properly withheld (i) in any period prior to LBIE's election described in Section 8.02(c)(A) except to the extent such penalties or interest are attributable to the period starting on the date of the election and ending on the later of (x) ten (10) Business Days after the Determination Date and (y) where the Determination Date occurs pursuant to clause (A)(i) of the definition thereof, the date on which the Withholding Agent pays the relevant US Withholding Taxes with respect to the relevant Onward Distribution to the IRS or (ii) in respect of amounts other than those held by LBI or the LBI Trustee pursuant to LBIE's election described in Section 8.02(c)(A).

(C) If, at the time of any Subject Distribution, LBI Guidance has not been received, LBIE has not appointed a Withholding Agent and LBIE does not make the election described in Section 8.02(c)(A), the LBI Trustee shall withhold and pay over to the IRS, subject to Section 8.02(d), any US Withholding Taxes that he determines are required to be withheld from such distributions or payments; provided, however, that at the time of any relevant distribution or payment by LBI or the LBI Trustee, at its option LBIE may require that the greatest of:

(i) an amount determined by the LBI Trustee in accordance with Section 8.02(d); or

(ii) the amount indicated as being required to be withheld from such distributions or payments in any submission for LBIE Guidance or LBI Guidance; or

(iii) such other amount as LBIE may determine should be withheld from the relevant distribution or payment,

be withheld by the LBI Trustee and held in escrow in accordance with Treasury Regulation § 1.1441-3(d) until the Determination Date. On the Determination Date, subject to any deduction or withholding in accordance with the provisions of this Article VIII, taking into account whether LBI Guidance has been received or a Withholding Agent appointed, LBI or the LBI Trustee shall distribute or pay to LBIE or the Withholding Agent the amount not previously

distributed or paid, and if a Withholding Agent has been appointed, the distribution or payment to the Withholding Agent of the amount not previously distributed or paid shall be treated as the payment of a Subject Distribution to the Withholding Agent and shall be subject to the provisions of Section 8.03(a).

(D) If LBIE elects pursuant to Section 8.02(c)(C) to have the LBI Trustee hold the amount withheld in escrow:

(i) the LBI Trustee shall, upon notice to LBIE, be entitled, but not required, to increase the amount so withheld (and held in escrow) by an amount equal to the amount that the LBI Trustee reasonably determines represents a reasonable estimate of the maximum amount of any penalties and/or interest that may be imposed on LBI or the LBI Trustee solely as a result of the IRS claiming or asserting a failure by such person to withhold and pay over to the IRS US Withholding Taxes at the time LBIE elected to have the withheld amount held in escrow; and

(ii) LBIE shall indemnify LBI and the LBI Trustee for any penalties or interest that may be imposed on such person solely as a result of the IRS claiming or asserting a failure by such person to withhold and pay over to the IRS US Withholding Taxes at the time LBIE elected to require that the withheld amount be placed in escrow, but only to the extent such penalties and interest exceed the amount placed in escrow pursuant to Section 8.02(c)(C) and 8.02(c)(D)(i) and not previously or contemporaneously released to LBIE, the Withholding Agent or the IRS;

provided, however, that LBIE shall have no responsibility and shall not be liable for any such penalties or interest that may be imposed as a result of any claimed or asserted failure by LBI or the LBI Trustee to have properly withheld (1) in any period prior to LBIE's election described in Section 8.02(c)(C) except to the extent such penalties or interest are attributable to the period starting on the date of the election and ending on the later of (x) ten (10) Business Days after the Determination Date and (y) where the Determination Date occurs pursuant to clause (A)(i) of the definition thereof, the date on which the Withholding Agent pays the relevant US Withholding Taxes with respect to the relevant Onward Distribution to the IRS or (2) in respect of amounts other than those held by LBI or the LBI Trustee pursuant to LBIE's election described in Section 8.02(c)(C); and provided, further, that for purposes of estimating the applicable penalties and interest under Section 8.02(c)(D)(i), the Determination Date shall be assumed to be twenty four (24) months after the date on which LBIE makes the election described in Section 8.02(c)(C).

(E) Except to the extent LBIE has delivered additional funds to the LBI Trustee for the LBI Trustee to hold in escrow, if LBIE exercises the option described in Section 8.02(c)(C), LBIE may not affirmatively seek, and the LBI Trustee shall not be required to agree to, LBI Guidance, LBIE Guidance or IRS Guidance that would require the LBI Trustee to withhold more than the amount placed in escrow (exclusive of the additional amounts withheld pursuant to Section 8.02(c)(D)(i)).

(F) If LBIE chooses not to exercise either of the options described in Sections 8.02(c)(A) or 8.02(c)(C), the LBI Trustee shall withhold, subject to

Section 8.02(d), any US Withholding Taxes that he determines are required to be withheld from such distributions or payments and shall promptly pay such amounts over to the IRS.

(d) *Withholding Determinations.* In any circumstance in which the LBI Trustee is entitled to withhold on a distribution or payment pursuant to this Article VIII, the LBI Trustee shall withhold the amount that he reasonably determines is required to be withheld from the relevant distribution or payment; provided, however, that, absent receipt of LBI Guidance or IRS Guidance and absent a change in applicable law and to the extent that the distribution or payment can be properly associated with any form or documentation on which the LBI Trustee reasonably determines that he is legally entitled to rely evidencing an exemption from US backup withholding and, if applicable at the time of the relevant distribution or payment, FATCA withholding, in no circumstance will the amount withheld by the LBI Trustee be greater than the product of (i) 30 percent (or other applicable percentage consistent with any relevant IRS forms provided by LBIE or Underlying Customers on which the LBI Trustee reasonably determines that he is legally entitled to rely) and (ii) Withholdable Income (based on the source and character of such Withholdable Income paid by LBI), but only to the extent that it is determined by the LBI Trustee that the Withholdable Income constitutes US source income subject to tax under Section 871(a) or 881(a) of the Tax Code. For purposes of the preceding sentence, “**Withholdable Income**” means the sum of (x) Specified Post-Filing Income and (y) any taxable distribution of stock or securities received by the LBI Trustee that is not Specified Post-Filing Income and is included within the Omnibus Securities or reflected in the Omnibus Cash-in-Lieu Payment; provided, however, that a distribution of stock or securities shall be considered taxable only if the LBI Trustee has (I) notified LBIE of the amount of the distribution that the LBI Trustee has determined, in his reasonable discretion, is taxable and (II) provided LBIE with any documentation or other evidence relied upon by the LBI Trustee in making his determination, it being understood that a prospectus, offering memorandum, or other document filed with a securities exchange or regulatory authority, or otherwise distributed or made available to holders of the relevant security by the issuer of the relevant security that identifies the distribution as taxable shall be deemed sufficient for this purpose, and provided further that in making any such determination the LBI Trustee shall not take a position contrary to that indicated in any such prospectus, offering memorandum or other document as to the taxable nature of any distribution.

8.03. LBIE and Withholding Agent Obligations with respect to Subject Distributions.

(a) If LBIE has appointed a Withholding Agent, LBIE shall instruct the Withholding Agent to withhold from any amount received by the Withholding Agent:

(A) in a manner consistent with any LBI Guidance or IRS Guidance, with respect to the Subject Distribution; or

(B) in the absence of LBI Guidance or IRS Guidance and in the absence of a change in applicable law, an amount not less than the amount the LBI Trustee withheld pursuant to Section 8.02(c)(C) or would have withheld with respect to the Subject Distribution had LBIE exercised its option pursuant to Section 8.02(c)(C), including any additional amounts that were or would have been withheld pursuant to Section 8.02(c)(D)(i),

taking into account any reduced rates of withholding or exemptions available pursuant to any applicable form or documentation on which the Withholding Agent reasonably determines that it would be legally entitled to rely; provided, that the LBI Trustee has informed LBIE and the Withholding Agent of the amount of Specified Post-Filing Income that constitutes US source income of a type subject to tax under Section 871(a) or 881(a) of the Tax Code within ten (10) Business Days after the receipt of a notice of a proposed Onward Distribution to Underlying Customers. For the avoidance of doubt, nothing in this clause (B) shall prevent LBIE from instructing the Withholding Agent to withhold an amount that exceeds the amount described in the preceding sentence.

(b) In the event that the Withholding Agent is withholding pursuant to Section 8.03(a)(B) above, LBIE shall provide the LBI Trustee notice of any proposed Onward Distributions to Underlying Customers by the Withholding Agent at least twelve (12) Business Days prior to such Onward Distribution so that the LBI Trustee may comply with its obligation in the proviso in Section 8.03(a)(B).

(c) To the extent the relevant LBI Guidance or IRS Guidance indicates that LBI or the LBI Trustee is (or was) the person that is (or was) required to do the relevant withholding, the Withholding Agent shall withhold and pay over to the IRS amounts consistent with such guidance on behalf of LBI or the LBI Trustee.

(d) Any amounts withheld by the Withholding Agent pursuant to Section 8.03(a)(B) shall be held by the Withholding Agent in escrow in accordance with Treasury Regulation § 1.1441-3(d) pending the receipt of IRS Guidance or until such other time (no later than twenty four (24) months after placement in escrow) as may be mutually agreed between LBIE and the Withholding Agent, at which time the tax determined in accordance with the IRS Guidance, or if no IRS Guidance has been received, Section 8.03(a)(B), shall be paid over to the IRS with the remainder of any amount in escrow being distributed or paid over as may be mutually agreed between LBIE and the Withholding Agent, it being understood that the Withholding Agent or LBIE shall be responsible for any penalties and interest attributable to having placed amounts in escrow rather than paying them over to the IRS.

8.04. Protocol for Guidance Process.

(a) LBIE Guidance.

(A) LBIE shall periodically update the LBI Trustee in respect of discussions with the IRS regarding LBIE Guidance, if any. LBIE shall (i) if it makes a formal written submission to the IRS requesting LBIE Guidance pursuant to any applicable procedure for obtaining such guidance, within a reasonable period of time after such submission, deliver to the LBI Trustee a copy of such submission and (ii) within a reasonable period after receipt of LBIE Guidance, provide a copy of such LBIE Guidance to the LBI Trustee.

(B) Within ten (10) Business Days of receipt by the LBI Trustee of any copies described in the second sentence of clause (A) above, the LBI Trustee shall inform LBIE whether or not such LBIE Guidance satisfies (or in the case of a copy of a submission, whether future LBIE Guidance that is substantively the same as that requested in the

relevant submission would satisfy) the Substantive Requirements of the Definition of LBI Guidance.

(C) In the event the LBI Trustee notifies LBIE that the LBIE Guidance satisfies (or in the case of a copy of a submission, that future LBIE Guidance that is substantively the same as that requested in the relevant submission, would satisfy) the Substantive Requirements of the Definition of LBI Guidance or if the LBI Trustee fails to respond within ten (10) Business Days of receipt of a copy of the relevant submission or LBIE Guidance, the LBIE Guidance, or any future LBIE Guidance that is substantively the same as that requested in the relevant submission, shall be deemed to satisfy the Substantive Requirements of the Definition of LBI Guidance and all distributions or payments from LBI or the LBI Trustee to LBIE or the Withholding Agent in respect of the Subject Distributions after the receipt of such guidance shall be made in accordance with Section 8.02(a).

(b) LBI Guidance.

(A) In the event LBI notifies LBIE in accordance with Section 8.04(a)(B) that the LBIE Guidance does not satisfy (or in the case of a copy of a submission, that future LBIE Guidance that is substantively the same as that requested in the relevant submission would not satisfy) the Substantive Requirements of the Definition of LBI Guidance, which notice shall be accompanied by a reasonably detailed explanation of why the LBIE Guidance does not or would not satisfy the Substantive Requirements of the Definition of LBI Guidance, LBIE shall have the right, but not the obligation, to require LBI and the LBI Trustee to seek, subject to clause (B) below, LBI Guidance.

(B) In the event LBIE exercises its right described in Section 8.04(b)(A):

(i) LBIE (or its appointed representatives) shall prepare, submit and control all aspects of any request for LBI Guidance, including any dealings, communications or negotiations with the IRS, subject to consultation with the LBI Trustee and permitting the LBI Trustee to review and comment on any submissions prior to their submission;

(ii) LBIE shall pay any reasonable out-of-pocket expenses of LBI and the LBI Trustee, and all of LBIE's expenses, incurred in connection with such LBI Guidance; and

(iii) LBI and the LBI Trustee shall fully cooperate with LBIE in obtaining LBI Guidance, including by giving LBIE access to any personnel and facts necessary for any submission required in order to facilitate LBI Guidance (including executing powers of attorney and such other documentation as may be necessary to facilitate the guidance process).

Notwithstanding the foregoing provisions of this Section 8.04(b)(B), the LBI Trustee shall (at his own expense) have sole control over any dealings, communications or negotiations with the IRS that do not relate to US Withholding Taxes.

(C) *No Effect on Other Customers.* No LBI Guidance or LBIE Guidance shall purport to bind any LBI customers other than LBIE and the Underlying Customers.

8.05. *Distributions or payments other than Subject Distributions.* LBI and the LBI Trustee agree that amounts distributed or paid by LBI or the LBI Trustee pursuant to this Agreement in respect of any Claim, other than any Subject Distribution, do not represent gross income from US sources as defined by Section 861 of the Tax Code that is subject to US withholding tax under Chapter 3 of the Tax Code and the LBI Trustee will not withhold any US Withholding Taxes in respect of such distributions or payments to the extent that the distribution or payment can be properly associated with any form or documentation on which the LBI Trustee reasonably determines that he is legally entitled to rely evidencing an exemption from US backup withholding and, if applicable at the time of the distribution or payment, FATCA withholding.

8.06. *Tax Liability.* Except as otherwise expressly stated in this Article VIII or otherwise in this Agreement, nothing in this Article VIII or otherwise in this Agreement shall make LBIE or the Withholding Agent liable (A) for any penalties or interest that may be imposed on LBI, the LBI Trustee or any other entity or arrangement within the control of LBI and the LBI Trustee as a result of any claimed or asserted failure by LBI, the LBI Trustee or such other person to have properly withheld except to the extent such penalties or interest are attributable to the period starting on the date of an election by LBIE pursuant to Sections 8.02(c)(A) or 8.02(c)(C) and ending on the later of (x) ten (10) Business Days after the Determination Date and (y) where the Determination Date occurs pursuant to clause (A)(i) of the definition thereof, the date on which the Withholding Agent pays the relevant US Withholding Taxes with respect to the relevant Onward Distribution to the IRS, (B) so long as the procedures in this Article VIII are followed, to LBI, the LBI Trustee or such other person for any US Withholding Tax or (C) for any other amounts with respect to Taxes not addressed in (A) or (B).

8.07. *Payments by or to Withholding Agent deemed made by or to LBIE.* Notwithstanding anything in this Agreement to the contrary, if LBIE appoints a Withholding Agent, all references in Article II to a distribution or payment being made to or by LBIE or amounts being held by LBIE shall include distributions or payments made to or by the Withholding Agent or amounts held by the Withholding Agent.

8.08. *Withholding Certification.*

(a) Except as provided in (b) below, within thirty (30) days of making either (i) a withholding or deduction for taxes from any distribution or payment made pursuant to this Agreement to another Party or (ii) any payment required in connection with that withholding or deduction, the Party making the withholding or deduction shall deliver to the Party entitled to the relevant distribution or payment a certificate, statement or other evidence reasonably satisfactory to that Party that the relevant withholding or deduction has been made and any appropriate payment remitted to the relevant taxing authority, within the time allowed without interest of penalties for late payment arising.

(b) If LBIE makes an election pursuant to either of Section 8.02(c)(A) or 8.02(c)(C), and on the Determination Date, LBI Guidance has not been received and a Withholding Agent has not been appointed, the LBI Trustee shall deliver the certificate referred to in Section 8.08(a) above within thirty (30) days of making the relevant payment to the IRS.

8.09. *Cooperation.* Each of LBI and the LBI Trustee, on the one hand, and LBIE, on the other hand, agrees to cooperate with the other in providing information (subject to any confidentiality obligations) and assistance reasonably requested by such other Party or Parties (with any reasonable out-of-pocket expenses (including, for purposes of this paragraph only, taxes) being borne by the requesting Party) in order (i) to comply with its Tax obligations, filings or applications, and (ii) to eliminate or minimize deductions or withholdings of any Tax or for or on account of any Taxes which would otherwise be required to be made from distributions or payments between the Parties and/or between LBIE and its Underlying Customers, provided, however, that such cooperation shall not require incurring any material tax liability. In respect of payments made by LBIE to LBI or the LBI Trustee, such cooperation includes providing LBIE with a duly completed IRS Form W-9 (or appropriate successor form).

ARTICLE IX

OTHER COVENANTS

9.01. Bankruptcy Court Approvals.

(a) Within ten (10) Business Days of the Execution Date, the LBI Trustee shall file motions in the Bankruptcy Court seeking entry of the Bankruptcy Court Orders. Within ten (10) Business Days of the Execution Date, the LBI Trustee shall file a motion or motions in the Bankruptcy Court seeking entry of an order approving the LBI/LBHI Settlement Agreement. The LBI Trustee shall at all times make reasonable efforts to secure Bankruptcy Court Approval. In connection with the foregoing, the LBI Trustee (i) shall first file a motion seeking permission of the Bankruptcy Court to file Schedules 2.02(a)(A), 2.02(a)(B), 2.02(a)(C), 5.02, 5.03, 5.04 and 5.05 and any other provisions agreed by the LBI Trustee and LBIE in accordance with Article XVIII prior to the date of filing (collectively, the “**SA Confidential Information**”) under seal, and (ii) may (any term of the Confidentiality Agreement or Part II of the Term Sheet to the contrary notwithstanding) file this Agreement (including the Schedules or Exhibits hereto), with (unless and until (and to the extent) the Bankruptcy Court otherwise directs) the SA Confidential Information redacted, with the Bankruptcy Court.

(b) The LBI Trustee shall file the motion(s) seeking the Approval Order on notice to all LBIE Identified Parties identified as such by LBIE as provided in the following sentence (regardless of whether they have independently filed a direct Claim against LBI). In connection therewith, on the Execution Date, LBIE shall provide the LBI Trustee with a list containing the names and contact details of all of the LBIE Identified Parties based on the books and records of LBIE and in addition any updates as to any currently accurate names and contact details. For the avoidance of doubt, the LBI Trustee may also give such other notice (including to such other Persons and by such other means) of any or all of the Bankruptcy Court Orders as he determines in his sole discretion.

(c) LBIE shall assist and support the LBI Trustee as reasonably requested by the LBI Trustee from time to time in seeking Bankruptcy Court Approval, including (to the extent so reasonably requested by the LBI Trustee from time to time) by, subject to LBIE's reasonable discretion, (i) submitting briefs, and making other written or oral submissions, in support of relevant motions and (ii) assisting in preparing and certifying relevant documentation in accordance with the terms of this Agreement, provided that nothing in this sentence shall require LBIE, in providing such assistance or support, to make any specific assertion of fact to any court or to make any specific legal argument to any court. For the avoidance of doubt, LBIE shall not Object to or appeal any of the Bankruptcy Court Orders, provided that nothing in this Section 9.01(c) modifies or qualifies Sections 11.03(a) and 11.05(b).

9.02. English Compliance Order.

(a) From and after the entry of all of the Bankruptcy Court Orders (to the extent in accordance with Sections 11.03(a), 11.04(c) and 11.05(b)) by the Bankruptcy Court, the Joint Administrators shall apply for and use reasonable efforts to secure the making by the English Court of the English Compliance Order (in the form of Exhibit D hereto or such other form as may be agreed by LBIE and the LBI Trustee) as a Final Order.

(b) The Joint Administrators' application for the English Compliance Order shall be served on the LBI Trustee and LBIE shall post notice of the application to all LBIE Identified Parties on its website. The LBI Trustee's English law advisors (Norton Rose LLP of 3 More London Riverside, London SE1 24Q, United Kingdom) are hereby authorized to accept service of such application on behalf of the LBI Trustee.

(c) The LBI Trustee shall assist and support LBIE as reasonably requested by LBIE from time to time in seeking the English Compliance Order, including (to the extent so reasonably requested by LBIE from time to time) by, subject to the LBI Trustee's reasonable discretion, (i) submitting briefs, and making other written or oral submissions, in support of relevant motions and (ii) assisting in preparing and certifying relevant documentation in accordance with the terms of this Agreement, provided that nothing in this sentence shall require the LBI Trustee, in providing such assistance or support, to make any specific assertion of fact to any court or to make any specific legal argument to any court. For the avoidance of doubt, the LBI Trustee shall not Object to or appeal the English Compliance Order, provided that nothing in this Section 9.02(c) modifies or qualifies Section 11.03(b).

9.03. *Ongoing Litigation/Claims.* The Parties will from time to time take all appropriate action in the Bankruptcy Court to seek to stay the currently pending LBIE Claims litigations in that forum until the earlier of the occurrence of the Effective Time or the termination of this Agreement in accordance with Article XII hereof. If the Effective Time shall occur, promptly thereafter the Parties will take all appropriate action in the Bankruptcy Court to seek to have all such litigations dismissed with prejudice to the extent such litigations are not dismissed with prejudice by the Bankruptcy Court through the Bankruptcy Court Orders (as entered by the Bankruptcy Court and in effect).

9.04. *Certain Limitations.* Notwithstanding any provision of this Article IX to the contrary, nothing in this Article IX shall obligate any Party to amend or waive any provision of (including any condition set forth in) this Agreement.

ARTICLE X

DEDICATED RESERVE

10.01. Dedicated Reserve.

(a) The LBI Trustee shall establish and maintain, at all times from and including the Execution Date until and including the Dedicated Reserve Termination Date, a specific reserve, which is referred to herein as the “**Dedicated Reserve**” in the Required Reserve Amount (initially, \$777,000,000). The Dedicated Reserve shall be established and maintained in accordance with this Agreement (and, if and when entered, the Approval Order and the Allocation Order). Once created, the Dedicated Reserve shall be available exclusively in respect of funding (i) the payments to LBIE specified in Section 10.08(a) or (ii) any distribution or payment by LBI or the LBI Trustee to Barclays (including any such distribution or payment on account of any Barclays LBI ETD Claim), in the case of this clause (ii) to the extent (and only to the extent) that the Required Reserve Amount will decrease pursuant to Sections 10.08(b), 10.08(c) and/or 10.08(d) (in the case of Section 10.08(d), for the avoidance of doubt, to the extent that the relevant event described therein involves (including occurring as a result of) a distribution or payment to Barclays) as a result of or otherwise in connection with (and at the time of) such distribution or payment.

(b) At any time when the Reserve Amount exceeds the Required Reserve Amount, the LBI Trustee may, at any time or from time to time thereafter, eliminate the Dedicated Reserve (or otherwise reduce the Reserve Amount) to such an extent (and only to such an extent) such that, after giving effect to such elimination (or other reduction), the Reserve Amount is not less than the Required Reserve Amount at such time. In no event shall the Required Reserve Amount (or, for the avoidance of doubt, the Reserve Amount) ever be increased (even if it has theretofore been reduced in accordance with this Article X).

(c) Except (i) in respect of the payments and distributions described in the last sentence of Section 10.01(a) or (ii) as expressly provided in the first sentence of Section 10.01(b), the LBI Trustee shall not reduce the Reserve Amount, or eliminate any part of the Dedicated Reserve, prior to the Dedicated Reserve Termination Date.

(d) Prior to the Dedicated Reserve Termination Date, promptly upon gaining actual knowledge of any act, development or circumstances resulting in a decrease in the Barclays LBIE ETD Claim Maximum Liability, LBIE shall notify the LBI Trustee of such act, development or circumstances and of LBIE’s determination of the amount of the reduced Barclays LBIE ETD Claim Maximum Liability.

(e) The LBI Trustee shall hold the Dedicated Reserve Account in accordance with (if and when entered) the Approval Order and the Allocation Order. For the avoidance of doubt, (i) any distribution or payment described in clause (i) or (ii) of Section

10.01(a) may be made by the LBI Trustee from the Dedicated Reserve Account, and (ii) at any time when the amount of the Dedicated Reserve Account is in excess of the Required Reserve Amount, the LBI Trustee may transfer such excess out of the Dedicated Reserve Account.

10.02. *LBI Trustee Discretion in Respect of Barclays LBI ETD Claims.* The LBI Trustee may deal with any Barclays LBI ETD Claim in such manner as he sees fit, provided that the LBI Trustee covenants to LBIE that, prior to the Dedicated Reserve Termination Date, the LBI Trustee shall not (without LBIE's consent), in connection with any consensual settlement or other consensual resolution of any Barclays LBI ETD Claims, make any factual admissions to the effect that the Barclays APA Transferred Property included any amount credited to the LBI/LBIE ETD Accounts on account of realized gains and losses on closed positions, to the extent that to do so would result in any increase in the amount of the Uncovered Liability, provided, further, for the avoidance of doubt, that nothing in this sentence shall in any way apply to (and the LBI Trustee shall not be considered to be in breach of this sentence to any extent as a result of) (i) any provision by the LBI Trustee (or any of his Representatives) of any information (including any documents, statements or stipulations) or testimony (including pre-trial testimony) that the LBI Trustee (or any of his Representatives) is required (as determined in good faith by the LBI Trustee or his counsel) to provide pursuant to, or in connection with, any legal process or litigation concerning any Barclays LBI ETD Claim, or (ii) any trial, or pre-trial, sworn testimony provided by the LBI Trustee (or any of his Representatives) in connection with any Barclays LBI ETD Claim.

10.03. Barclays LBIE ETD Claims Submissions/Variations.

(a) As promptly as practicable, but in any event within ten (10) Business Days, after (i) the receipt (at any time prior to the Dedicated Reserve Termination Date) by the Joint Administrators of any written proposal of Barclays to vary the proof of debt submitted by BCI to the Joint Administrators dated July 26, 2012 in respect of BCI's unsecured claims against LBIE, (ii) any agreement (at any time prior to the Dedicated Reserve Termination Date) by the Joint Administrators to any variation of the proof of debt submitted by BCI to the Joint Administrators dated July 26, 2012 in respect of BCI's unsecured claims against LBIE, or (iii) the submission (at any time prior to the Dedicated Reserve Termination Date) by Barclays of any Client Money Claim or of any variation thereof, LBIE shall deliver written notice thereof to the LBI Trustee, which notice shall include a copy of such proposal, variation, submission or correspondence.

(b) As promptly as practicable, but in any event within ten (10) Business Days, after the submission (at any time prior to the Dedicated Reserve Termination Date) of any variation in or any new Barclays LBI ETD Claim, the LBI Trustee shall deliver written notice thereof to LBIE which notice shall include a copy of such submission.

10.04. Information; Participation.

(a) Prior to the Dedicated Reserve Termination Date, LBIE shall, in relation to each Barclays LBIE ETD Claim, (i) promptly provide such information that the LBI Trustee reasonably may request from it from time to time with respect to such Barclays LBIE ETD Claim (to the extent that LBIE has such information readily available or otherwise can

comply with such information request without undue burden or cost (unless, solely with respect to cost, the LBI Trustee agrees in writing to reimburse LBIE for such cost, including any irrecoverable VAT)), (ii) promptly make itself and its Representatives reasonably available for consultation with the LBI Trustee and his Representatives with respect to such Barclays LBIE ETD Claim to the extent reasonably so requested from time to time by the LBI Trustee, (iii) provide reasonable prior notice of, and the opportunity for the LBI Trustee (or his Representatives) to attend, all public court conferences, discovery proceedings, direction proceedings, applications, depositions, hearings, trials, appeals or other proceedings in connection with such Barclays LBIE ETD Claim, and (iv) otherwise keep the LBI Trustee reasonably informed with respect to any material communications with Barclays or developments with respect to such Barclays LBIE ETD Claim (including of any Final Determination with respect thereto). Prior to the Dedicated Reserve Termination Date, LBIE also shall provide to the LBI Trustee such publicly available information as the LBI Trustee may reasonably request from time to time (and which is not then available to the LBI Trustee on a public web-site) with respect to the percentage rates at which it is then contemplated distributions in respect of claims against LBIE (in any capacity, including as LBIE Client Money Trustee) may be made.

(b) Prior to the Dedicated Reserve Termination Date, the LBI Trustee shall, in relation to each Barclays LBI ETD Claim, (i) promptly provide such information that LBIE reasonably may request from him from time to time with respect to such Barclays LBI ETD Claim (to the extent that the LBI Trustee has such information readily available or otherwise can comply with such information request without undue burden or cost (unless, solely with respect to cost, LBIE agrees in writing to reimburse the LBI Trustee for such cost, including any irrecoverable VAT), (ii) promptly make his Representatives reasonably available for consultation with LBIE and its Representatives with respect to such Barclays LBI ETD Claim to the extent reasonably so requested from time to time by LBIE, (iii) provide reasonable prior notice of, and the opportunity for LBIE (or its Representatives) to attend, all public court conferences, discovery proceedings, direction proceedings, depositions, hearings, trials or appeals, or other public proceedings, in connection with such Barclays LBI ETD Claim and (iv) otherwise keep LBIE reasonably informed with respect to any material developments with respect to the Barclays LBI ETD Claim (including of any Final Determination with respect thereto). Prior to the Dedicated Reserve Termination Date, the LBI Trustee also shall provide to LBIE such publicly available information as LBIE may reasonably request (and, prior to the Effective Time, such non public information as LBIE may reasonably request) from time to time (and which is not then available to LBIE on a public web-site) with respect to the amount and nature of the Dedicated Reserve and the status and amount of the Dedicated Reserve Account.

10.05. *Cooperation With Defending Party.* Prior to the Dedicated Reserve Termination Date, the Non-Defending Party with respect to any Subject Barclays ETD Claim shall provide the Defending Party with respect to such Subject Barclays ETD Claim with all assistance and information reasonably requested by such Defending Party from time to time in connection with the defense of such Subject Barclays ETD Claim (in each case, to the extent that the Non-Defending Party can comply with such request without undue burden or cost (unless, solely with respect to cost, the Defending Party agrees in writing to reimburse the Non-Defending Party for such cost, including any irrecoverable VAT)). Without limiting the generality of the preceding sentence, the Non-Defending Party with respect to any Subject

Barclays ETD Claim shall (i) furnish (reasonably promptly after any written request therefor) such records and information, and (ii) make itself and its Representatives available on a mutually convenient basis to (x) provide additional information and explanation of any material provided, including providing any sworn declarations and affidavits (provided that nothing in this clause (ii)(x) shall require the Non-Defending Party, in providing any such declaration or affidavit, to make any specific assertion of fact to any court or to make any specific legal argument to any court), and (y) attend and provide testimony at such court conferences, discovery proceedings, direction proceedings, applications, depositions, hearings, trials, appeals or other proceedings, in the case of each of (i) and (ii) as may be reasonably requested by the Defending Party with respect to such Subject Barclays ETD Claim from time to time in connection with such Subject Barclays ETD Claim and to the extent that the Non-Defending Party can comply with such request without undue burden or cost (unless, solely with respect to cost, the Defending Party agrees in writing to reimburse the Non-Defending Party for such cost, including any irrecoverable VAT)). Nothing in this Section 10.05, or in Section 10.04, shall require either the LBI Trustee or LBIE to (I) take any action that would violate, or result in any violation of, any protective order (or the like) or (II) provide any information to the other such Party that is protected from disclosure to such other Party by any legal privilege. For the avoidance of doubt, nothing in Section 10.04(b), or in this Section 10.05, shall require the LBI Trustee to divulge the content of any confidential settlement communications between the LBI Trustee and Barclays.

10.06. Diligent Defense of Barclays LBIE ETD Claims.

(a) Prior to the earlier of the Dedicated Reserve Termination Date and the complete resolution, through one or more Final Determinations, of the Barclays LBI Ownership Dispute, (i) without the prior consent of the LBI Trustee (which consent may be granted or withheld by the LBI Trustee in his absolute discretion), neither LBIE (in any capacity) nor the Joint Administrators shall voluntarily adjudicate, allow, admit, determine or seek any determination of any Barclays LBIE ETD Claim (including either of the Specified Elements thereof), or otherwise in any manner admit or acknowledge any Barclays Client Money Pool Entitlement, in each case whether of their own initiative, by application to the English Court or otherwise, provided that, subject to, and without limitation of, clause (ii) of this sentence, nothing in this clause (i) shall prevent or limit LBIE's ability to reject the Barclays LBIE Proof of Debt or any Barclays LBIE Client Money Claim, and (ii) LBIE (in all relevant capacities) and the Joint Administrators each shall use reasonable best efforts to procure the adjournment or stay of any proceedings commenced with respect to any Barclays LBIE ETD Claim (including with respect to either of the Specified Elements thereof), whether by application to the English Court or otherwise. Without limitation of the generality of clause (i) of the preceding sentence, neither LBIE nor the Joint Administrators shall, at any time prior to the Dedicated Reserve Termination Date, without the prior consent of the LBI Trustee (which consent may be granted or withheld by the LBI Trustee in his absolute discretion), bring (or seek to intervene in) any action or suit in a United States court seeking any determination of the Barclays LBI Ownership Dispute (and, prior to the earlier of the Dedicated Reserve Termination Date and the complete resolution, through one or more Final Determinations, of the Barclays LBI Ownership Dispute, shall not bring any action or suit in, or application to, the English Court seeking any determination of the Barclays LBI Ownership Dispute).

(b) Without limitation of, and subject to, Sections 10.06(a) and 10.06(c), LBIE (in all relevant capacities) and the Joint Administrators each shall at all times prior to the Dedicated Reserve Termination Date (and at LBIE's expense) (i) in relation to each Barclays LBIE ETD Claim (or otherwise in relation to any Barclays Client Money Pool Entitlement), act in all respects (including in determining, adjudicating, allowing (or disallowing), admitting, recognizing (or declining to recognize), applying or asserting Setoffs with respect to and, if and to the extent applicable, litigating such Barclays LBIE ETD Claim (or any other Barclays Client Money Pool Entitlement)) diligently and (in any event) (x) in the same manner as it reasonably determines it would have acted in the absence of this Article X (in particular, in the absence of the obligations of the LBI Trustee under Section 10.08(a)), and (y) in full compliance with its obligations to all other claimants in respect of Client Money, and (ii) without limitation of clause (i), treat Barclays, in relation to (x) any submission by Barclays of a Client Money Claim (in relation to any of the LBI/LBIE ETD Accounts) in the first instance, or of any variation thereafter of any such Client Money Claim, and (y) each Barclays LBIE ETD Claim (or any other Barclays Client Money Pool Entitlement), including in relation to the determination of the amount(s) actually to be distributed to Barclays on account of any Barclays LBIE ETD Claim (including in determining the percentage rate at which distributions in respect of such Barclays LBIE ETD Claim will be made)), no more favorably (in determining (including as to the amount thereof), adjudicating, allowing (or disallowing), admitting, recognizing (or declining to recognize), paying (including as to ranking or priority of payment or the rate of distributions) or applying or asserting Setoffs with respect to such Barclays LBIE ETD Claim (or any other Barclays Client Money Pool Entitlement)) than any other member (or, in the case of clause (ii)(x), prospective member) of the same class of claimants against LBIE or against LBIE as LBIE Client Money Trustee, as the case may be.

(c) Neither LBIE (in any capacity) nor the Joint Administrators shall at any time prior to the Dedicated Reserve Termination Date enter into or effect any negotiated (or otherwise consensual) settlement, compromise or arrangement of any Barclays LBIE ETD Claim (or of any other Barclays Client Money Pool Entitlement), in whole or in part, without the consent of the LBI Trustee (which consent may be granted or withheld by the LBI Trustee in his absolute discretion), provided that the LBI Trustee shall give his consent (from and after the complete resolution, through one or more Final Determinations, of the Barclays LBI Ownership Dispute) if (i) LBIE is able to demonstrate (to the reasonable satisfaction of the LBI Trustee) that (x) such settlement, compromise or arrangement (I) will result in a significant reduction of the Uncovered Liability from what it otherwise would be absent such settlement, compromise or arrangement and (II) is based on the advice of a reputable (UK) Queen's Counsel as being, in the circumstances, on the best available terms, and (y) the aggregate amount that the LBI Trustee ultimately will be required to pay pursuant to Section 10.08(a) with respect to all possible Barclays LBIE ETD Claims (including the amount, if any, that the LBI Trustee will be required to pay pursuant to Section 10.08(a) as a result of such settlement, compromise or arrangement) will be significantly (either in absolute dollar terms or in proportion to the Required Reserve Amount in effect immediately prior to such settlement, compromise or arrangement) reduced by such settlement, compromise or arrangement, and (ii) such settlement, compromise or arrangement will (except for, subject to clause (i), payment of any amount payable by LBI in respect of such settlement, compromise or arrangement pursuant to Section 10.08(a)) result (effective at the effective time of such settlement, compromise or arrangement and in a manner reasonably acceptable to the LBI Trustee) in the complete, unconditional and irrevocable release

or extinguishment of any actual or potential Liability of the LBI Trustee (if any) in respect of all then-existing or possible future Barclays LBI ETD Claims (to the extent that any such actual or potential Liability of the LBI Trustee (if any) is of a nature such that a distribution or payment by the LBI Trustee in respect thereof would (disregarding such settlement) reduce the Barclays LBIE ETD Claim Maximum Liability), it being understood and agreed for the avoidance of doubt that this proviso relates solely to the LBI Trustee giving his consent to LBIE and/or the Joint Administrators entering into or effecting any negotiated (or otherwise consensual) settlement, compromise or arrangement of any Barclays LBIE ETD Claim (or of any other Barclays Client Money Pool Entitlement) and does not obligate the LBI Trustee to incur any Liability, to execute or deliver any agreement effecting such settlement, compromise or arrangement (or any other agreement or other instrument in connection therewith (other than such consent)), or to take any other action, in connection with such settlement, compromise or arrangement.

(d) For the avoidance of doubt (and in furtherance of Sections 3.02 and 6.02 hereof), neither LBIE (in any capacity) nor the Joint Administrators shall, at any time prior to the Dedicated Reserve Termination Date, in relation to any Barclays LBIE ETD Claim (or of any other Barclays Client Money Pool Entitlement) or against Barclays in relation to any Barclays LBIE ETD Claim (or any other Barclays Client Money Pool Entitlement), assert, apply, exercise or enforce, or seek to assert, apply, exercise or enforce, (i) any Encumbrance or Setoff to the extent such Encumbrance or Setoff is based upon or is on account of any Liability of LBI (or the LBI Trustee) to LBIE (including any LBIE Released Claim or any Liability of LBI (or the LBI Trustee) pursuant to this Agreement) other than a Liability which was assumed by Barclays under the Barclays APA or otherwise, or (ii) without limitation of the generality of clause (i), any Extended Lien Provision (on behalf of itself or for the benefit of any other Person), except (solely in the case of this clause (ii)) to the extent that LBIE or the Joint Administrators may be required to do so by a Final Order of a court of competent jurisdiction. For the further avoidance of doubt, nothing in this Section 10.06(d) limits the extent to which the Joint Administrators or LBIE (either in its individual capacity or as LBIE Client Money Trustee) may, in adjudicating or determining the amount of any Barclays LBIE ETD Claim (or any other Barclays Client Money Pool Entitlement) that will be admitted or allowed and if and to the extent permitted by applicable law, take into account any Liability of Barclays assumed by Barclays under the Barclays APA or otherwise, take into account any close-out costs allocated by the Joint Administrators or LBIE to the LBI/LBIE ETD Accounts, or net positive balances on certain transactions or accounts within the LBI/LBIE ETD Accounts against negative balances on other such transactions or accounts.

(e) All undertakings of the Joint Administrators in this Section 10.06 shall relate only to such acts as are properly to be done or other matters which properly relate to them personally as insolvency officeholders and shall not extend to acts or matters that are properly LBIE's or any actions or omissions they do or omit to do solely as agents of LBIE.

10.07. Breach.

(a) LBIE Breach.

(A) Any other term of this Article X to the contrary notwithstanding, if LBIE or, as applicable, the Joint Administrators, for any reason, fail, to any extent, to comply with (i) clause (i) of the first sentence of Section 10.06(a), (ii) the last sentence of Section 10.06(a), or (iii) Section 10.06(c) ((i), (ii) and (iii), collectively, the “**Specified Clauses**”), then (x) LBIE shall cease (in any capacity) to have any rights, and the LBI Trustee shall cease to have any obligations, under this Article X (including in respect of any Barclays LBIE ETD Claim) and (y) without limitation of clause (x), the Required Reserve Amount automatically thereupon shall be reduced to zero and the LBI Trustee thereafter may eliminate the Dedicated Reserve in his discretion.

(B) Any other term of this Article X to the contrary notwithstanding, if (i) (x) LBIE or, as applicable, the Joint Administrators, for any reason, fail, to any extent, to comply with Sections 10.03, 10.04, 10.05 and/or 10.06 (other than any Specified Clause) and (y) the LBI Trustee is materially prejudiced by such failure and (notwithstanding any efforts to remedy such failure) remains so materially prejudiced on the date that is thirty (30) days after notice of such failure from the LBI Trustee (or, if earlier, on the date that the LBI Trustee otherwise would be required to make any payment pursuant to Section 10.08(a) as such date may be extended under Section 10.08(a)(E)), or (ii) LBIE or, as applicable, the Joint Administrators, for any reason, knowingly and deliberately fail, to any material extent, to comply with Sections 10.03, 10.04, 10.05 and/or 10.06 (other than any Specified Clause), then (aa) LBIE shall cease (in any capacity) to have any rights, and the LBI Trustee shall cease to have any obligations, under this Article X (including in respect of any Barclays LBIE ETD Claim) and (bb) without limitation of clause (aa), the Required Reserve Amount automatically thereupon shall be reduced to zero and the LBI Trustee thereafter may eliminate the Dedicated Reserve in his discretion. If LBIE or the Joint Administrators shall fail, on more than one occasion or in more than one respect, to comply with Sections 10.03, 10.04, 10.05 and/or 10.06 (other than any Specified Clause), then for the purposes of determining if the LBI Trustee is materially prejudiced by any such failure, each such failure may be considered both separately and as if all such failures, and the effects thereof, were aggregated and considered as a single “failure.” If the LBI Trustee shall conclude that the Required Reserve Amount has been reduced to zero pursuant to this Section 10.07(a)(B) or pursuant to Section 10.07(a)(A), then the LBI Trustee promptly thereafter shall give LBIE written notice of such conclusion, including of the purported failure(s) by LBIE or, as applicable, the Joint Administrators, to comply with Sections 10.03, 10.04, 10.05 and/or 10.06 on which the LBI Trustee based such conclusion.

(C) In addition to and without limitation of Section 10.07(a)(B), any other term of this Article X to the contrary notwithstanding, if LBIE or, as applicable, the Joint Administrators, for any reason, fail to comply with Sections 10.03, 10.04, 10.05 and/or 10.06 (other than any Specified Clause), then, if the Effective Time occurs, (i) to the extent that such failure proximately results in any increase in any amount which is or may in the future be payable by the LBI Trustee under Section 10.08(a), the LBI Trustee shall not be obliged to pay any such increased amount, and (ii) LBIE shall be obliged to compensate LBI for any other losses, costs, third party expenses or liabilities (including any irrecoverable VAT)

which LBI or the LBI Trustee may suffer or incur as a result of such failure which LBI or the LBI Trustee, as applicable, would not otherwise have suffered or incurred. If the LBI Trustee shall (x) conclude that LBIE or, as applicable, the Joint Administrators, have failed to comply with Sections 10.03, 10.04, 10.05 and/or 10.06 (other than any Specified Clause) and (y) identify any amount which, but for this Section 10.07(a)(C) is or may otherwise in the future be payable by the LBI Trustee under Section 10.08(a) but for which the LBI Trustee has concluded that, by reason of such failure, he will be relieved of liability pursuant to this Section 10.07(a)(C), then the LBI Trustee promptly thereafter shall give LBIE written notice of such conclusion, including of the purported failure(s) by LBIE or, as applicable, the Joint Administrators, to comply with Sections 10.03, 10.04, 10.05 and/or 10.06 on which the LBI Trustee based such conclusion, and of the amount described above in clause (y).

(D) For the purposes of clause (i) of the first sentence of Section 10.07(a)(B), aggregate losses or damages (including actual or possible aggregate incremental liability under Section 10.08(a)) (determined for this purpose disregarding the existence of Section 10.07(a)(C) or any voluntary undertaking or waiver by LBIE and/or the Joint Administrator of a nature similar to the remedy set forth in Section 10.07(a)(C)) of \$50 million or more shall constitute “material prejudice.”

(b) *LBI Breach.* Any other term of this Article X to the contrary notwithstanding, if the LBI Trustee, for any reason, fails, to any material extent, to comply with Sections 10.02, 10.04 and/or 10.05 and (unless such failure was knowing and deliberate) the LBI Trustee fails to remedy such failure (to the extent that such failure is capable of being remedied) within thirty (30) days of notice thereof from LBIE, then, if the Effective Time occurs, the LBI Trustee, to the extent that such failure proximately results in any increase in the Uncovered Liability, shall be obliged to make additional payments pursuant to Section 10.08(a) in respect of (and only in respect of) any actual payments made by LBIE to Barclays in respect of such incremental Uncovered Liability, which payments would not otherwise have been required to be paid. If LBIE shall (i) conclude that the LBI Trustee has failed to comply with Sections 10.02, 10.04 and/or 10.05 and (ii) identify any incremental Uncovered Liability for which LBIE has concluded that the LBI Trustee shall be liable under this Section 10.07(b) by reason of such failure, then LBIE promptly thereafter shall give the LBI Trustee written notice of such conclusion, including of the purported failure(s) by the LBI Trustee to comply with Sections 10.02, 10.04 and/or 10.05 on which LBIE based such conclusion, and of the incremental Uncovered Liability described above in clause (ii).

(c) *Equitable Remedies.* For the avoidance of doubt, nothing in this Section 10.07 limits or qualifies the right of either LBIE or the LBI Trustee (i) to seek or obtain equitable relief in respect of any actual or threatened breach of this Article X or (ii) to terminate this Agreement prior to the Effective Time, as set forth in Article XII.

10.08. Certain Adjustments/Applications of the Dedicated Reserve.

(a) (A) If (i) the Effective Time shall occur and (ii) there shall be, or have been, a Final Determination in respect of any Barclays LBIE ETD Claim that requires LBIE to make any distribution or (in the case of any settlement with the consent of the LBI Trustee to be given in accordance with Section 10.06(c)) other payment out of the LBIE estate or as

distributions on a Client Money Claim to Barclays on account of such Barclays LBIE ETD Claim, then the LBI Trustee shall pay to LBIE (in its individual capacity and (for the avoidance of doubt) not in its capacity as LBIE Client Money Trustee) the lesser of (x) the Required Reserve Amount at such time and (y) the aggregate of (I) an amount equal to the amount of such distribution or (in the case of any settlement with the consent of the LBI Trustee to be given in accordance with Section 10.06(c)) payment that LBIE makes to Barclays as required pursuant to such Final Determination (or, if less, the amount that would have been so distributed or (in the case of any settlement with the consent of the LBI Trustee in accordance with Section 10.06(c)) paid to Barclays if LBIE (in all capacities) had, subject to Section 10.06(d), applied against such Barclays LBIE ETD Claim any and all available Setoffs or other reductions thereto (other than the setoff described in clause (II))), and (II) if the amount required to be paid by the LBI Trustee pursuant to clause (I) has been reduced by the setting off against such Barclays LBIE ETD Claim of any indebtedness of Barclays to LBIE (not related to the LBI/LBIE ETD Accounts), in addition pay to LBIE (in its individual capacity and (for the avoidance of doubt) not in its capacity as LBIE Client Money Trustee) an amount equal to the amount by which such payment has been so reduced. For the avoidance of doubt, the amount described in clause (y) of the preceding sentence shall be inclusive of any Taxes that LBIE is required by law to withhold from any such distribution or payment to Barclays and any such amount shall be treated for purposes of such clause (y) as an amount distributed or paid to Barclays by LBIE.

(B) The Required Reserve Amount in effect immediately prior to any payment by the LBI Trustee pursuant to Section 10.08(a)(A) automatically (and without the necessity of any further action on the part of any Party) upon such payment by the LBI Trustee shall be reduced by an amount equal to such payment by the LBI Trustee.

(C) For the avoidance of doubt, any other term of this Article X to the contrary notwithstanding, in no event shall the LBI Trustee (i) be required to make any payment pursuant to this Section 10.08(a) to the extent that, after giving effect to such payment, the aggregate amount paid by the LBI Trustee pursuant to this Section 10.08(a) (at any time or from time to time) would exceed \$777,000,000, or (ii) at any particular time be obligated under this Section 10.08(a) to pay an aggregate amount in excess of the Required Reserve Amount at such time, provided that this Section 10.08(a)(C) does not limit or qualify Section 10.07(b) and any amount paid or payable by the LBI Trustee pursuant to said Section 10.07(b) shall be disregarded in applying this Section 10.08(a)(C).

(D) If any distribution or payment (in respect of which the LBI Trustee has a counter-payment obligation pursuant to this Section 10.08(a)) is paid by LBIE to Barclays in Sterling (or other currency other than US Dollars), the LBI Trustee nonetheless shall make its corresponding payment to LBIE under Section 10.08(a) in US Dollars (subject to the limitations on the aggregate amount of US Dollars payable by the LBI Trustee set out in this Article X), and the amount of US Dollars that the LBI Trustee shall (subject to such limitations) be obligated to pay pursuant to Section 10.08(a) shall be the amount that is sufficient at the applicable exchange rate prevailing (at the date on which the LBI Trustee makes the payment required pursuant to Section 10.08(a)) to purchase the amount of the currency that was paid to Barclays. For purposes of applying the Required Reserve Amount, and \$777,000,000, limitations specified in Section 10.08(a)(C), the amount of US Dollars that the LBI Trustee is (or, but for such limitations, would be) required to pay to effect such foreign currency exchange

shall be considered the amount paid (or, but for such limitations, would be required to be paid) by the LBI Trustee pursuant to this Section 10.08(a).

(E) Any payment required to be made by the LBI Trustee pursuant to this Section 10.08(a) shall be made by the later of (i) the tenth (10th) Business Day after the Effective Time and (ii) the fifth (5th) Business Day after LBIE shall have given notice to the LBI Trustee of such distribution or payment by LBIE to Barclays and of its calculation (in reasonable detail) of the amounts required to be paid by the LBI Trustee pursuant to clauses (y)(I) and (y)(II) of Section 10.08(a)(A) (before and after giving effect to the limitations set forth in Section 10.08(a)(C), to the extent applicable), provided that if the LBI Trustee shall have served a notice on LBIE or the Joint Administrators under clause (i)(y) of Section 10.07(a)(B) and the last day of the ten (10) or five (5) Business Day period referred to in clauses (i) and (ii) of this Section 10.08(a)(E) shall fall before the expiry of a period of thirty (30) days from the date of such notice, then LBIE may, by notice to the LBI Trustee delivered no later than the day on which a payment would otherwise fall due under clauses (i) and (ii) of this Section 10.08(a)(E), specify a later date for payment by the LBI Trustee, such later date not falling after the thirtieth (30th) day after the date of such notice. LBIE forthwith on request therefor by the LBI Trustee shall provide the LBI Trustee with such further information regarding such calculations as the LBI Trustee reasonably may request.

(F) For the avoidance of doubt, the LBI Trustee shall have no obligation to make any payment to LBIE (in any capacity) in respect of any Barclays LBIE ETD Claim except as specified above in this Section 10.08(a) or in Section 10.07(b). Without limitation of the preceding sentence, it is understood and agreed for the avoidance of doubt that in no event shall the LBI Trustee have any Liability under this Section 10.08(a) (or Section 10.07(b)) in respect of (i) any further distribution or payment to Barclays in respect of any amount paid by the LBI Trustee pursuant to this Section 10.08(a) (or Section 10.07(b)) or (ii) any obligation to make any such further distribution or payment.

(b) In addition to and without limitation of any reduction in the Required Reserve Amount pursuant to Section 10.08(a), if, at any time (including prior to the Effective Time) on or after the Execution Date and for any reason (including pursuant to or in connection with (i) any distribution or payment to Barclays on account of any Barclays LBI ETD Claim or (ii) any agreement between the LBI Trustee and Barclays (including any such agreement that caps the Barclays LBIE ETD Claim Maximum Liability)), the Required Reserve Amount at such time exceeds the Barclays LBIE ETD Claim Maximum Liability at such time, then at such time the Required Reserve Amount at such time automatically (and without the necessity of any further action on the part of any Party) shall be reduced by an amount equal to such excess.

(c) In addition to and without limitation of any reduction in the Required Reserve Amount pursuant to Section 10.08(a) or 10.08(b), if, at any time (including prior to the Effective Time), LBI or the LBI Trustee pays or distributes any amount to Barclays (including on account of any Barclays LBI ETD Claim), the Required Reserve Amount at such time thereupon automatically (and without the necessity of any further action on the part of any Party) shall be reduced by an amount equal to the Barclays LBIE ETD Claim Reduction Amount (if any) in relation to such distribution or payment. It is understood and agreed, for the

avoidance of doubt, that such Barclays LBIE ETD Claim Reduction Amount may increase from time to time after the date of such distribution or payment and that, accordingly, upon any such increase the preceding sentence of this Section 10.08(c) shall be re-applied, and the amount of the decrease in the Required Reserve Amount pursuant thereto shall be re-calculated, to give full effect to such increase.

(d) In addition to and without limitation of any reduction in the Required Reserve Amount pursuant to Section 10.08(a), 10.08(b) or 10.08(c), if, at any time (including prior to the Effective Time), (i) there shall be one or more Final Determinations with respect to the Barclays LBI Ownership Dispute (or any other agreement or stipulation) having final and binding effect on Barclays to the effect that Barclays has no Claim whatsoever against LBIE (in any capacity) (that would constitute a Barclays ETD Claim) in respect of the LBI/LBIE ETD Accounts (or to the effect that all such Claims against LBIE (in any capacity) (constituting Barclays ETD Claims) in respect of the LBI/LBIE ETD Accounts are wholly Released unconditionally and with prejudice or assigned or re-assigned to the LBI Trustee and such assignment or re-assignment is binding upon Barclays), or (ii) all then-outstanding Barclays LBIE ETD Claims are withdrawn unconditionally and with prejudice and Barclays confirms to LBIE unconditionally and with prejudice that no further Barclays LBIE ETD Claims will be asserted, the Required Reserve Amount automatically (and without the necessity of any further action on the part of any Party) thereupon shall be reduced to zero.

(e) Any other term of this Article X to the contrary notwithstanding, to the extent that any Barclays LBIE Proof of Debt Variation proximately results in any increase in any amount which is or may in the future be payable by the LBI Trustee under Section 10.08(a), the LBI Trustee shall not be obliged to pay any such increased amount, provided, for the avoidance of doubt, that nothing in this Section 10.08(e) relieves the LBI Trustee from any obligation that it may have under Section 10.08(a) (prior to giving effect to this Section 10.08(e)) to the extent that such obligation would have arisen even if there had been no such Barclays LBIE Proof of Debt Variation.

10.09. Recovery/Turnover.

(a) In circumstances in which the value realized in respect of a Barclays LBIE ETD Claim on close-out of the transactions underlying that Barclays LBIE ETD Claim is less than the amount taken into account in the calculation of the amount payable by the LBIE Client Money Trustee to Barclays in respect of such Barclays LBIE ETD Claim, the LBIE Client Money Trustee shall apply all available Setoffs to such Barclays LBIE ETD Claim in respect of the difference and, if such difference is not capable of being Setoff against such Barclays LBIE ETD Claim, then, unless and until the LBI Trustee's obligations under Section 10.08(a) shall have been terminated under Section 10.07 (without the LBI Trustee having made any payment under Section 10.08(a)), LBIE shall, at its expense, diligently pursue and seek to recover that difference from Barclays (any such recovery, or settlement or other payment in respect of which, a "**Recovery**"), provided that LBIE shall not be obliged to pursue any such claim for such difference if and to the extent that it has determined in good faith, on the basis of advice of reputable (UK) Queen's Counsel as to the likelihood of success of any action to pursue such claim, that the pursuit of such claim is uneconomic (disregarding for this purpose LBIE's obligations under Section 10.09(b)).

(b) If, at any time, LBIE receives a Recovery, then LBIE shall promptly upon such receipt (or, if later, simultaneously with the receipt by LBIE of the payment from the LBI Trustee pursuant to Section 10.08(a) in respect of the payment by the LBIE Client Money Trustee to Barclays in respect of which such Recovery has been received) pay to the LBI Trustee an amount equal to the lesser of (i) the amount of such Recovery and (ii) the aggregate amount previously paid, or simultaneously being paid, by the LBI Trustee to LBIE under Section 10.08(a). In making a determination of the amount payable pursuant to this Section 10.09(b), amounts determined pursuant to both (i) and (ii) are subject to reduction on account of (x) any reasonable expenses incurred by LBIE in connection with such Recovery or receipt of payment from the LBI Trustee and (y) any Taxes that have been assessed, levied or withheld on, from or by LBIE, or that it reasonably anticipates will be so assessed, levied or withheld (with any amounts withheld or deducted based upon anticipated Taxes, together with related interest received from a Tax authority, being paid over to the LBI Trustee as soon as reasonably practicable if such Taxes are not in fact, and in LBIE's reasonable judgment will not in fact be required to be, assessed, levied or withheld or finally determined to be due), as a result of LBIE receiving or holding or paying an amount in respect of said Recovery or payment from the LBI Trustee.

(c) For the avoidance of doubt, this Section 10.09 does not qualify, and is subject to, Section 10.06(d).

10.10. *Reservation of Rights.* Nothing in this Article X limits or qualifies any rights that the LBI Trustee otherwise can, shall or may have at any time to intervene, enter an appearance or otherwise participate in any relevant proceeding in relation to any Barclays LBIE ETD Claim (or any other Barclays Client Money Pool Entitlement), as such rights would exist in the absence of this Article X, and the LBI Trustee hereby reserves all such rights. Nothing in this Article X (for the avoidance of doubt, subject to and without limitation of the last sentence of Section 10.06(a)) limits or qualifies any agreement, obligation or undertaking on the part of the LBI Trustee regarding the conduct and management of LBI's general estate and (subject to the last sentence of Section 10.06(a)) LBIE reserves all of its rights with regard to the management and conduct of LBI's general estate as would exist in the absence of this Article X.

ARTICLE XI

EFFECTIVENESS OF AGREEMENT

11.01. *Immediately Effective Provisions.* Articles I, IV and IX-XXVI, and Sections 2.01(a)(B), 2.01(a)(C), 2.01(b), 2.02(a)(E), 2.02(g), 2.03(a)(C), 2.05, 2.06, 5.02(a), 5.03(a), 5.04(a), 5.06, 5.07, 5.08, 7.01 and 8.09 (collectively, the "**Immediately Effective Provisions**"), shall be effective as of the Execution Date. The provisions of this Agreement other than the Immediately Effective Provisions shall not be effective unless and until the occurrence of the Effective Time (but, for the avoidance of doubt, shall automatically become effective upon the occurrence of the Effective Time without the need for any further action by any Party).

11.02. *Effective Time.* For all purposes of this Agreement, the "**Effective Time**" occurs at the date and time when (i) each of the Mutual Effectiveness Conditions shall either

have been fully satisfied or waived by both the LBI Trustee and LBIE (in each case acting in its sole discretion with respect to any such waiver), and (ii) (x) each of the LBI Trustee Effectiveness Conditions shall either have been fully satisfied or waived by the LBI Trustee (acting in his sole discretion with respect to any such waiver) and (y) each of the LBIE Effectiveness Conditions shall either have been fully satisfied or waived by LBIE (acting in its sole discretion with respect to any such waiver).

11.03. *Mutual Effectiveness Conditions*. The “**Mutual Effectiveness Conditions**” means, and consists of, the following conditions:

(a) *Bankruptcy Court Orders*. Each of the Bankruptcy Court Orders (other than the Expungement Order) shall have been entered by, and is a Final Order of, the Bankruptcy Court in the SIPA Proceeding, in each case either in the form of the Applicable Exhibit or otherwise in form and substance reasonably satisfactory to the LBI Trustee and LBIE;

(b) *English Compliance Order*. The English Compliance Order shall have been entered by, and is a Final Order of, the English Court in the UK Proceeding, either in the form of Exhibit D hereto or otherwise in form and substance reasonably satisfactory to the LBI Trustee and LBIE; and

(c) *Pending Material Breach Notice*. If any notice of a material breach has rightfully been delivered pursuant to clause (i) of Section 12.01 or clause (i) of Section 12.02, either (i) the relevant material breach has been cured or (ii) twelve (12) Business Days have expired since the receipt of the relevant notice by LBIE (in the case of any such notice delivered pursuant to clause (i) of Section 12.01) or the LBI Trustee (in the case of any such notice delivered pursuant to clause (i) of Section 12.02) without this Agreement having been terminated pursuant to Article XII.

11.04. *LBI Trustee Effectiveness Conditions*. The “**LBI Trustee Effectiveness Conditions**” means, and consists of, the following conditions:

(a) *LBHI Settlement*. The “Effective Date” (as defined in the LBI/LBHI Settlement Agreement) shall have occurred or the facts and circumstances shall be such that such “Effective Date” shall occur upon, or on the “Business Day” (as such term is defined in the LBI/LBHI Settlement Agreement) of, or on the first “Business Day” (as so defined) after, the occurrence of the Effective Time pursuant to this Agreement;

(b) *100% Distribution to LBI Customers*. The LBI Trustee shall have determined in his sole and absolute discretion that he is satisfied that a 100% Distribution will be effected and shall have so notified LBIE by delivery to LBIE of the LBI Conditions Notice pursuant to Section 11.06 (and such notice shall not have been rescinded pursuant to the last sentence of Section 11.06(b));

(c) *Expungement Order*. (i) The Expungement Order shall have been entered by, and is a Final Order of, the Bankruptcy Court in the SIPA Proceeding, either substantially in the form of Exhibit C hereto or otherwise in form and substance reasonably satisfactory to the LBI Trustee, and (ii) in addition to and without limitation of clause (i), the

Expungement Order, in the form in which it is a Final Order, in any event shall by its terms expunge and disallow all Duplicative Claims with prejudice; and

(d) *LBIE Notices.* The LBI Trustee shall have received (i) each notice required to be delivered by LBIE pursuant to Section 11.06(a), (ii) the LBIE Condition Notice and (iii) if required pursuant to Section 11.06(b), the LBIE Waiver Notice.

11.05. *LBIE Effectiveness Conditions.* The “**LBIE Effectiveness Conditions**” means, and consists of, the following conditions:

(a) *100% Distribution of Allowed LBIE Customer Claims.* The LBI Trustee shall have notified LBIE that (i) he will effect a 100% distribution of the Specified LBIE Allowed Customer Distributions to LBIE and (ii) the LBI Trustee has determined that the excess, if any, of (A) the aggregate fair market value as of December 30, 2012, of the securities constituting the Omnibus Securities as of December 30, 2012 that will (if the Effective Time occurs) be subject to Section 2.02(j), if any, over (B) the aggregate fair market value as of the LBI Filing Date of such securities, will not exceed \$20,000,000 in the aggregate, provided, for the avoidance of doubt, that any such notice or confirmation shall be subject to, and without limitation of, Sections 2.06 and Article VIII regardless of whether or not such notice so specifies;

(b) *LBIE Recoveries.* Neither the Expungement Order (to the extent that the Expungement Order, as entered by the Bankruptcy Court and in effect (or to be in effect at the Effective Time) varies from (i) unless clause (ii) is applicable, the form thereof attached as Exhibit C hereto, or (ii) if the LBI Trustee and LBIE shall have approved a form of Expungement Order different from the form attached hereto, the latest such form so approved by the LBI Trustee and LBIE), nor any rulings related to the Expungement Order, nor the non-expungement (in whole or in part) in the SIPA Proceeding of any Duplicative Claim, nor the existence of any pending litigation relating to a Duplicative Claim (or any such similar litigation commenced by a Person that is not a Duplicative Claimant) (provided in each case that LBIE shall have at all times after the Execution Date (and prior to the Effective Time) used its reasonable best efforts to secure the dismissal, withdrawal, termination or resolution of such litigation so that such litigation would not result in the condition set forth in this Section 11.05(b) not being satisfied), proximately will (as determined by LBIE in its reasonable discretion) impose or result in the imposition of a risk of (A) a loss on LBIE in a court proceeding in the United States or (B) an encumbrance in the United States on, or reduction in, LBIE’s recoveries under this Agreement (such “recoveries under this Agreement” determined, for purposes of this Section 11.05(b), without giving effect to any reduction resulting from, or that would otherwise result from, the non-expungement of any Duplicative Claim), in an aggregate amount at issue under the preceding clauses (A) and (B), combined, in excess of \$100 million; and

(c) *LBI Notices.* LBIE shall have received (i) each notice required to be delivered by the LBI Trustee pursuant to Section 11.06(a), and (ii) the LBI Conditions Notice.

11.06. Timing of Condition Notices.

(a) Orders.

(i) If any Bankruptcy Court Order or the English Compliance Order, as entered by the Bankruptcy Court or the English Court, respectively, varies from the form of its Applicable Exhibit, then, within three (3) Business Days after such entry, the LBI Trustee and (except with respect to the Expungement Order) LBIE each shall deliver to the other a written notice as to whether he or it regards the form and substance of such Bankruptcy Court Order or the English Compliance Order, respectively, as so entered, to be reasonably satisfactory to him or it.

(ii) If any Bankruptcy Court Order or the English Compliance Order, in the form in which it becomes a Final Order, varies from the form in which it was originally entered by the Bankruptcy Court or the English Court, respectively, then, within three (3) Business Days after the date on which such order so becomes a Final Order, the LBI Trustee and (except with respect to the Expungement Order) LBIE each shall deliver to the other a written notice as to whether he or it regards the form and substance of such Bankruptcy Court Order or the English Compliance Order, respectively, in the form in which it becomes a Final Order, to be reasonably satisfactory to him or it.

(b) *Other Conditions.* Within three (3) Business Days after all the conditions set forth in this Article XI (other than those set forth in Sections 11.03(c) (except in relation to any notice of a material breach described therein that has been delivered within the proceeding twelve (12) Business Days), 11.04(b), 11.04(d) (other than clause (i) thereof) and 11.05 (other than clause (i) of Section 11.05(c)), and disregarding for this purpose, in relation to the condition set forth in Section 11.04(a), any possibility of any termination of the LBI/LBHI Settlement Agreement in accordance with its terms) have been satisfied or waived and the LBI Trustee or LBIE shall have delivered a notice to such effect to the other (it being understood and agreed that such a notice may be delivered by the LBI Trustee or LBIE on more than one occasion), (i) the LBI Trustee shall deliver a written notice to LBIE (in accordance with Section 11.06(d)(A)) as to whether the LBI Trustee regards the conditions specified in Sections 11.04(b) and 11.05(a) (collectively, the “**100% Conditions**”) as having been satisfied or (in the case of Section 11.04(b)) waived (the “**LBI Conditions Notice**”), and (ii) LBIE shall deliver a written notice to the LBI Trustee (in accordance with Section 11.06(d)(B)) as to whether LBIE regards the condition set forth in Section 11.05(b) to have been satisfied or waived (the “**LBIE Condition Notice**”). If the LBI Conditions Notice states that the condition specified in Section 11.04(b) has been waived (but not satisfied), then within three (3) Business Days after the LBI Trustee’s delivery of such LBI Conditions Notice, LBIE shall deliver a written notice to the LBI Trustee (in accordance with Section 11.06(d)(B)) as to whether LBIE waives the condition set forth in Section 11.05(a) (the “**LBIE Waiver Notice**”). If the LBI Trustee delivers a LBI Conditions Notice to the effect that the LBI Trustee regards the 100% Conditions as having been satisfied or waived but either (x) LBIE fails timely to deliver a LBIE Condition Notice or, if applicable, a LBIE Waiver Notice or (y) the Effective Time for any reason does not occur upon the delivery of the last to be delivered of the LBI Conditions Notice, the LBIE Condition Notice and, if applicable, the LBIE Waiver Notice, then at any time until the Effective Time occurs, the

LBI Trustee may rescind his outstanding LBI Conditions Notice (by further notice to such effect to LBIE); conversely, if LBIE delivers a LBIE Condition Notice to the effect that LBIE regards the condition set forth in Section 11.05(b) to have been satisfied or waived but either (x) the LBI Trustee fails timely to deliver a LBI Conditions Notice or (y) the Effective Time for any reason does not occur upon the delivery of the last to be delivered of the LBI Conditions Notice, the LBIE Condition Notice and, if applicable, the LBIE Waiver Notice, then at any time until the Effective Time occurs, LBIE may rescind its outstanding LBIE Condition Notice (by further notice to such effect to the LBI Trustee).

(c) *Status/Effect of Conditions Notices.* The LBI Trustee shall not be considered to have made the determination described in Section 11.04(b), or to have delivered the notice described in Section 11.05(a), in each case unless and until he delivers an LBI Conditions Notice to such effect pursuant to Section 11.06(b). For the avoidance of doubt, (i) neither the delivery by the LBI Trustee or LBIE of a notice pursuant to Section 11.06(a) to the effect that he or it does not regard a particular order to be “reasonably satisfactory” to him or it, nor the delivery by LBIE of a LBIE Condition Notice to the effect that LBIE does not regard the condition set forth in Section 11.05(b) to have been satisfied, shall be binding as against the Party receiving the notice in relation to the reasonableness standards set forth in (or otherwise with respect to) the relevant conditions set forth in this Article XI and (ii) neither the failure by the LBI Trustee or LBIE to deliver a notice that he or it is required to deliver under Section 11.06(a) nor the failure by LBIE to deliver a LBIE Condition Notice shall be binding as against the Party to whom the notice was to be delivered in relation to whether the relevant condition set forth in this Article XI has been satisfied. Except as set forth in the last sentence of Section 11.06(b), unless and to the extent the LBI Trustee and LBIE otherwise mutually may agree in their discretion, the delivery by the LBI Trustee or LBIE of a notice pursuant to Section 11.06(a)(i) or (ii) (it being understood and agreed that if any Bankruptcy Court Order or the English Compliance Order, in the form in which it becomes a Final Order, varies from the form in which it was originally entered by the Bankruptcy Court or the English Court, respectively, then, with respect to such Bankruptcy Court Order or the English Compliance Order, as the case may be, the notices delivered under Section 11.06(a)(ii), and not any notice delivered under Section 11.06(a)(i), are the relevant notices for purposes of this sentence), or Section 11.06(b), to the effect that the LBI Trustee or LBIE, respectively, regards a particular condition set forth in this Article XI to have been satisfied or to have been waived shall be binding (and irrevocable) as against the Party delivering such notice.

(d) Certain Other Notice Requirements.

(A) LBI Conditions Notice.

(i) if the LBI Conditions Notice indicates that the condition in Section 11.04(b) has not been satisfied but is being waived by the LBI Trustee, such notice shall contain the LBI Trustee’s estimate of (x) the percentage distribution that he will effect to customers and (y) the specific distribution of cash and securities he will make to LBIE in respect of the Specified LBIE Allowed Customer Distributions (such estimates, the “**Estimated Distributions**”);

(ii) if the LBI Conditions Notice indicates that the condition in Section 11.04(b) has not been satisfied and is not being waived, such notice shall contain the LBI Trustee's estimate of (x) the percentage distribution that he could effect to customers and (y) the specific distribution of cash and securities he could make to LBIE in respect of Allowed LBIE Customer Claims (such estimates, the "**Alternative Estimated Distributions**"), provided, that if providing such Alternative Estimated Distributions at such time is not practicable, the LBI Trustee shall provide such Alternative Estimated Distributions as promptly as practicable.

(B) *LBIE Condition Notice.* If the LBIE Condition Notice is to the effect that LBIE does not regard the condition in Section 11.05(b) to have been satisfied and such condition is not being waived, such notice shall contain a description, in reasonable detail, of the basis for LBIE's assertion that the condition set forth in Section 11.05(b) has not been satisfied, including such a description of the relevant pending litigation (if applicable) and of the relevant asserted risk of loss or encumbrance, as the case may be.

(e) *Early Notice.* If, at any time prior to all the conditions set forth in this Article XI (other than the 100% Conditions) being satisfied or waived, the LBI Trustee concludes that the condition set forth in Section 11.04(b) will not be satisfied or waived, the LBI Trustee will deliver an LBI Conditions Notice (containing the Alternative Estimated Distributions) to LBIE reasonably promptly after reaching such conclusion; provided, that if calculating and providing the Alternative Estimated Distributions at the same time that the LBI Trustee notifies LBIE of such conclusion is not practicable, the LBI Trustee shall deliver to LBIE an LBI Conditions Notice without such Alternative Estimated Distributions, and deliver a written notice containing such Alternative Estimated Distributions as promptly as practicable thereafter. If, at any time prior to all the conditions set forth in this Article XI (other than the condition set forth in Section 11.05(b)) being satisfied or waived, LBIE concludes that the condition set forth in Section 11.05(b) will not be satisfied or waived, LBIE shall deliver a notice to such effect to the LBI Trustee (containing the information described in Section 11.06(d)(B)).

(f) Anything in this Section 11.06 above to the contrary notwithstanding, neither anything in this Section 11.06 above, nor any notice delivered pursuant to this Section 11.06 above, shall limit or qualify (i) the conditions (set forth in Sections 11.03(a), 11.03(b) and 11.04(c)) that the Bankruptcy Court Orders, and the English Compliance Order, are Final Orders or (ii) the conditions set forth in Sections 11.03(c) and 11.04(a).

ARTICLE XII

TERMINATION

12.01. *The LBI Trustee's Right to Terminate.* The LBI Trustee, in his sole discretion, shall have the right to terminate this Agreement, at any time prior to (but not, for the avoidance of doubt, on or after) the Effective Time, by written notice to such effect to LBIE compliant with Article XXI (i) if there is a material breach of LBIE's or the Joint Administrators, representations, warranties or covenants hereunder, and LBIE or the Joint Administrators, as the case may be, fail to cure such breach within ten (10) Business Days following receipt of written notice of such breach from the LBI Trustee, (ii) if (x) any condition set forth in Article XI (other

than the condition set forth in Section 11.03(c)) becomes incapable of being satisfied, and (y) (A) if such condition is an LBI Trustee Effectiveness Condition, the LBI Trustee has not waived the satisfaction of such condition in a notice to such effect to LBIE, (B) if such condition is a Mutual Effectiveness Condition, either (I) the LBI Trustee has not waived the satisfaction of such condition in a notice to such effect to LBIE, or (II)(aa) the LBI Trustee irrevocably and unconditionally has waived in writing the satisfaction of such condition in a notice to such effect to LBIE and (bb) LBIE has not irrevocably and unconditionally waived in writing the satisfaction of such condition in a notice to such effect to the LBI Trustee (and not less than five (5) Business Days have elapsed since the later of the delivery of the notice described in sub-clause (II)(aa) and delivery by the LBI Trustee to LBIE of a written request, making specific reference to this Section 12.01, that LBIE deliver such an irrevocable and unconditional waiver) or (C) if such condition is a LBIE Effectiveness Condition, LBIE has not irrevocably and unconditionally waived in writing the satisfaction of such condition in a notice to such effect to LBI (and not less than five (5) Business Days have elapsed since the delivery by the LBI Trustee to LBIE of a written request, making specific reference to this Section 12.01, that LBIE deliver such an irrevocable and unconditional waiver), or (iii) without limitation of clause (ii), if the LBI Trustee has delivered to LBIE either (x) the LBI Conditions Notice, and such LBI Conditions Notice is to the effect that the condition set forth in Section 11.04(b) has not been satisfied and will not be waived, or (y) the notice contemplated by the first sentence of Section 11.06(e).

12.02. *LBIE's Right to Terminate.* LBIE, in its sole discretion, shall have the right to terminate this Agreement, at any time prior to (but not, for the avoidance of doubt, on or after) the Effective Time, by written notice to such effect to the LBI Trustee compliant with Article XXI (i) if there is a material breach of the LBI Trustee's representations, warranties or covenants hereunder, and the LBI Trustee fails to cure such breach within ten (10) Business Days following receipt of written notice of such breach from LBIE, (ii) if (x) any condition set forth in Article XI (other than the condition set forth in Section 11.03(c)) becomes incapable of being satisfied, and (y) (A) if such condition is a LBIE Effectiveness Condition, LBIE has not waived the satisfaction of such condition in a notice to such effect to the LBI Trustee, (B) if such condition is a Mutual Effectiveness Condition, either (I) LBIE has not waived the satisfaction of such condition in a notice to such effect to the LBI Trustee, or (II)(aa) LBIE irrevocably and unconditionally has waived in writing the satisfaction of such condition in a notice to such effect to the LBI Trustee and (bb) the LBI Trustee has not irrevocably and unconditionally waived in writing the satisfaction of such condition in a notice to such effect to LBIE (and not less than five (5) Business Days have elapsed since the later of the delivery of the notice described in sub-clause (II)(aa) and delivery by LBIE to the LBI Trustee of a written request, making specific reference to this Section 12.02, that the LBI Trustee deliver such an irrevocable and unconditional waiver) or (C) if such condition is an LBI Trustee Effectiveness Condition, the LBI Trustee has not irrevocably and unconditionally waived in writing the satisfaction of such condition in a notice to such effect to LBIE (and not less than five (5) Business Days have elapsed since the delivery by LBIE to the LBI Trustee of a written request, making specific reference to this Section 12.02, that the LBI Trustee deliver such an irrevocable and unconditional waiver), (iii) without limitation of clause (ii), if the LBI Trustee has delivered to LBIE either (x) the LBI Conditions Notice, and such LBI Conditions Notice is to the effect that the condition set forth in Section 11.04(b) has not been satisfied and will not be waived, or (y) the notice contemplated by the first sentence of Section 11.06(e), or (iv) if the LBI Trustee fails

to establish or maintain the Dedicated Reserve in accordance with Article X (and such failure continues to exist).

12.03. *Outside Date.* If the Effective Time shall not have occurred prior to or on the Outside Date, either the LBI Trustee or LBIE shall have the right to terminate this Agreement at any time thereafter (and prior to the occurrence of the Effective Time) by written notice to the other compliant with Article XXI. For the avoidance of doubt, in the absence of any such notice by either the LBI Trustee or LBIE, this Agreement shall remain in full force and effect notwithstanding the passing of the Outside Date such that, if the Effective Time occurs after the Outside Date without such notice having been served, no such notice can thereafter be served.

12.04. *Limitation of Termination Rights.* The right to terminate this Agreement under Section 12.01, 12.02 or 12.03 shall not be available to a particular Party if the failure of such Party (or, if such Party is LBIE, the failure of LBIE or the Joint Administrators) to fulfill or comply with any of its obligations or covenants under any of the Immediately Effective Provisions shall have materially contributed to the relevant condition(s) for termination specified in said Section 12.01, 12.02 or 12.03, respectively, having arisen.

12.05. *Effect of Termination.* If this Agreement is terminated in accordance with its terms, (i) then neither this Agreement, nor any motion, application or other pleading filed in the Bankruptcy Court or the English Court (or any other court of competent jurisdiction) with respect to the approval of this Agreement, shall have any estoppel effect or be of any further force or effect (or form the basis for any bar or defense), (ii) each of the Parties' respective Claims, interests, rights, remedies and defenses shall be restored without prejudice as if this Agreement had never been executed (except as to this Section), (iii) the Deed of Assignment shall be returned (undelivered) to the LBI Trustee for destruction and (iv) the Parties shall be automatically relieved of any further obligations hereunder; provided that (x) Sections 5.07 and 5.08, and Articles XII, XIII, XIV, XIX, XXIII, XXIV and XXVI, of this Agreement (and, to the extent related thereto, Articles XVI, XVII, XVIII, XX, XXI and XXV) and (for the avoidance of doubt) Part II of the Term Sheet shall survive any termination of this Agreement and (y) if this Agreement is terminated pursuant to Section 12.01(iii) or 12.02(iii) and at the time of such termination the LBI Trustee was obligated pursuant to Section 11.06(d) or 11.06(e) to deliver an Alternative Estimated Distributions and did not fulfill such obligation prior to such termination, then, notwithstanding the other terms of this Section 12.05, such obligation to deliver such Alternative Estimated Distributions shall survive termination of this Agreement. Except as expressly provided herein, this 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. If this Agreement is terminated pursuant to this Article XII, no Party (and for the avoidance of doubt, no Representative of a Party) shall have any Liability to any other Party hereto with respect to Articles V (other than Sections 5.07 and 5.08), VII and X, including with respect to any breach, prior to termination of this Agreement in accordance with this Article XII above, by such Party of its obligations or covenants under Articles V (other than Sections 5.07 and 5.08), VII and X. Except as provided in the preceding sentence, nothing in this Section 12.05 shall Release any Party from any Liability for any breach, prior to termination of this Agreement in accordance with this Article XII above, by such Party of its obligations or covenants under this Agreement (and the party having so breached shall remain liable to the other Party on account of such breach, and the non-

breaching party shall retain all rights at law or in equity arising as a result of such breach) or impair the right of any Party, prior to any termination of this Agreement in accordance with this Article XII above, to seek to compel specific performance by any other Party of this Agreement.

ARTICLE XIII

VENUE AND CHOICE OF LAW

13.01. *Venue.* 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 Agreement and/or Part II of the Term Sheet and any Party bringing such action or proceeding shall bring such action or proceeding in the Bankruptcy Court; provided, however, that any actions or proceedings with respect to (i) the enforcement of Section 9.02 and (ii) any litigation pending as of the Execution Date in the English Court or any applications that arise out of or relate to such currently pending litigation, shall be within the exclusive jurisdiction of such court. 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. If the Bankruptcy Court refuses or abstains from exercising jurisdiction over the enforcement of this Agreement and/or any actions or proceedings arising hereunder, then the Parties agree that venue shall be in any other state or federal court located within the County of New York in the State of New York having proper jurisdiction. In the event of any successful removal or transfer (at the instigation of any third party or upon motion by the court) of any such action or proceeding from the Bankruptcy Court to a different federal court, the Parties agree to the jurisdiction of such federal court. Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, (i) any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement with the Bankruptcy Court or with any other federal court located within the County of New York in the State of New York, or with the English Court, in each case as set forth in this Section 13.01, and (ii) the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court. Each Party irrevocably consents to service of process in the manner provided for notices in Article XXI hereof. Nothing in this Agreement will affect the right, or requirement, of any Party to serve process in any other manner permitted or required by applicable law.

13.02. *Choice of Law.* This Agreement and all claims and disputes arising out of or in connection with this 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, provided, for the avoidance of doubt, that LBIE's trusteeship of the Underlying Customer Distribution Proceeds as Omnibus Claim Trustee shall be governed by English law.

ARTICLE XIV
CONSTRUCTION

This Agreement constitutes a jointly drafted and 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 Agreement.

ARTICLE XV
NON-SEVERABILITY

Except as otherwise specified in Section 6.03, each of the provisions of this Agreement is an integrated, essential and non-severable part of this Agreement.

ARTICLE XVI
**BINDING EFFECT; SUCCESSOR AND ASSIGNS;
NO THIRD-PARTY BENEFICIARIES**

This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns (including, for the avoidance of doubt, any successor trustees to either the Omnibus Claim Trustee or the LBIE Client Money Trustee (or both), however so appointed), and nothing herein, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement, including for the avoidance of doubt the Underlying Customers and any other claimant against any Party, provided that (i) the firm, members, partners, directors, officers, employees, agents, advisers or representatives of the Joint Administrators shall be entitled to rely on Article XXIV hereof as if they were a party to it, (ii) LBHI shall be entitled to rely on, and enforce, Section 2.01(b) hereof as if it were a party to this Agreement (and in any event the LBI Trustee may enforce said Section 2.01(b) on behalf of LBHI), (iii) Laurifer shall be entitled to rely on, and enforce, Section 2.01(a)(B) hereof as if it were a Party to this Agreement and (iv) if the Effective Time shall occur, then, from and after the Effective Time, each Released Party shall be entitled to rely on, and enforce, Article VI hereof as if it were a party to this Agreement (and in any event (x) the LBI Trustee may enforce said Article VI on behalf of each LBI Released Party and (y) LBIE may enforce said Article VI on behalf of each LBIE Released Party), provided further, for the avoidance of doubt that nothing in the immediately preceding proviso limits or qualifies the right of the Parties to amend or otherwise modify any provision of this Agreement in the manner specified in the first sentence of Article XVIII. For the avoidance of doubt, the Parties acknowledge and in any event agree that all representations, warranties, covenants and agreements contained in this Agreement shall survive, and shall not be affected in any respect by, the occurrence of the Effective Time (except as may otherwise expressly be specified herein with respect to any particular representation, warranty, covenant or agreement).

ARTICLE XVII

ENTIRE AGREEMENT

This Agreement, the Confidentiality Agreement, the Deed of Assignment, the Escrow Agreement and Part II of the Term Sheet constitute the entire and only agreement of the Parties concerning the subject matter hereof. Except with respect to the Confidentiality Agreement, the Deed of Assignment, the Escrow Agreement and Part II of the Term Sheet (each of which remains in full force and effect, in accordance with its terms), this Agreement supersedes and replaces any and all prior or contemporaneous verbal or written agreements solely between the Parties (or solely between the LBI Trustee and LBIE) concerning the subject matter hereof (including the Term Sheet other than Part II thereof). For the avoidance of doubt, the Surviving Contracts shall also survive in accordance with their respective terms and are not superseded by this Agreement. The Parties acknowledge that this Agreement is not being executed in reliance on any verbal or written agreement, promise or representation not contained herein. For the avoidance of doubt, the Parties agree that (i) this is the definitive “Settlement Agreement” contemplated by Part II of the Term Sheet and (ii) references in Part II of the Term Sheet to such “Settlement Agreement” becoming “effective” hereafter shall be deemed to constitute references to the Effective Time having occurred.

ARTICLE XVIII

NO ORAL MODIFICATIONS

This Agreement may not be modified or amended except by, but may be modified or amended by, a writing signed by a duly authorized representative of each of LBIE, the LBI Trustee and (if affected thereby) the Joint Administrators. For these purposes, each of the Joint Administrators is hereby constituted a duly authorized representative of each of the other Joint Administrators. 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 Agreement shall be construed as a waiver of any subsequent breach. Except as otherwise expressly provided herein, no failure or delay by any party in exercising any right or remedy provided by law under or pursuant to this Agreement shall impair such right or remedy or be construed as a waiver or variation of it or preclude its exercise at any subsequent time, and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.

ARTICLE XIX

NO ADMISSION OF LIABILITY; INTERPRETATION

Each Party acknowledges and agrees that this Agreement effects a compromise and settlement of potential Claims, defenses and factual disputes that are in whole or in part denied and contested, and that nothing contained herein shall be treated as, claimed to be, or shall be evidence of, or otherwise construed as, an admission of Liability or wrongdoing whatsoever, or the truth or untruth (with respect to any disputed fact), or merit or lack of merit, of any Claims, defenses or other factual disputes of any Party.

ARTICLE XX

COUNTERPARTS

This 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 XXI

NOTICES

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the Party to be notified, (ii) 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, (iii) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) one (1) Business Day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

If to the LBI Trustee at:

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, New York 10004
USA

Attn: James B. Kobak, Jr., Christopher K. Kiplok and Jason C. Benton
Email: kobak@hugheshubbard.com
kiplok@hugheshubbard.com
benton@hugheshubbard.com

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

Norton Rose LLP
3 More London Riverside
London, SE1 2AQ
United Kingdom
Attn: Hamish Anderson and Mark Craggs
Email: hamish.anderson@nortonrose.com
mark.craggs@nortonrose.com

If to LBIE or the Joint Administrators at:

Lehman Brothers International (Europe) (in administration)
Level 23
25 Canada Square
Canary Wharf E14 5LQ
England
Attn: Russell Downs
Email: russell.downs@uk.pwc.com

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

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
USA
Attn: Timothy Graulich and Elliot Moskowitz
Facsimile: (212) 701-5800
Email: timothy.graulich@davispolk.com
elliott.moskowitz@davispolk.com

and

Linklaters LLP
1345 Avenue of the Americas
New York, New York 10105
USA
Attn: James Warnot Jr.
Facsimile: (212) 903-9100
Email: james.warnot@linklaters.com

and

Linklaters LLP
One Silk Street
London
EC2Y 8HQ
England
Attn: David Ereira
Facsimile: +44 20 7456 2222
Email: david.ereira@linklaters.com

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

ARTICLE XXII

COOPERATION

Subject to applicable data privacy restrictions, confidentiality obligations owed to third parties and other applicable restrictions on their respective ability to provide information, the LBI Trustee, on the one hand, and LBIE and its Joint Administrators, on the other hand, agree to use reasonable efforts to provide one another information relating to the SIPA Proceeding and the UK Proceeding, respectively, and provide to each other such other assistance as may be reasonably requested, in each case in order to assist each other in resolving Claims with respect to other Lehman Entities and other creditors and otherwise concluding the administration of their respective bankruptcy and administration cases; provided, that (i) any information supplied by either the LBI Trustee, on the one hand, or LBIE or the Joint Administrators, on the other hand, pursuant to this Article XXII shall be supplied on the terms that the providing party incurs no obligation or liability to the receiving party in connection therewith, and (ii) the obligation to cooperate set forth in this Article XXII shall not require any Party to expend any funds which it considers unreasonable (unless the requesting party agrees in writing to reimburse the providing party for such expenditure, including any irrecoverable VAT) or otherwise to comply with any request that it considers to be unduly burdensome. Nothing in this Article XXII shall require a Party to act (including to refrain from acting) in any manner that it considers, in its sole discretion, to be adverse to its interests or inconsistent with its fiduciary duties or other legally binding obligations. Notwithstanding anything in this Article XXII to the contrary, the LBI Trustee agrees that if it shall be definitively and finally determined (as determined in good faith by the LBI Trustee) that neither the Korean Accounts nor the funds in the Korean Accounts constitute Barclays APA Transferred Property, or if BCI shall (pursuant to an instrument reasonably satisfactory to the LBI Trustee) consent thereto in writing, then the LBI Trustee shall, promptly upon the occurrence of such development (if the Effective Time has occurred) or (if the Effective Time has not occurred) promptly after the occurrence of the Effective Time, to the extent (unless BCI shall have consented thereto as described above) that the LBI Trustee may do so without violating the Barclays APA (as determined in good faith by the LBI Trustee), give to the regulator of LBIE's branch in Seoul, South Korea (and/or such Persons as LBIE may direct) his consent to the transfer of the funds in the Korean Accounts to LBIE or as LBIE may otherwise direct. For the avoidance of doubt, the LBI Trustee acknowledges and agrees that, pursuant to Section 6.01 and subject to Section 2.01(a)(C) as regards any Barclays APA Transferred Property, upon the occurrence of the Effective Time, he shall cease to have any beneficial interest in the Korean Accounts or the funds in the Korean Accounts. The LBI Trustee shall, upon request from LBIE, promptly provide such reasonable assistance as LBIE may require in relation to any potential, threatened or pending Claim or proceeding arising out of, relating to or in connection with warrants, options or other securities issued by (or alleged to have been issued by) Lehman Brothers (Luxembourg) Equity Finance SA, including reasonable assistance in the area of the provision of information, documents and witness evidence including for use before any court or tribunal hearing such Claim or proceeding, provided that nothing in this sentence shall require the LBI Trustee, in providing such reasonable assistance, to make any specific assertion of fact to any court or tribunal or to make any specific legal argument to any court or tribunal.

ARTICLE XXIII

EXPENSES

Except as otherwise specified in this Agreement, 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 Agreement and the transactions contemplated hereby, whether or not the transactions contemplated hereby are consummated, shall be paid by such Party (save that LBIE shall be responsible for all such fees and expenses incurred by the Joint Administrators).

ARTICLE XXIV

NO PERSONAL LIABILITY

The Joint Administrators act as agents for and on behalf of LBIE, and neither they, nor their firm (including any members or partners thereto) or Representatives, shall incur any personal liability whatsoever in respect of any of the obligations undertaken by LBIE, or in respect of any failure on the part of LBIE to observe, perform or comply with any such obligation. The exclusion of liability set forth in this Article shall arise and continue notwithstanding the termination of the agency of any or all of the Joint Administrators and shall operate as a waiver of any claims in tort as well as under the laws of contract and any claims otherwise at law or in equity. Any Claim by a Party against the Joint Administrators as agent for LBIE, or against LBIE, arising under, related to, or connected with this Agreement, shall only be satisfied out of the assets of LBIE. The LBI Trustee acts as trustee in the SIPA liquidation of LBI, and neither he, nor his Representatives, shall incur any personal liability whatsoever in respect of any of the obligations undertaken by the LBI Trustee or LBI, or in respect of any failure on the part of the LBI Trustee or LBI to observe, perform or comply with any such obligation. The exclusion of liability set forth in this Article shall arise and continue notwithstanding the termination of the trusteeship of any particular individual serving as the LBI Trustee and shall operate as a waiver of any claims in tort as well as under the laws of contract and any claims otherwise at law or in equity. Any Claim by a Party against the LBI Trustee as trustee in the SIPA liquidation of LBI, or against LBI, arising under, related to, or connected with this Agreement, shall only be satisfied out of the assets of the LBI estate.

ARTICLE XXV

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 AGREEMENT OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION HERewith 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 AGREEMENT OR IN ANY WAY RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY (INCLUDING WITH RESPECT TO ANY ACTION TO RESCIND OR CANCEL THIS AGREEMENT AND WITH RESPECT TO ANY CLAIM OR DEFENSE ASSERTING THAT THIS 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 XXV 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 AGREEMENT.

ARTICLE XXVI

NON-DISCLOSURE; CONFIDENTIALITY; ANNOUNCEMENTS

26.01. *Non-Disclosure.* Except (i) to the extent agreed by the LBI Trustee and LBIE in the Term Sheet, (ii) as the Parties may otherwise agree, or (iii) in accordance with Section 9.01 or Section 9.02, no Party shall disclose any of the terms of this Agreement, or this Agreement itself (or any portion thereof, including its schedules, annexes and exhibits), until a motion with the Bankruptcy Court seeking the Approval Order has been filed by the LBI Trustee in the SIPA Proceeding (which the LBI Trustee may do in accordance with Section 9.01). The Parties hereby consent and agree that notwithstanding any of the other terms of this Article XXVI, (x) LBIE may disclose to the FSA, and (y) the LBI Trustee may disclose to SIPC and the United States Securities and Exchange Commission, this Agreement (including its schedules, annexes and exhibits), provided that the disclosing Party informs the recipient that this Agreement may not be disclosed to any Person that is not a Party. For the avoidance of doubt, nothing in this Section 26.01 shall prevent any Party from disclosing this Agreement to any court of competent jurisdiction in any action to enforce its rights under this Agreement.

26.02. *Confidentiality.* SA Confidential Information shall be considered “Settlement Material” for purposes of the Confidentiality Agreement (with each Party hereby deemed for such purpose to be both a “Disclosing Party” and a “Receiving Party” with respect to such deemed “Settlement Material”). Any non-public information provided by LBIE to the LBI Trustee pursuant to Section 2.03(a)(C) or 2.03(b), also shall be considered “Settlement Material” for purposes of the Confidentiality Agreement (with LBIE hereby deemed for such purpose to be the “Disclosing Party” and the LBI Trustee hereby being deemed for such purpose to be the “Receiving Party”). However, (i) deemed “Settlement Material” pursuant to this Section 26.02 above shall not include, in relation to any Party (*i.e.*, such party shall not be considered to be a “Receiving Party” with respect to the following described information), any SA Confidential Information or any non-public information provided by LBIE to the LBI Trustee pursuant to Section 2.03(a)(C) or 2.03(b), as the case may be, that was provided by such Party or that is or was available to such Party on a non-confidential basis from a source other than another Party, or that is or was independently developed by such Party or any of its Representatives without use of, or reference to, this Agreement, the Term Sheet or other “Settlement Material,” and (ii) the “Receiving Party” with respect to any such deemed “Settlement Material” may, to the extent the

“Receiving Party” in good faith determines such action to be reasonably necessary, disclose any such deemed “Settlement Material” in any action, suit or other proceeding to enforce, or any other litigation commenced against it with respect to, this Agreement.

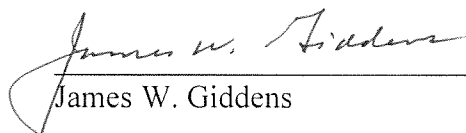
26.03. *Announcements.* The Parties acknowledge that, notwithstanding Section 26.01, the LBI Trustee and LBIE shall make a mutually agreed-upon public announcement regarding the execution and delivery of this Agreement. The Parties shall be mutually supportive in any other public communications related to this Agreement or any transactions contemplated hereby, unless and until this Agreement is terminated in accordance with Article XII.

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IN WITNESS WHEREOF, each Party by his or its duly authorized representative has executed this Agreement as of the date first written above.

LBI TRUSTEE:

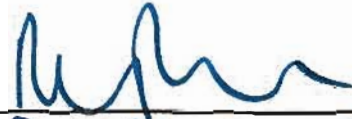
James W. Giddens, solely in his capacity as trustee for the SIPA liquidation of Lehman Brothers Inc., without personal liability


James W. Giddens

LBIE:

Lehman Brothers International (Europe) (in
administration)

By: _____



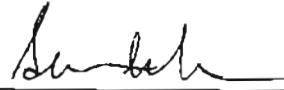
Name: Russek Owens

Title: Joint Administrator of Lehman
Brothers International (Europe)
(in administration), Acting as its
agent and without personal
liability

JOINT ADMINISTRATORS:

A handwritten signature in black ink, appearing to read "A. Lomas", positioned above a horizontal line.


Anthony Victor Lomas



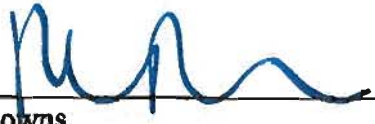
Steven Anthony Pearson

A handwritten signature in black ink, appearing to read "Derek Howell", written in a cursive style.

Derek Anthony Howell



Paul David Copley



Russell Downs

ANNEX A
Definitions

1. *Definitions.* Except as otherwise specified therein, capitalized terms used but not defined in the Agreement have the respective meanings set forth below:

“**088 Accounts**” means the accounts on the ITS System with account numbers beginning “088-”.

“**100% Distribution**” means a 100% distribution, on all claims that eventually may be allowed as customer claims in the SIPA Proceeding (including the Allowed LBIE Customer Claims), out of the fund of customer property as allocated through the Allocation Order (as entered by the Bankruptcy Court and in effect (or to be in effect at the Effective Time)).

“**Affiliate**” of a specified Person means, at any specified date, another Person that as of such date directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person, provided that no Person shall be considered to be an Affiliate of another Person solely by virtue of the fact that the Joint Administrators (or any of them) are administrators or liquidators of both such Persons. For purposes of this definition, control of a Person means the possession of the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether by contract or otherwise.

“**Allocation Order**” means an order of the Bankruptcy Court approving the allocation of cash and securities to the fund of customer property.

“**Applicable Exhibit**” means (i) with respect to the Approval Order, Exhibit A hereto, (ii) with respect to the Allocation Order, Exhibit B hereto, other than Subpart B thereof, (iii) with respect to the Expungement Order, Exhibit C hereto, (iv) with respect to the Post-Filing Income Methodology Order, Subpart B of Exhibit B hereto, and (v) with respect to the English Compliance Order, Exhibit D hereto.

“**Approval Order**” means an order of the Bankruptcy Court approving the Settlement Agreement.

“**Bankruptcy Code**” means title 11 of the United States Code.

“**Bankruptcy Court Approval**” means each of the Bankruptcy Court Orders (in each case in the form of the Applicable Exhibit or in such other form as may be agreed by LBIE and the LBI Trustee) being entered by the Bankruptcy Court and becoming a Final Order.

“**Bankruptcy Court Orders**” means the Approval Order, the Allocation Order, the Post-Filing Income Methodology Order and the Expungement Order.

“**Barclays**” means any of BCI, Barclays Bank PLC or any of their respective direct or indirect successors or assigns (other than any LBIE Related Entity).

“**Barclays APA**” means that certain Asset Purchase Agreement, dated as of September 16, 2008 among LBI, LBHI, LB 745 and BCI, to the extent amended, supplemented or clarified by (i) that

certain First Amendment thereto dated as of September 19, 2008 among LBI, LBHI, LB 745 and BCI, and/or (ii) the Barclays Clarification Letter.

“Barclays APA Transferred Property” means any property or asset (including any Possible Claim) sold, assigned, transferred or otherwise disposed of (or agreed to be sold, assigned, transferred or otherwise disposed of) pursuant to the Barclays APA and/or the Barclays Sale Order, including, for the avoidance of doubt, any property or asset that might only be sold, assigned, transferred or otherwise disposed of after the Execution Date (and/or after the Effective Time) pursuant to Section 23 of the Barclays Clarification Letter, or any Proceeds of any of the foregoing.

“Barclays Clarification Letter” means that certain letter agreement dated as of September 20, 2008 among the LBI Trustee, LBHI, LB 745 and BCI.

“Barclays Client Money Pool Entitlement” means any entitlement of Barclays in respect of Client Money in relation to (to any extent) the LBI/LBIE ETD Accounts (or any of them).

“Barclays ETD Claim” means any existing or future Claim by Barclays against LBIE (in its individual capacity or as LBIE Client Money Trustee), LBI or the LBI Trustee (including the Barclays LBIE Proof of Debt), to the extent (and only to the extent) (i) such Claim is on account of the LBI/LBIE ETD Accounts and (ii) Barclays’ interest in such Claim arises under, or is asserted by Barclays to arise under, the Barclays APA or under a transfer of LBI Pre-SIPA Proceeding Transferred Property.

“Barclays LBIE Client Money Claim” means any Client Money Claim, with respect to the Client Money Pool, submitted (and, to the extent applicable, timely submitted) by Barclays to LBIE as LBIE Client Money Trustee, as the same thereafter may be modified by any variation thereof submitted (and, to the extent applicable, timely submitted) by Barclays to the LBIE Client Money Trustee, excluding (i) assertions in correspondence and (ii) the Barclays LBIE Proof of Debt to the extent it refers to a contingent unsecured claim arising out of a Claim for Client Money.

“Barclays LBIE ETD Claim” means (i) the Claim asserted by Barclays against LBIE in respect of the LBI/LBIE ETD Accounts as a contingent unsecured claim in the Barclays LBIE Proof of Debt, or (ii) any Barclays LBIE Client Money Claim, in the case of each of (i) and (ii), to the extent (and only to the extent) such Claim constitutes a Barclays ETD Claim.

“Barclays LBIE ETD Claim Maximum Liability” means, at any date, the maximum aggregate undischarged Liability (including whether potential or contingent) of LBIE (in its individual capacity and/or as LBIE Client Money Trustee) to Barclays with respect to the Barclays LBIE ETD Claims, calculated at such date, provided that (i) in respect of any Liability of LBIE to Barclays with respect to the Barclays LBIE ETD Claims, if and to the extent that the rights to receive payments with respect to such Liability (x) have, prior to the time of calculation, been acquired by any LBIE Related Entity, or (y) are required to be transferred by the LBI Trustee on (or promptly after) the Effective Time to any LBIE Related Entity, such calculation of the Barclays LBIE ETD Claim Maximum Liability shall be made upon the basis that such Liability has been Released, and (ii) if, prior to any particular date of calculation of the Barclays LBIE

ETD Claim Maximum Liability, any Liability of LBIE to Barclays with respect to the Barclays LBIE ETD Claims has been reduced and an amount in respect of such reduction is on the date of calculation, or will after the date of calculation become, due and payable by the LBI Trustee to LBIE under Section 10.08(a) (but has not yet been paid), then, to the extent (and only to the extent) of such amount that is, or is to become, due and payable by the LBI Trustee (but has not yet been paid), no account will be taken of such reduction of such Liability in such calculation.

“Barclays LBIE ETD Claim Reduction Amount” means, in relation to any distribution or payment by LBI or the LBI Trustee (including any such distribution or payment on account of any Barclays LBI ETD Claim), at any date, the aggregate amount by which the Barclays LBIE ETD Claim Maximum Liability shall have been decreased through such date as a result of, pursuant to, or otherwise in connection with, such distribution or payment, including by operation of law or as a result of, pursuant to, or otherwise in connection with (i) any release executed in connection with such distribution or payment and/or (ii) the terms of this Agreement (including clause (i) of the proviso to the definition of the term “Barclays LBIE ETD Claim Maximum Liability”) and/or the Deed of Assignment or any action taken pursuant to this Agreement and/or the Deed of Assignment.

“Barclays LBIE Proof of Debt” means the proof of debt submitted by BCI to the Joint Administrators dated July 26, 2012 in respect of BCI’s unsecured claims against LBIE, as the same may be amended or modified by any Barclays LBIE Proof of Debt Variation.

“Barclays LBIE Proof of Debt Variation” means any variation, of the proof of debt submitted by BCI to the Joint Administrators dated July 26, 2012 in respect of BCI’s unsecured claims against LBIE, that after the Execution Date is agreed to by the Joint Administrators acting in accordance with Section 10.06.

“Barclays LBI ETD Claim” means (i) the Barclays LBI Ownership Dispute or (ii) any other Barclays ETD Claim against LBI and/or the LBI Trustee.

“Barclays LBI Ownership Dispute” means the dispute between LBI and Barclays as to the extent (if any) to which the Barclays APA Transferred Property includes the LBI/LBIE ETD Accounts and/or any Claim (and/or the right to assert any Claim) against LBIE (in its individual capacity or as LBIE Client Money Trustee) in respect of the LBI/LBIE ETD Accounts.

“Barclays Sale Order” means the following orders of the United States Bankruptcy Court, Southern District of New York: (i) Order under 11 U.S.C. §§ 105(a), 363 and 365 and Federal Rules of Bankruptcy Procedure 2002, 6004 and 6006 Authorizing and Approving (A) the Sale of Purchased Assets Free and Clear of Liens and Other Interests and (B) Assumption and Assignment of Executory Contracts and Unexpired Leases, dated September 19, 2008 (Docket No. 08-13555, ECF No. 258), and (ii) Order Approving, and Incorporating by Reference for the Purposes of this Proceeding, an Order Authorizing the Sale of Purchased Assets and Other Relief in the Lehman Brothers Holdings Inc. Chapter 11 Proceeding, dated September 19, 2008 (Docket No. 08-01420, ECF No. 3).

“BCI” means Barclays Capital Inc., a Connecticut corporation.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks in the State of New York, the State of California or England are authorized or required by law to remain closed or are in fact closed.

“CASS 7” means Chapter 7 and, to the extent applicable, 7A of the FSA’s Client Assets Sourcebook.

“Claim” means any claim (including any “claim” as such term is defined in section 101(5) of the Bankruptcy Code), cross-claim, counterclaim, demand, action, cause of action, right, US Avoidance Action, UK Avoidance Action, suit, judgment, verdict, execution or proceeding, in each case of any kind, nature, character, description or basis whatsoever and (without limitation of the foregoing) (i) whether civil, criminal, administrative, investigative or otherwise (including any arbitration proceeding) and (ii) whether based upon (x) contract, warranty, covenant or other Liability, breach of contract, breach of warranty or covenant, tort, negligence, gross negligence, recklessness, fault, strict liability, misrepresentation, fraud, quantum meruit, subrogation, indemnification (whether express or implied), contribution or reimbursement, breach of fiduciary duty, or violation of any statute or administrative regulation, (y) any other United States or United Kingdom (or any other country’s) federal, state, local, statutory or common law or any other law, rule or regulation of any other jurisdiction or (z) any other legal or equitable theory of recovery.

“Claims Procedure Order” means the “Order Approving Form and Manner of Publication and Mailing of Notice of Commencement; Specifying Procedures and Forms for Filing, Determination, and Adjudication of Claims; Fixing a Meeting of Customers and Creditors; and Fixing Interim Reporting Pursuant To SIPA” approved by the Bankruptcy Court on November 7, 2008 (ECF No. 241).

“Client Money” means “client money” as defined for the purposes of CASS 7.

“Client Money Claim” means a claim for Client Money held by, or required to be held by, LBIE upon the terms of a statutory trust pursuant to CASS 7 and the FSA Rules.

“Client Money Pool” means the notional pool of pre-administration Client Money held by LBIE in accordance with CASS 7.

“Confidentiality Agreement” means The Agreement Governing Settlement Materials made on December 20, 2010 among the LBI Trustee, SIPC, the “Lehman European Group Administration Companies” (as defined therein) and the “Lehman European Group Liquidation Companies” (as defined therein).

“CUSIP” means the 9-character code used to identify financial securities registered in the United States and Canada.

“Customer Double Recovery” means any payment or payment-in-kind, including any distribution or other value or consideration from any Person (other than from LBIE in accordance with this Agreement), to an Underlying Customer to the extent (and only to the extent) that such payment or payment-in-kind, as between LBIE and that Underlying Customer, satisfies any obligation of LBIE to make an onward distribution to that Underlying Customer out

of the Underlying Customer Distribution Proceeds and not to exceed the value (as determined by LBIE in good faith) of the Underlying Customer Distribution Proceeds that LBIE would otherwise have used to satisfy such obligation. In any instance where (i) LBIE is the primary obligor to an Underlying Customer on an obligation in respect of which LBIE is distributing Underlying Customer Distribution Proceeds, and (ii) such Underlying Customer has already received, or receives, payment on such obligation from a secondary obligor pursuant to a guaranty, such payment by the secondary obligor shall not give rise to or constitute a “Customer Double Recovery” and shall not render LBIE’s distribution of Underlying Customer Distribution Proceeds to that Underlying Customer a “Customer Double Recovery.” For the avoidance of doubt, a payment from LBIE (out of its general estate or otherwise than out of the Underlying Customer Distribution Proceeds) to an Underlying Customer for any unsecured claims including claims in respect of securities of such Underlying Customer rehypothecated by LBIE shall not give rise to or be deemed a “Customer Double Recovery.”

“**Dedicated Reserve Account**” means any segregated account or fund that the LBI Trustee maintains pursuant to the Approval Order and the Allocation Order to fund the Required Reserve Amount.

“**Dedicated Reserve Termination Date**” means the date on which the Required Reserve Amount is reduced to zero.

“**Deed of Assignment**” means a deed of assignment in the form attached as Exhibit E hereto.

“**Defending Party**” means (i) in respect of any Barclays LBIE ETD Claim, LBIE, and (ii) in respect of any Barclays LBI ETD Claim, the LBI Trustee.

“**Determination Date**” means, with respect to any particular Subject Distribution, the earlier of (A) the date LBIE notifies the LBI Trustee that (i) LBIE has appointed a Withholding Agent, (ii) LBI Guidance has been received or (iii) the LBI Trustee should make such Subject Distribution subject to the withholding described in Section 8.02(d) and (B) twenty four (24) months from the date such Subject Distribution would otherwise have been made by LBI or the LBI Trustee to LBIE under this Agreement; provided, that if LBI Guidance has been delayed as a result of a dispute between the IRS and LBI or the LBI Trustee as described in the first *proviso* in the definition of LBI Guidance, the Determination Date shall for purposes of this Agreement, other than for purposes of determining the penalties and interest, if any, for which LBIE may be responsible pursuant to Section 8.02(c)(B) or the amount by which the amount withheld by the LBI Trustee may be increased pursuant to Section 8.02(c)(D), be the date on which such dispute is resolved.

“**Duplicative Claimant**” means a Person that asserted a Duplicative Claim.

“**Duplicative Claims**” means customer Claims asserted against LBI and listed on Schedule 2.05, to the extent such Claims (i) relate to the trading, financing, custody, clearing, settlement and/or other similar activity conducted with or through LBIE on Lehman Entity books and records (other than such activity, if any, through ITS Accounts and which is being dealt with under Article V) and (ii) as of the Execution Date have been rejected by the LBI Trustee, provided that, solely for purposes of Section 2.05, “Duplicative Claims” also include any Claims asserted

against the LBI general estate arising from the same transactions or occurrences as such listed Claims.

“Encumbrance” means any interest of any Person (including any right to acquire, option, right of pre-emption or the benefit of any flawed-asset arrangement) or any mortgage, charge, pledge, lien, assignment, hypothecation, option, restriction, right of first refusal, third-party right or interest, other encumbrance or security interest or arrangement of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid.

“Enforcement Action” means (i) to, or to take any action under applicable law to, (A) foreclose, execute, levy, or collect on, take possession or control of, sell or otherwise realize upon (judicially or non-judicially), or lease, license, or otherwise dispose of (whether publicly or privately), any Tri-Party Collateral, or otherwise exercise or enforce remedial rights with respect to any Tri-Party Collateral (including by way of set-off, recoupment, notification of a public or private sale or other disposition pursuant to applicable law, notification, order or direction to account debtors or notification, order or direction to depository banks or other depositories or custodians under deposit account control agreements or other control agreements), (B) solicit bids from third Persons to conduct the liquidation or disposition of any Tri-Party Collateral or to engage or retain sales brokers, marketing agents, investment bankers, accountants, appraisers, auctioneers, or other third Persons for the purposes of valuing, marketing, promoting, and selling any Tri-Party Collateral, (C) receive a transfer of Tri-Party Collateral in satisfaction of indebtedness or any other Liability secured thereby, (D) otherwise enforce an Encumbrance or exercise any other right or remedy, as a secured creditor or otherwise, pertaining to any Tri-Party Collateral at law, in equity, or pursuant to any LBI Tri-Party Custody Encumbrance Agreement or LBIE Tri-Party Custody Encumbrance Agreement (including the commencement of applicable legal proceedings or other actions with respect to all or any portion of the Tri-Party Collateral to facilitate the actions described in the preceding clauses, and exercising voting rights in respect of equity interests comprising Tri-Party Collateral), or (E) effect the disposition of any Tri-Party Collateral, (ii) to commence, join in, or file a petition for commencement of, an insolvency proceeding against any owner of Tri-Party Collateral or (iii) to otherwise enforce the rights or remedies of a secured creditor under the applicable laws any applicable jurisdiction.

“English Compliance Order” means an order of the English Court directing the Joint Administrators to exercise their powers as administrators so as to procure LBIE’s compliance with its obligations under this Agreement or such other order as may be reasonably acceptable to the Parties.

“English Court” means the High Court of Justice of England and Wales.

“Escrow Agent” means Linklaters LLP.

“Excluded Items” means each of (i) this Agreement, (ii) Part II of the Term Sheet, (iii) each Surviving Contract, (iv) any Third Party Assigned Claim, (v) in relation to any Released Party that was an employee of any Lehman Entity at any time, any promissory note of such Person in favor of any Lehman Entity, (vi) in relation to Section 6.01, (a) any Barclays APA Transferred Property, (b) the Trust Assets Claim, (c) the LBI Client Money Claim, (d) any LBI Pre-SIPA

Proceeding Transferred Property, (e) any Excluded Extended Lien Claim on LBIE Assets or (f) any Liabilities of LBIE under any LBI Tri-Party Custody Encumbrance Agreement to the extent (and solely to the extent) applicable in relation to any LBI Continuing Security Obligations, and (vii) in relation to Section 6.02, (a) any Excluded Extended Lien Claim on LBI Assets and (b) any Liabilities of LBI under any LBIE Tri-Party Custody Encumbrance Agreement to the extent (and solely to the extent) applicable in relation to any LBIE Continuing Security Obligations.

“Expungement Order” means an order of the Bankruptcy Court disallowing and expunging the Duplicative Claims.

“Extended Lien Asset” means any cash, securities or other property (including rights to unsecured distributions, dividends or income in respect of securities) or, in each case, any interest therein, held by a Lehman Entity that is subject to an Extended Lien Provision.

“Extended Lien Claim” means a Claim pursuant to an Extended Lien Provision to recover an Extended Lien Asset.

“Extended Lien Provision” means a term in an agreement between a Lehman Entity and an Ownership Claimant that purports to confer an Extended Lien Security Interest in respect of cash, securities or other property in relation not only to debts owed by such Ownership Claimant to such Lehman Entity but also to debts owed by such Ownership Claimant to one or more other Lehman Entities (including any “Extended Lien Provision” as such term is defined in the application of the Joint Administrators of LBIE to the English Court dated June 6, 2011).

“Extended Lien Security Interest” means any legal, equitable, contractual or possessory interest (or equivalent under any relevant legal system) of a Person in cash, securities or other property that is in the nature of a lien, pledge, charge or other right that encumbers or restricts the entitlement of the owner or holder of such cash, securities or other property or the holder’s right to delivery thereof until one or more obligations owed to such Person are discharged in full.

“FATCA” means Chapter 4 of the Tax Code, together with any related Treasury Regulations and other US administrative guidance related thereto.

“Final Determination” means (i) with respect to any particular Barclays LBIE ETD Claim, either (x) a final determination by LBIE (in the relevant capacity), or by the Joint Administrators, as applicable, with respect to such Barclays LBIE ETD Claim not in violation of Section 10.06, (y) a Final Order by a court of competent jurisdiction with respect to such Barclays LBIE ETD Claim, or (z) a settlement of such Barclays LBIE ETD Claim which has been consented to by the LBI Trustee (which consent may be granted or withheld by the LBI Trustee in his absolute discretion except as otherwise provided in Section 10.06(c)), and (ii) with respect to the Barclays LBI Ownership Dispute or any other Barclays LBI ETD Claim, one or more Final Orders of a court of competent jurisdiction in the United States deciding, and/or a settlement between the LBI Trustee and Barclays of, the Barclays LBI Ownership Dispute or such other Barclays LBI ETD Claim, respectively.

“Final Order” means an order of the Bankruptcy Court, the English Court or any other court of competent jurisdiction (i) that is in full force and effect, (ii) is not stayed, reversed or vacated and

(iii) as to which the time to appeal, petition for certiorari, seek a new trial under Rule 59 of the Federal Rules of Civil Procedure (or analogous rule under the Federal Rules of Bankruptcy Procedure or other law), or move for reargument or rehearing has expired and (1) as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or (2) 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 and the time to further appeal, petition for certiorari or move for reargument or rehearing has expired; 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.

“**FSA**” means the Financial Services Authority of the United Kingdom and/or any body which after the Execution Date assumes some or all of the functions of the Financial Services Authority.

“**FSA Rules**” means the (UK) Financial Services and Markets Act 2000 and the handbook containing rules, principles and guidance made by the FSA under powers given to it by such Act as modified, amended or revised from time to time.

“**House Double Recovery**” means any payment or payment-in-kind, including any distribution or other value or consideration from any Person (other than from the LBI Trustee in accordance with this Agreement), to LBIE that satisfies, in whole or in part, the LBIE House Claim (or the contents of any account claimed in the LBIE House Claim).

“**IRS**” means the US Internal Revenue Service.

“**IRS Guidance**” means (i) LBIE Guidance, but only if such guidance satisfies the Substantive Requirements of the Definition of LBI Guidance, or (ii) both LBIE Guidance and LBI Guidance.

“**ITS Accounts**” means the LBIE First Category ITS Accounts, the LBIE Second Category ITS Accounts and LBI ITS Accounts, collectively.

“**ITS Schedules**” means Schedules 5.02, 5.03, and 5.04, and 5.05, collectively.

“**ITS System**” means the ITS trading system (also known as “International Trading System”), which various Lehman Entities used to record, clear, monitor and settle client and intercompany transactions, depot holdings and securities positions.

“**Joint Administrators**” means, jointly and severally, Anthony Victor Lomas, Steven Anthony Pearson, Derek Anthony Howell, Paul David Copley and Russell Downs, solely in their capacity as the joint administrators of LBIE, and any other person who is appointed as an administrator in substitution for any administrator or as an additional administrator in conjunction with such Joint Administrators in the UK Proceeding.

“**Korean Accounts**” means the following four exchange-traded derivatives accounts maintained by or held with LBIE for LBI and/or its customers at LBIE’s branch in Seoul, South Korea: account numbers 071-022-07100, 071-022-07101, 071-022-07102 and 071-022-07107.

“**LB 745**” means LB 745 LLC.

“**LBHI**” means Lehman Brothers Holdings Inc., a Delaware corporation.

“**LBHI Debtors**” means LBHI; Lehman Brothers Special Financing Inc.; LCPI; Lehman Brothers Commercial Corporation; Lehman Brothers Financial Products Inc.; Lehman Brothers OTC Derivatives Inc.; Lehman Brothers Derivative Products Inc.; LBCS; Lehman Scottish Finance L.P.; CES Aviation LLC; CES Aviation V LLC; CES Aviation IX LLC; East Dover; Luxembourg Residential Properties Loan Finance S.a.r.l.; BNC Mortgage LLC; Structured Asset Securities Corporation; LB Rose Ranch LLC; LB 2080 Kalakaua Owners LLC; LB Somerset LLC; LB Preferred Somerset LLC; LB 745; and PAMI Statler Arms LLC.

“**LBI**” means Lehman Brothers Inc., a Delaware corporation.

“**LBIE Allowed Claims**” means the Allowed Omnibus Claim and the Allowed House Claim.

“**LBIE Claims**” means the LBIE House Claim and the Omnibus Customer Claim.

“**LBIE Extended Lien Asset**” means any Extended Lien Asset in respect of which LBIE is an Ownership Claimant.

“**LBIE Failed Trades Claim**” means Claim Nos. 900005783/900005951 and 900008003/000006027 filed against LBI in the SIPA Proceeding.

“**LBIE Guidance**” means an IRS determination letter, closing agreement or other guidance, on which a taxpayer may rely addressed to LBIE and addressing the methodology of calculating the source and character of any distribution of Underlying Customer Distribution Proceeds to either LBIE or the Underlying Customers. Any LBIE Guidance may, but shall not be required to, also satisfy the Substantive Requirements of the Definition of LBI Guidance.

“**LBIE House Claim**” means Claim Nos. 900005784/900005952, 000006026/000006031, and 900008198 filed against LBI in the SIPA Proceeding, and the LBIE Failed Trades Claim to the extent it relates to any of the claims identified by the aforementioned Claim Nos.

“**LBIE Identified Parties**” means Persons identified or referenced in the Omnibus Customer Claim.

“**LBIE Related Entity**” means (i) LBIE, in any capacity, (ii) any Affiliate or nominee of LBIE (in any capacity), (iii) Laurifer, (iv) any Person formed or acquired at the instigation of the Joint Administrators (or any of them), or (v) any Person serving a function, or having a purpose or effect (in each case in relation to LBIE (in any capacity) or its customers (or former customers) or estate or the UK Proceeding), similar to that of Laurifer (whether or not in relation to Client Money).

“LBIE Released Parties” means (i) LBIE, (ii) any and all past, present and future Joint Administrators, (iii) any and all past and present Representatives of each of LBIE and the Joint Administrators, respectively (in each case, solely in their respective capacities as such), and (iv) the respective successors and assigns of the foregoing (in each case, solely in their respective capacities as such).

“LBIE Releasing Parties” means each of (i) LBIE, (x) on behalf of itself in all capacities (including as Omnibus Customer Claimant and as LBIE Client Money Trustee) and the LBIE estate, and (y) on behalf of any Person that after the Execution Date may succeed to any Claim of LBIE or the LBIE estate constituting a LBIE Released Claim or (to the fullest extent that LBIE effectively may do so) that after the Execution Date may seek to bring any Claim (constituting a LBIE Released Claim) through or on behalf of LBIE or the LBIE estate, either derivatively or otherwise, and (ii) the Joint Administrators (jointly and severally), (x) on behalf of each of themselves (in their respective capacities as the Joint Administrators), LBIE (in all capacities (including as Omnibus Customer Claimant and as LBIE Client Money Trustee)) and the LBIE estate, and (y) on behalf of any Person that after the Execution Date may succeed to any Claim of the Joint Administrators (in their respective capacities as the Joint Administrators), LBIE or the LBIE estate (constituting a LBIE Released Claim) or (to the fullest extent that they effectively may do so) that after the Execution Date may seek to bring any Claim (constituting a LBIE Released Claim) through or on behalf of the Joint Administrators (in their respective capacities as the Joint Administrators), LBIE or the LBIE estate, either derivatively or otherwise.

“LBIE Tri-Party Collateral” has the meaning set forth in the definition of the term “LBIE Tri-Party Custody Encumbrance.”

“LBIE Tri-Party Custody Encumbrance” means any Encumbrance granted by a third party (that is not a Lehman Entity), in favor of LBI or LBIE acting as LBI’s agent, over such third party’s interest (if any) in cash, securities or other property in LBIE’s possession or control (including, for the avoidance of doubt, property controlled by LBIE but held by a third party custodian (subject to such control)) (such cash, securities or property, the **“LBIE Tri-Party Collateral”**).

“LBIE Tri-Party Custody Encumbrance Agreement” means any tri-party security agreement (or agreements) pursuant to which a third party (that is not a Lehman Entity) granted a LBIE Tri-Party Custody Encumbrance and/or pursuant to which such LBIE Tri-Party Custody Encumbrance is perfected in favor of LBI or LBIE acting as LBI’s agent.

“LBI Extended Lien Asset” means any Extended Lien Asset in respect of which LBI is an Ownership Claimant.

“LBI Filing Date” means September 19, 2008, the date on which the SIPA Proceeding was commenced.

“LBI Guidance” means (a) an IRS determination letter, closing agreement or other guidance, obtained in the manner described in Section 8.04(b), on which a taxpayer may rely, addressed to LBI or the LBI Trustee, and (i) determining that the Withholding Agent is regarded as the responsible party for all withholding and reporting obligations of LBI and the LBI Trustee in

respect of any Subject Distribution and the underlying Specified Post-Filing Income or (ii) addressing the source and character of any Subject Distribution from LBI to LBIE or the Withholding Agent and determining the amount, if any, of US taxes which LBI is or was liable to withhold in respect of such Subject Distribution and the underlying Specified Post-Filing Income or (b) any portion of LBIE Guidance that satisfies the condition described in (a)(i) or (a)(ii) in the preceding clause; provided, however, that if any such guidance imposes, or would impose, a material tax liability other than in respect of US Withholding Taxes on LBI or the LBI Trustee, such guidance shall be deemed not to be LBI Guidance until such time as any dispute between LBI and the IRS regarding such guidance or tax liability shall have been resolved (any guidance that satisfies the condition described in either clause (a)(i) or (a)(ii) of this definition, but in both cases subject to the first proviso herein, shall satisfy the “**Substantive Requirements of the Definition of LBI Guidance**”); provided, however, that for purposes of determining LBIE’s liability for penalties or interest pursuant to Section 8.02(c)(B) or 8.02(c)(D) or the amount by which the LBI Trustee is permitted to increase the withholding pursuant to Section 8.02(c)(D)(i), any dispute with the IRS pursuant to the immediately preceding *proviso* shall not be taken into account in the determination of the Determination Date.

“**LBI/LBHI Settlement Agreement**” means the Settlement Agreement dated as of February 21, 2013 among the LBI Trustee and the “LBHI Entities” (as defined therein).

“**LBI/LBIE ETD Accounts**” means the following exchange-traded derivatives accounts maintained by or held with LBIE for LBI and/or its customers as of September 12, 2008: account nos. 066-022-07015, 066-022-07003, 066-022-08000, 071-022-07101, 066-022-08004, 071-022-07107, 071-022-07102, 066-022-07000, 066-022-08001, 066-022-08002, 071-022-07100.

“**LBI Liquidation Order**” means the Order Commencing Liquidation, entered September 19, 2008, by the Honorable Gerard E. Lynch, District Judge of the United States District Court 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 Pre-SIPA Proceeding Transferred Property**” means any property or asset (including any Possible Claim) sold, assigned, transferred or otherwise disposed of by LBI at any time prior to the commencement of the liquidation of LBI under SIPA on September 19, 2008.

“**LBI Released Parties**” means each of the following Persons: (i) LBI and the LBI estate, (ii) the LBI Trustee, (iii) SIPC, (iv) any and all past and present Representatives or equityholders (as applicable) of LBI, the LBI estate, the LBI Trustee and SIPC, respectively (in each case, solely in their respective capacities as such), and (v) the respective successors and assigns of the foregoing (in each case, solely in their respective capacities as such).

“**LBI Releasing Party**” means each of (i) LBI, (x) on behalf of itself in all capacities and the LBI estate, and (y) on behalf of any Person that after the Execution Date may succeed to any Claim of LBI or the LBI estate constituting an LBI Released Claim or (to the fullest extent that LBI may effectively do so) that after the Execution Date may seek to bring any Claim (constituting an LBI Released Claim) through or on behalf of LBI or the LBI estate, either derivatively or otherwise, and (ii) the LBI Trustee, (x) on behalf of each of himself (in his capacity as the LBI Trustee), LBI and the LBI estate (including as the holder of any account for

the account of customers), and (y) on behalf of any Person that after the Execution Date may succeed to any Claim of the LBI Trustee, LBI or the LBI estate (constituting an LBI Released Claim) or (to the fullest extent that the LBI Trustee effectively may do so) that after the Execution Date may seek to bring any Claim (constituting an LBI Released Claim) through or on behalf of the LBI Trustee, LBI or the LBI estate, either derivatively or otherwise.

“**LBI Tri-Party Collateral**” has the meaning set forth in the definition of the term “LBI Tri-Party Custody Encumbrance.”

“**LBI Tri-Party Custody Encumbrance**” means any Encumbrance granted by a third party (that is not a Lehman Entity), in favor of LBIE or LBI acting as LBIE’s agent, over such third party’s interest (if any) in cash, securities or other property in LBI’s possession or control (including, for the avoidance of doubt, property controlled by LBI but held by a third party custodian (subject to such control)) (such cash, securities or property, the “**LBI Tri-Party Collateral**”).

“**LBI Tri-Party Custody Encumbrance Agreement**” means any tri-party security agreement or agreements pursuant to which a third party (that is not a Lehman Entity) granted an LBI Tri-Party Custody Encumbrance and/or pursuant to which such LBI Tri-Party Custody Encumbrance is perfected in favor of LBIE or LBI acting as LBIE’s agent.

“**LBI Trustee**” means James W. Giddens, without personal liability and solely in his capacity as trustee for the SIPA liquidation of LBI, or any successor to James W. Giddens in such capacity (also without personal liability and solely in such capacity).

“**Lehman Entity**” means LBHI and any entity that was directly or indirectly owned or controlled by LBHI on September 15, 2008.

“**Liability**” means any debt, obligation or liability of any kind, nature, character, description or basis whatsoever.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Non-Defending Party**” means (i) in respect of any Barclays LBIE ETD Claim, the LBI Trustee, and (ii) in respect of any Barclays LBI ETD Claim, LBIE.

“**Object**” means to oppose, challenge, appeal or object to (or support any opposition, challenge, appeal or objection to), or take any action to alter, delay or impede.

“**Omnibus Accounts**” means the four accounts maintained on LBI’s books and records for the purpose of recording, processing, or settling transactions of underlying customers of LBIE, namely the accounts numbered 941-99951, 941-99950, 941-20159 and 941-20160.

“**Omnibus Customer Claim**” means Claim Nos. 900005782/900005953, 900007955/900007941 and 900008199, and the LBIE Failed Trades Claim to the extent it relates to any of the claims identified by the aforementioned Claim Nos.

“**Onward Distribution**” means a distribution to Underlying Customers in accordance with the first sentence of Section 2.03(a)(B)(i).

“**Outside Date**” means August 21, 2013, provided that the LBI Trustee and LBIE may, prior to the Outside Date then in effect, jointly designate a date later than the Outside Date then in effect thereafter to constitute the “Outside Date” for purposes of this Agreement (subject to possible subsequent application of this proviso in respect of such new Outside Date).

“**Ownership Claimant**” means a Lehman Entity that has asserted a claim for and/or may have a beneficial interest (other than an interest which arises as a result of an Extended Lien Security Interest) in cash, securities or other property (or the proceeds thereof) which is held or which ought to be held or to have been held in an account under its name at a Lehman Entity.

“**Person**” means an individual or natural person, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization and any governmental entity. For the avoidance of doubt, the term “Person” shall be construed as broadly as possible and shall include any “Person” described in the definition of such term in section 101(41) of the Bankruptcy Code.

“**Possible Claims**” means any and all Claims, Liabilities or Encumbrances, in each case WHETHER KNOWN OR UNKNOWN, ACCRUED OR UNACCRUED, FIXED, CERTAIN OR CONTINGENT, SUSPECTED OR UNSUSPECTED, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, NOW EXISTING OR HEREAFTER ARISING, LIQUIDATED OR UNLIQUIDATED, DEVELOPED OR UNDEVELOPED, DISCOVERED OR UNDISCOVERED, OR OTHERWISE.

“**Post-Filing Income Methodology Order**” means an order of the Bankruptcy Court with respect to the allocation and/or distribution methodology for the distribution of the Specified Post-Filing Income.

“**Post-Petition D&I**” means all cash dividends and interest received by the LBI estate subsequent to the Filing Date.

“**Proceeds**” means, with respect to any property, the direct or indirect proceeds of such property, including (i) whatever is acquired upon the sale, lease, license, exchange (including any currency exchange), collection or other disposition of such property (including as a result of any Corporate Action), and (ii) any payments or distributions on or in respect of such property (including all investment income in respect of such property), it being understood that any “Proceeds” of such property realized at any time thereafter also shall be deemed to constitute part of such property for purposes of subsequently applying this definition (and determining further “Proceeds” in respect of such property).

“**Quantum Element**” means, in relation to any particular Barclays LBIE ETD Claim, the quantum of such Barclays LBIE ETD Claim.

“**Released Claims**” shall mean (i) in relation to each of the LBI Releasing Parties, the LBI Released Claims, and (ii) in relation to each of the LBIE Releasing Parties, the LBIE Released Claims.

“**Released Parties**” shall mean (i) in relation to each of the LBI Releasing Parties, the LBIE Released Parties, and (ii) in relation to each of the LBIE Releasing Parties, the LBI Released Parties.

“**Releases**” means fully and forever, and irrevocably and unconditionally, releases, remises, relinquishes, discharges and acquits. The terms “Release” and “Released” shall have a correlative meaning.

“**Releasors**” shall mean (i) each of the LBI Releasing Parties (in the context of Section 6.01) and (ii) each of the LBIE Releasing Parties (in the context of Section 6.02).

“**Representatives**” means, when used with respect to any Person, such Person’s members, partners, officers, directors, employees, agents, consultants, professionals, advisors or other representatives (including any investment banker, financial advisor, attorney or accountant retained by or on behalf of such Person or any of the foregoing). Without limitation of the foregoing, for the avoidance of doubt, the term “Representatives”, when used in relation to LBIE, shall include the Joint Administrators (and their firm and the partners and employees of their firm).

“**Required Reserve Amount**” means, at any time, (i) unless and until the Required Reserve Amount shall be reduced pursuant to Sections 10.07(a) and/or 10.08, \$777,000,000, or (ii) such lesser amount to which the Required Reserve Amount shall have been reduced prior to such time pursuant to Sections 10.07(a) and/or 10.08.

“**Reserve Amount**” means, at any time, the amount of the Dedicated Reserve at such time.

“**Setoff**” means reduction, avoidance, recharacterization, reconsideration under Section 502(j) of the Bankruptcy Code or otherwise, set-off under Rule 2.85 of the (English) Insolvency Rules 1986, any permissible offsets or deductions under CASS 7, recovery, subordination, attack, offset, recoupment, deduction, retention, counterclaim or objection, of any kind or nature, provided that it is understood and agreed that the application, or potential application, of Section 2.02(e), 2.03(c) and/or 2.06 does not constitute a “Setoff”.

“**SIPA**” means the Securities Investor Protection Act of 1970.

“**SIPC**” means the Securities Investor Protection Corporation, all of its past and present employees, professionals and advisors and its successors, assigns and personal representatives.

“**Specified Elements**” means the Quantum Element and the Status Element.

“**Standard & Poor’s**” means Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business.

“**Status Element**” means, in relation to any particular Barclays LBIE ETD Claim, the ranking or claim status of such Barclays LBIE ETD Claim.

“**Subject Barclays ETD Claim**” means any Barclays LBIE ETD Claim or any Barclays LBI ETD Claim.

“**Surviving Contracts**” means, the agreements listed on Schedule 6.01/6.02 (except as otherwise specified therein).

“**Tax Code**” means the Internal Revenue Code of 1986, as amended.

“**Taxes**” means (i) federal, state, local, or foreign taxes, levies, duties, or assessments of any kind whatsoever, including gross income, net income, gross receipts, profits, windfall profits, sales, use, occupation, value-added, ad valorem, transfer, recording, license, franchise, withholding, payroll, employment, excise, estimated, stamp, premium, capital stock, production, net worth, alternative or add-on minimum, business and occupation, disability, severance, or real or personal property taxes, in each case imposed or required to be withheld by any governmental authority having jurisdiction over the assessment, determination, collection, or other imposition of any of the foregoing; and (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any taxing authority or required to be paid in connection with any item described in clause (i) hereof.

“**Term Sheet**” means the “Term Sheet” between LBIE and the LBI Trustee dated October 4, 2012.

“**Third Party Assigned Claim**” means any allowed, admitted or otherwise agreed Claim filed by a third party against LBI or LBIE that is acquired after the Execution Date (pursuant to an agreement entered into only after the Execution Date) by LBIE or the LBI Trustee, provided, that any claim by an Underlying Customer relating to the Omnibus Accounts or the Omnibus Customer Claim does not constitute an allowed, admitted or otherwise agreed Claim for purposes of this definition and accordingly cannot constitute a “Third Party Assigned Claim.”

“**Threshold Ratings Requirement**” means, with respect to any particular entity, that either (i) such entity’s long-term issuer credit rating assigned by Standard & Poor’s is “AA-” or higher or (ii) such entity’s long-term issuer credit rating assigned by Moody’s is “Aa3” or higher.

“**Treasury Notes**” means United States Treasury Notes with CUSIP number 912828BV1 in the face amount of \$10,350,000 that matured on January 15, 2009.

“**Tri-Party Collateral**” means LBI Tri-Party Collateral or LBIE Tri-Party Collateral.

“**UCDP Expenses**” means any out-of-pocket costs, expenses or Taxes applicable to, or arising in connection with, a transaction giving rise to Proceeds described in clause (ii) of the definition of the term “Underlying Customer Distribution Proceeds” (other than, for the avoidance of doubt, any of the foregoing out-of-pocket costs, expenses or Taxes deducted (or to be deducted) pursuant to the Onward Distribution Exceptions).

“**UK Avoidance Action**” means (i) any and all actions under English law seeking the avoidance of a transfer or obligation by an insolvency office-holder, including under Parts VI and XVI of the (UK) Insolvency Act 1986, and (ii) any actions under applicable law seeking similar relief.

“**UK Settlement Agreement**” means the settlement agreement dated as of October 24, 2011, by and among the LBHI Debtors, the LBLIS Group Entities, the UK Administration Companies, the

UK Liquidation Companies and the Other UK Affiliates (as each such capitalized term referred to herein is defined in the UK Settlement Agreement).

“**Uncovered Liability**” means, at any time, the amount by which the Barclays LBIE ETD Claim Maximum Liability at that time exceeds the Required Reserve Amount at that time.

“**Underlying Customer**” means (i) a customer of LBIE as of the LBI Filing Date with respect to whom LBIE filed the Omnibus Customer Claim and who as of the LBI Filing Date had a beneficial interest in the Underlying Customer Distribution Proceeds (a “**Filing Date UC**”), and (ii) any assignee (with respect to any such beneficial interest) of a Filing Date UC (or of a direct or indirect assignee of a Filing Date UC) pursuant to an assignment acknowledged by LBIE, except (in the case of each of (i) and (ii)) to the extent that any such Filing Date UC (or direct or indirect assignee of a Filing Date UC) may have assigned any such beneficial interest to another Person pursuant to an assignment acknowledged by LBIE. For the avoidance of doubt, a Person with multiple accounts at LBIE as of the commencement of the UK Proceeding who satisfies the preceding sentence (and any assignee of such Person (as such)) shall be considered a single (and the same) Underlying Customer for the purposes of Section 2.03(a)(B)(iii)(x).

“**Underlying Customer Distribution Proceeds**” means, at any time, the fund comprised from time to time of (i) the cash, securities or other property distributed by the LBI Trustee to (or for the account of), and received by (or for the account of), LBIE or the Withholding Agent pursuant to Sections 2.02(a)(B), 2.02(c), 2.02(e) or 2.02(j) to the extent (except in the context of clause (ii)) they have not then been converted into Proceeds or otherwise been distributed or applied in accordance with Section 2.03 and (ii) all Proceeds of such cash, securities or other property (including Proceeds of Proceeds) actually received by (or for the account of) LBIE or the Withholding Agent to the extent they have not then been distributed or applied in accordance with Section 2.03.

“**Undistributed Surplus**” means any undistributed Underlying Customer Distribution Proceeds as of the time that is ninety (90) days after the latest of the times set forth in clauses (i), (ii) and (iii) of the first sentence of Section 2.03(c).

“**US Avoidance Action**” means (i) any and all actions under US Bankruptcy Law seeking the avoidance of a transfer or obligation, including under chapter 5 of the Bankruptcy Code, and (ii) any actions under applicable law seeking similar relief.

“**US Bankruptcy Law**” means the Bankruptcy Code and SIPA.

“**VAT**” means value added tax as provided for in the (UK) Value Added Tax Act 1994 and legislation (whether delegated or otherwise) supplemental to it or in any primary or subordinate legislation promulgated by the European Union or any body or agency thereof and any Tax similar or equivalent to value added tax (including any sales and use taxes) imposed by any jurisdiction outside the United Kingdom and any similar or turnover tax replacing or introduced in addition to any of the foregoing.

“**Withholding Agent**” means an agent appointed by LBIE to receive distributions or payments under this agreement, which (A) is (i) a US person that is a financial institution within the

meaning of Treasury Regulation § 1.1441-1(c)(5) and a US financial institution within the meaning of Treasury Regulation § 1.1471-1(b)(127) or (ii) any person that (x) is a “qualified intermediary” within the meaning of Treasury Regulation § 1.1441-1(e)(5)(ii), (y) agrees to assume primary responsibility for withholding, depositing and reporting amounts under Chapters 3, and 61 and Section 3406 of the Tax Code and FATCA, in accordance with Treasury Regulation § 1.1441-1(e)(5)(iv) and FATCA and (z) provides an appropriate IRS Form W-8IMY (or appropriate successor form), (B) agrees to withhold on, and report, any amounts received from the LBI Trustee and distributed to or on behalf of LBIE or to the Underlying Customers in accordance with instructions received from LBIE (which instructions shall be consistent with Section 8.03) and (C) (i) is one of the entities identified on Schedule 8 hereto, (ii) is an Affiliate of such an entity and satisfies (at the time of its appointment) the Threshold Ratings Requirement or (iii) is otherwise designated or appointed by LBIE and consented to by the LBI Trustee, which consent shall not be unreasonably withheld, conditioned or delayed.

2. *Other Definitions.* The following terms are defined in the respective Articles, Sections or other portions of the Agreement indicated:

100% Conditions.....	11.06(b)
Agreement.....	Preamble
Allowed House Claim.....	2.02(b)(A)(ii)
Allowed House Customer Claim	2.02(b)(A)(i)
Allowed House General Creditor Claim.....	2.02(b)(A)(ii)
Allowed LBIE Customer Claims	2.02(b)(A)(i)
Allowed Omnibus Claim	2.02(a)(A)
Alternative Estimated Distributions.....	11.06(d)(A)(ii)
Bankruptcy Court.....	Recitals
Corporate Action.....	2.02(a)(E)
Customer Double Recovery Notice	2.06(b)
Dedicated Reserve	10.01(a)
East Dover.....	3.03
Effective Time	11.02
Escrow Agreement.....	2.01(a)(B)
Estimated Distributions.....	11.06(d)(A)(i)
Excluded Extended Lien Claims on LBI Assets.....	3.02(b)
Excluded Extended Lien Claims on LBIE Assets	3.01(b)
Execution Date.....	Preamble
Filing Date UC.....	Annex A; definition of “Underlying Customer”
House Scheduling Order.....	Recitals
House Shortfall Claim.....	2.02(b)(B)
Immediately Effective Provisions.....	11.01
Laurifer	2.01(a)(B)
LBCS.....	3.03
LBFAL.....	7.02
LBI Client Money Claim	Recitals
LBI Conditions Notice.....	11.06(b)
LBI Continuing Security Obligations	6.02
LBI ITS Account Payment.....	5.04(b)

LBI ITS Accounts	5.04(a)
LBI ITS Release.....	5.02(a)
LBI Released Claims	6.01
LBI Trustee Effectiveness Conditions	11.04
LBI Unsecured Claim	Recitals
LBIE.....	Preamble
LBIE Client Money Trustee.....	Preamble
LBIE Condition Notice.....	11.06(b)
LBIE Continuing Security Obligations.....	6.01
LBIE Effectiveness Conditions.....	11.05
LBIE First Category ITS Account Payment	5.02(b)
LBIE First Category ITS Accounts.....	5.02(a)
LBIE ITS Release	5.04(a)
LBIE Released Claims.....	6.02
LBIE Second Category ITS Account Payment.....	5.03(b)
LBIE Second Category ITS Accounts	5.03(a)
LBIE Waiver Notice	11.06(b)
LBIE’s Custodian.....	2.02(h)
LBIE’s Securities Account	2.02(h)
LBSAL.....	7.02
LCPI.....	3.03
Mutual Effectiveness Conditions	11.03
Omnibus Cash Payment.....	2.02(a)(B)(iii)
Omnibus Cash-In-Lieu Payment.....	2.02(a)(B)(ii)
Omnibus Claim Trustee	2.02(a)(B)
Omnibus Customer Claimant.....	Preamble
Omnibus Scheduling Order.....	Recitals
Omnibus Securities	2.02(a)(B)(i)
Omnibus Securities Assumed Liabilities	2.02(h)
Omnibus Shortfall Claim	2.02(a)(B)
Onward Distribution Exceptions.....	2.03(a)(B)(iii)
Onward Distribution Report	2.03(b)
Parties.....	Preamble
Party	Preamble
Prior Determinations.....	2.02(a)(E)(III)
PwC.....	Recitals
Recovery	10.09(a)
SA Confidential Information	9.01(a)
Section 5.07 Released Claims.....	5.07
Section 5.08 Released Claims.....	5.08
Settlement Agreement Accounts.....	2.02(g)(A)
SIPA Proceeding.....	Recitals
Specified Clauses	10.07(a)(A)
Specified LBIE Allowed Customer Distributions	2.02(e)
Specified Post-Filing Income.....	2.02(c)(B)
Specified Post-Filing Income Distributions.....	2.02(c)(A)

Subject Distribution8.02
Substantive Requirements of the Definition of LBI Guidance..... Annex A; definition of
“LBI Guidance”
Tracing Claim2.01(b)
Transfer Restrictions.....2.02(h)
Trust Assets Claim.....Recitals
UK Proceeding.....Recitals
US Withholding Taxes.....8.01
Withholdable Income.....8.02(d)

Schedules

Schedule 2.02 (a)(A): Allowed Omnibus Claim

REDACTED

Schedule 2.02 (a)(B): Omnibus Securities

REDACTED

Schedule 2.02 (a)(C): Omnibus Cash-in-Lieu Payment Securities

REDACTED

Schedule 2.02(i): Certain Physical Securities

ITS CUSIP	Security Description	Quantity on Certificate
1US248206	SOUTHPORT CLO LTD FRN 20161015 SERIES# 1I	875,000
1US109499	GOLDENTREE LOAN OPPORTUNITIES V LTD 0.000% 20211018 SERIES# 5I	1,750,000
1KY145225	GSC PARTNERS CDO FUND LTD 0.000% 20151216	13,500,000
1US363765	USPP TRUST II 6.930% 20491230	30,000,000
1US321748	BARTON SPRINGS 2005-1 8.000% 20101220 SERIES# AI	565,000
1US231525	PT JAWA POWER 9.300% 20110115 SERIES# SENIOR S N	10,000,000

Schedule 2.05: Duplicative Claims

Customer Name	LBI Claim Number¹	Objection ECF No.
THE 144A MASTER FUND LP	900005595	1794
ADAGIO FUND	800001728	1855
ANDANTE FUND LP	800001693	1854
ASSET MANAGERS INTERNATIONAL LTD.	900005781	1324
BATTENKILL 130 30 FUND LP	900006281	2394
BATTENKILL ENHANCED MARKET NEUTRAL FUND LP	900006280 2365 2889 2890 2891 2892	2394
BAUPOST LIMITED PARTNERSHIP 1983 A-1	900004292	2000
BAUPOST LIMITED PARTNERSHIP 1983-B-1	900004296	2001
BAUPOST LIMITED PARTNERSHIP 1983 C-1	900004297	1325
BAUPOST VALUE PARTNERS, L.P.-I	900004281	1326
BAUPOST VALUE PARTNERS LP IV	900004276	2370
BAY HARBOUR MASTER LTD	900003412 900003413 900003414 5190	2493 3160 3021
BCP VOYAGER MASTER FUND SPC, LTD.	800002959	1754
BGC FINANCIAL L.P.	800003021	1617
BHCO MASTER LTD.	900003410 5189	2492
BLACKROCK FINANCIAL MANAGEMENT INC (BLACKROCK MULTI-STRATEGY FIXED INCOME ALPHA FUND - MASTER SERIES TRUST) ²	900003072 [†] 900003814 [†]	2617

1. Claims previously allowed in part indicated by asterisk (*). Claims indicated by a dagger (†) also may have activity which is through ITS Accounts and which is being dealt with under Article V of the Agreement.

Customer Name	LBI Claim Number ¹	Objection ECF No.
BLACKROCK FINANCIAL MANAGEMENT INC (THE GALAXITE MASTER UNIT TRUST)	900002994 900003563	2572
BREEN INVESTORS INTERNATIONAL FUND LP	900005091 900005092	1778
BRIGADE LEVERAGED CAPITAL STRUCTURES FUND LTD	800002573 7002257	3060
BSP PARTNERS, LP	900004200	2146
BTR GLOBAL ARBITRAGE TRADING LTD	900007904 5666 900007905	1769
BTR GLOBAL GROWTH TRADING LTD	900007917 900007918 5727	2372
BTR GLOBAL OPPORTUNITY TRADING LTD	900007909 5697 900007908	1769
BTR GLOBAL PROSPECTOR TRADING LIMITED	900007921 900007922 5729	2372
BTR GLOBAL PROSPECTOR II TRADING LIMITED	900007919 900007920 5728	2372
CARLYLE CREDIT PARTNERS MASTER FUND	900005442	3064
CEDAR DKR HOLDING FUND LTD	900002197 900002198 900003102 900003104 4870	1821
CFIP MASTER FUND LTD	900004582	3169

(Footnote continued from previous page)

2. Claims not to be expunged pursuant to Section 2.05 of the Agreement to the extent they arise from purchase and sale transactions with LBI of certain agency mortgage-backed securities on a “To-Be-Announced” basis (a “TBA”), which the Trustee denied on other grounds not subject to this motion, as described in the *Fourth Supplemental Objection to the Trustee’s Determination of Claims* [ECF No. 2607].

Customer Name	LBI Claim Number¹	Objection ECF No.
CHILTON NEW ERA PARTNERS L.P	800002574	3118
CHINAFUND (CAYMAN) LTD	900004580 900004581	3055 3056
CHINAFUND LP	900004585	3057
CLAREN ROAD CREDIT MASTER FUND LTD	900004590 900006420	3054
CLEARBRIDGE ACTIVE EQUITY FLEXIBLE 130 30 LP	800001389	1802
CLEARBRIDGE CLASSIC VALUE FLEXIBLE 130 30 LP	800001388	1802
CLEARBRIDGE FOCUS EQUITY LP	800001387	1802
CLEARBRIDGE SELECT LP	800001391	1802
CLEARBRIDGE SMALL MID CAP FOCUS LP	800001390	2408
CONVEXITY CAPITAL MASTER FUND L.P.	900004289	2927
CRESCENT 1 LP	900002362	2885
CRESTVIEW CAPITAL MASTER LLC	800001630 800001631 800001633	2478 2476 2477
CROW POINT UTILITY AND TELECOMMUNICATIONS MASTER FUND LTD	900007545 900007625	2409
CRS FUND, LTD.	900002365	2887
CYRUS EUROPE MASTER FUND LTD	900002363	2886
CYRUS OPPORTUNITIES MASTER FUND II LTD	900002359 5372 900002352	1887 2884
D.E. SHAW VALENCE PORTFOLIOS LLC	900002691 900005219 900005504	
DAIWA/SCHRODER SPECIAL FUND SERIES — SCHRODER INDEX LINKED CAPITAL PROTECTION FUND (AND) 2007-03 THROUGH ITS TRUSTEE G.A.S. (CAYMAN) LIMITED	900004189	1327
DIAMONDBACK MASTER FUND LTD	900004240 900004723	3213 3214

Customer Name	LBI Claim Number ¹	Objection ECF No.
DKR SOUNDSHORE OASIS HOLDING FUND LTD	900002196 900002199 900003103 900003105 4871	1821
EJF LONG SHORT EQUITY MASTER FUND LP	900005594	1800
EJF OPPORTUNITY MASTER FUND LP	900005593	1799
ELLIOTT ASSOCIATES, L.P.	900007066 900007067	2308 2910
ELLIOT INTERNATIONAL, L.P.	900007068	2308
ELSF 3 APOLLO BLOCKER LTD.	900004118 900004119	2982
ENCORE FUND LP	800001699	1853
FFI FUND LTD.	900002748 900002749	1946
FORTISSIMO FUND	800001708	1852
FROLEY REVY ALTERNATIVE STRATEGIES MASTER FUND, LTD.	900005083* 900006260*	3243
FYI LTD.	900003988 900003989	2102
GEODE CAPITAL MASTER FUND	900004291	1741
GLG 625/MRS. SIHAM CATAFAGO	900004554	2914
GLG ABSOLUTE RETURN BOND FUND	900004120 [†] 900004121 [†]	2246
GLG ACTIONS INTERNATIONALES FUND	900004122 900004123	1782 1781
GLG ALPHA CAPTURE FUND	900004124 900004125	1783
GLG ALPHA SELECT FUND	900004126 900004127	2981
GLG BALANCED FUND	900004501	1785
GLG CAPITAL APPRECIATION FUND	900004503	1786
GLG CAPITAL APPRECIATION (DISTRIBUTING) FUND	900004128	2980
GLG CONSUMER FUND	900004505	1787

Customer Name	LBI Claim Number¹	Objection ECF No.
GLG CREDIT FUND	900004130 [†]	2979
GLG EAFE (INSTITUTIONAL FUND)	900004506 900004354	2978
GLG EMERGING EQUITY FUND	900004132	1788
GLG EMERGING MARKETS FUND	900004134	2977
GLG EMERGING MARKETS SPECIAL SITUATIONS FUND	900004356	2245
GLG ENVIRONMENT FUND	900004136	2976
GLG ESPIRIT FUND	900004357 900004358	2975
GLG EUROPEAN EQUITY FUND	900004374	2974
GLG EUROPEAN EQUITY (DISTRIBUTING) FUND	900004138	2973
GLG EUROPEAN EQUITY (UCITS III) FUND	900004140	2972
GLG EUROPEAN LONG-SHORT FUND	900004143	2971
GLG EUROPEAN OPPORTUNITY FUND	900004371	2970
GLG EVENT DRIVEN FUND	900004596	1789
GLG FINANCIALS FUND	900004369	2969
GLG GLOBAL AGGRESSIVE FUND	900004669 900004865	1791
GLG GLOBAL CONVERTIBLE FUND PLC	900004367	2968
GLG GLOBAL CONVERTIBLE UCITS FUND	900004594	2967
GLG GLOBAL FUTURES FUND	900004365	2966
GLG GLOBAL MACRO FUND FOR AND ON BEHALF OF GLG PARTNERS LP	900004592	1792
GLG GLOBAL MINING FUND	900004364	1793
GLG GLOBAL UTILITIES FUND	900004361	2965
GLG INTERNATIONAL SMALL CAP FUND	900004598	1795
GLG JAPANESE LONG-SHORT FUND	900004359	2964
GLG MARKET NEUTRAL FUND	900004606	1796
GLG NO. 10/MR. ASAF GOTTESMAN	900003941	2740

Customer Name	LBI Claim Number¹	Objection ECF No.
GLG NORTH AMERICAN EQUITY FUND	900004599	1797
GLG NORTH AMERICAN OPPORTUNITY FUND	900004605	1798
GLG PARTNERS LP	900004114 900004115	1790
GLG PERFORMANCE FUND	900004601	2963
GLG PERFORMANCE (DISTRIBUTING) FUND	900004603	2962
GLG PERFORMANCE (INSTITUTIONAL FUND)	900004116 900004117	2961
GLG PERFORMANCE (UCITS III) FUND	900004108 900004109	2960
GLG UK SELECT EQUITY FUND	900004110 900004111	2959
GLG UK SELECT EQUITY (DISTRIBUTING) FUND	900004106 900004107	2958
GLOBAL ALPHA EDGE COMMON TRUST FUND	900002337 5340	3219
GLOBAL ALPHA SELECT EDGE QP COMMON TRUST FUND	900002335 5341	3218
GLOBAL THEMATIC OPPORTUNITIES FUND LP	900005089 900005090	2395 3058
GLOBALAGRICAP FUND	900007783 5636	1936
GMO EMERGING COUNTRY DEBT, L.P.	900005789	3361
GOLDENTREE CREDIT OPPORTUNITIES MASTER FUND LTD.	900002451* 900002464*	3458
GOLDENTREE HIGH YIELD VALUE MASTER FUND LTD	900002456*	3114
GOLDENTREE LEVERAGE LOAN MASTER FUND LTD	900002453* 900002462*	3114
GOLDENTREE MASTER FUND LTD	900002454*	3114
GOLDENTREE MASTER FUND II LTD	900002452*	3114
GOLDENTREE MULTISTRATEGY LTD	900002458* 900002463*	3114

Customer Name	LBI Claim Number¹	Objection ECF No.
GOLDENTREE MULTISTRATEGY LP	900002457* 900002465	3114 2905
GPC LVIII LLC	900002455* 900002461*	3114
GTAM FUND I LTD	900002459* 900002460*	3114
GOLDMAN SACHS GLOBAL EQUITY OPPORTUNITIES FUND LLC	900004264 900004718*	3052 3053
GRAYSON VENTURES LTD	900004911	1826
GS INVESTMENT PARTNERS MASTER FUND LP	900004701*	3107
HARBERT VALUE MASTER FUND LTD	900004722* 5498	3108
HARBINGER CAPITAL PARTNERS MASTER FUND I LTD	900004760 5375 900004761	3048
HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND LP	900003273 5353	1901
HB INSTITUTIONAL LP	900004198	2002
HFF I LLC	800002408	1801
ING INVESTMENT MANAGEMENT CO.	800002399	1824
ING PROPRIETARY ALPHA FUND LLC	800002304 800002313 800002296 800002309 800002279 800002287 800002291 800002298 800002284	1824 2867
ING QUANTITATIVE STRATEGIES MASTER LTD	800002346 800002380 800002359 800002367 800002388 800002372	1824
INTEGRATED CORE STRATEGIES (EUROPE) SARL	900005777 [†] 900005912 [†]	2163

Customer Name	LBI Claim Number ¹	Objection ECF No.
JA SOLAR HOLDINGS CO., LTD.	800002542 2853	1925
JANA MASTER FUND LTD	900005437	1932
JP MORGAN ABSOLUTE RETURN CREDIT MASTER FUND LTD	900006314 4534	3035
JP MORGAN DISTRESSED DEBT MASTER FUND LTD	900006315 4535	3036
JPMORGAN FIXED INCOME OPPORTUNITY INSTITUTIONAL FUND LTD	900006313 4765	3032
JPMORGAN FIXED INCOME OPPORTUNITY MASTER FUND LP	900006316 4764	3037
KING STREET CAPITAL, L.P. ³	900003198* 900003239* 900003496* 5015 5544	3167
KING STREET CAPITAL LTD ³	900003199* 5541* 900003238* 900003497* 5016	3167
KING STREET EUROPE LP ³	900003197* 5014* 5543* 900003241* 900003495*	3167
KING STREET EUROPE MASTER FUND LTD ³	900003237* 5013* 5542* 900003494* 900003498*	3167
LAFFITTE RISK ARBITRAGE	900007725 900007727	3946

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3. Claims not to be expunged pursuant to Section 2.05 of the Agreement to the extent they relate to “Remaining Cash Collateral” as that term is defined in the *Limited Omnibus Objection To The SIPA Trustee's Determination of Claim* dated April 21, 2010 [ECF No. 3167]. The Trustee denied claims to “Remaining Cash Collateral” on other grounds not subject to this motion.

Customer Name	LBI Claim Number¹	Objection ECF No.
LAZARD FRERES & CO. LLC	900005920 900005921 900005922 900005923 900005925 900005926 900005927 900005928	1844
LEHMAN BROTHERS MLP OPPORTUNITY FUND LP	800002536	2387
LIBERTY HARBOR MASTER FUND I LP	900004707	3033
LIBERTYVIEW CREDIT OPPORTUNITIES FUND LP	900005547 900005768 900005533 900005772	2908
LIBERTYVIEW CREDIT SELECT FUND LP	900005536 900005766 900005532 900005771	2908
LIBERTYVIEW FOCUS FUND	900005767 900005541 900005531* 900005770*	2908
LIBERTYVIEW FUNDS LP	900005775 900005537 900005538 900005774	2908
LIBERTYVIEW GLOBAL RISK ARBITRAGE FUND LP	900005534* 900005773* 900005529* 900005810*	2908
LIBERTYVIEW LOAN FUND LLC	900005765* 900005535*	2908
LIBERTYVIEW SPECIAL OPPORTUNITIES FUND LP	900006262* 900005769* 900005546* 900005813*	2908
LMA SPC FOR AND ON BEHALF OF MAP I SEGREGATED PORTFOLIO	900004493	3268
LORIMOR CORPORATION	900003948	1827

Customer Name	LBI Claim Number¹	Objection ECF No.
LYDIAN OVERSEAS PARTNERS MASTER FUND LTD	900005745 900005891 900007261	3020
MAVERICK FUND, LDC	900005418	1815
MAVERICK FUND II, LTD.	900005465	1816
MAVERICK FUND USA LTD	900005464	1814
MAVERICK LONG ENHANCED FUND LTD	900005112	1812
MAVERICK LONG FUND LTD	900005179	1813
MAVERICK NEUTRAL FUND LTD	900005065	1811
MAVERICK NEUTRAL LEVERED FUND LTD	900005180	1817
MOUNTAIN SPECIAL SITUATIONS FUND LLC	900004031 900005503 900005795 900005796 900005505 900006320 900004029 900005502 900005794	3232 1942 2855
MSS DISTRESSED & OPPORTUNITIES 2	900003409 5174	3161
NEWPORT GLOBAL CREDIT FUND (MASTER) LP	900001601 900001608 900002089 900005876 1430 1431	3132 3273 3134 3133

Customer Name	LBI Claim Number ¹	Objection ECF No.
NEWPORT GLOBAL OPPORTUNITIES FUND LP	900001628 900004004 900001629 7002296 900004003 900001630	3135 2422 3274
NORGES BANK ⁴	900004226 900007753	3325
OCH-ZIFF CAPITAL STRUCTURE ARBITRAGE MASTER FUND LTD	900002557 900002563	1777
OLIFANT FUND LTD.	900002708 900002709	1947
OZ ASIA MASTER FUND LTD	900006271 900006274	1776
OZ EUROPE MASTER FUND	900002552 900002561	1951
OZ GLOBAL SPECIAL INVESTMENTS MASTER FUND LP	900002556 900002562	1774
OZ MASTER FUND, LTD.	900006273 900002558 900006272 900006317	1775 1773
PB INSTITUTIONAL LP	900004196	2003
PEP CREDIT INVESTOR LP	900001930 900001931 900001932 900001933 900001934	3008 2987 2986 3007 3275
PORTSIDE GROWTH & OPPORTUNITY FUND	900006267 5164	1803
PRESIDENT AND FELLOWS OF HARVARD COLLEGE	900004294	1713

4. Claims not to be expunged pursuant to Schedule 2.05 of the Agreement to the extent they arise from purchase and sale transactions with LBI of certain TBAs, which the Trustee denied on other grounds not subject to this motion, as described in the *Objection of Norges Bank to Notices of Trustee's Determination of Claims Dated April 28, 2010* [ECF No. 3325].

Customer Name	LBI Claim Number¹	Objection ECF No.
PROVIDENCE EQUITY PARTNERS VI LP	900001938 900001935 900001936 900001937 900001942 900001939 7002300	3115 3116 2425
PROVIDENCE EQUITY PARTNERS VI-A LP	900001941 900001944 900001940 900001943 7002301	2983 2985 2984 2424
PROVIDENCE TMT SPECIAL SITUATIONS FUND LP	900001929 7002299	2423
PUTNAM INVESTMENT HOLDINGS LLC	900002354 7002610	1885
QUINTESSENCE FUND LP	900002409* [†] 900002402* [†]	3127
QVT FUND LP	900002408* [†] 900002401* [†]	3125
RAMIUS CONVERTIBLE ARBITRAGE MASTER FUND LTD	900002250 900002249 5166	1803
RAMIUS CREDIT OPPORTUNITIES MASTER FUND LIMITED	900002235 900002651 5167	1803
RAMIUS ENTERPRISE MASTER FUND LTD	900002221 [†] 900002234 [†] 900002242 [†] 900002239 [†] 900006268 [†] 900005569 [†] 900003369 [†]	1803
RAMIUS LLC	900002245	1803
RCG ENDEAVOR LLC	900005568	1803

Customer Name	LBI Claim Number ¹	Objection ECF No.
RCG PB LTD	900002248 [†] 900002247 [†] 900002243 [†] 900002217 [†] 900002231 [†] 900002621 [†] 900002232 [†]	1803
ROUND TABLE GLOBAL MULTI-STRATEGY MASTER FUND LTD	800002903 800002909	1973
ROVIDA HOLDINGS LIMITED	800002977	3126
RR INVESTMENT CO LTD	800002956	3126
SANTA FE MASTER - ANASAZI MKT NEUTRAL 3X SEG PORT	900000918 900000417 900007937 5608 777	3139 1832
SANTA FE MF SPC ANASAZI MARKET NEUTRAL 2X SEG PF	900000917 900000418 900007850 5607 370 776	3138 1831
SANTA FE MF SPC ANASAZI SYSTEMATIC L S B SEG PF	900000919 900000420 372 778	3136
SANTA FE MASTER FUND SPC FAOBO ANASAZI JAPANESE SYSTEMATIC LONG SHORT D SEGREGATED PORTFOLIO	900007846 5602	1829
SANTA FE MASTER FUND SPC FAOBO ANASAZI SYSTEMATIC EUROPEAN LONG SHORT C SEGREGATED PORTFOLIO	900007845 5603	1835
SANTA FE MASTER FUND SPC FAOBO ANASAZI SYSTEMATIC EUROPEAN LONG SHORT E SEGREGATED PORTFOLIO	900007847 5604	1836
SANTA FE MASTER FUND SPC FAOBO ANASAZI SYSTEMATIC JAPANESE LONG SHORT F SEGREGATED PORTFOLIO	900007848 5605	1838
SCHRODER INTERNATIONAL SELECTION FUND ABSOLUTE RETURN BOND	900004181	2249

Customer Name	LBI Claim Number¹	Objection ECF No.
SCHRODER INTERNATIONAL SELECTION FUND GLOBAL HIGH YIELD	900004190	2241
SCHRODER INTERNATIONAL SELECTION FUND STRATEGIC CREDIT	900004183	1328
SCHRODER INTERNATIONAL STRATEGIC FUND STRATEGIC BOND	900004186	2248
SCHRODER INVESTMENT MANAGEMENT LIMITED	900004184	2247
SCHRODER STERLING BROAD MARKET BOND	900004223	2242
SCOY MASTER FUND, LTD.	900001230 900001231 900001232 900001233 1030 1031	2919
SILVER LAKE CREDIT FUND LP	900005218 900004333 900005811	1772
SILVER POINT CAPITAL FUND LP	900004342 900004787 900004910	1807 1806 1808 1810
SILVER POINT CAPITAL OFFSHORE FUND LTD	900004330 900004337 900004909	1809 1804 1805
SIMPAUG INVESTMENT FUND L.P.	900001214 900001215 900001218 900001219 900001216 900001213 900001217 1023 1024 1026	1934 1935
SOLAIA INVESTMENTS LIMITED	900003210	1937
SRM GLOBAL MASTER FUND LP	800002206	2358
STANDARD GENERAL FUND LP	900002103	1902
STANDARD GENERAL MASTER FUND LP	900002101	1902

Customer Name	LBI Claim Number¹	Objection ECF No.
STATE STREET CUSTODIAL SERVICES (IRELAND) LIMITED, ON BEHALF OF ITS CUSTOMER, GOLDMAN SACHS US EQUITY MARKET NEUTRAL FUND	800004287	1888
STONE HARBOR INVESTMENT FUNDS PLC	900003420	2095
TANG CAPITAL PARTNERS LP	900004586	3246
TIGER ASIA FUND LP	900006319	2950
TIGER ASIA OVERSEAS FUND LTD	900006318	2951
TITAN TW LTD (TRADEWORX)	900004331 900004332 900007237	3022
TRADEWORX PROPRIETARY INVESTMENTS LLC	900006269 900003623 900003624 900007238	2410
TRADEWORX ULTRA SELECT LP	900002502 900003120 900003121 900007235	3019
TUDOR BVI GLOBAL PORTFOLIO L.P. (THE)	900005052	1819
TUDOR PRINCETON L.L.C.	900004806	1818
TUDOR PROPRIETARY TRADING, L.L.C.	900005444	1820
TURNBERRY LEVERAGED CREDIT MASTER LP	900005085 900005086	1779
TYTICUS MASTER FUND LTD	900001228 1028 1029 900001226 900001227 900001229	1933
WORLD INDEX PLUS EDGE COMMON TRUST FUND	900002336 5338	2339
YASUDA JAPANESE MARKET NEUTRAL FUND	900002200	1873
YASUDA JAPANESE MARKET YEN FUND	900002201	1873
YASUDA US MARKET NEUTRAL FUND	900002202	2332
YB INSTITUTIONAL LIMITED PARTNERSHIP	900004195	2004

Schedule 5.02: LBIE First Category ITS Accounts

REDACTED

Schedule 5.03: LBIE Second Category ITS Accounts

REDACTED

Schedule 5.04: LBI ITS Accounts

REDACTED

Schedule 5.05: Financing Trade Assets and Liabilities

REDACTED

SCHEDULE 5.07

Banamex Accounts	
Bank	Account Number
Banco Nacional de Mexico Account	104949029
Banco Nacional de Mexico Account	104949002
Banco Nacional de Mexico Account	213351

Schedule 6.01/6.02: Surviving Contracts

Scoping Services Letter Agreement, dated August 11, 2010, among the LBI Trustee, LBIE, and Lehman Brothers Limited (in administration).

Agreement Governing Settlement Materials, dated December 20, 2010, among the LBI Trustee, SIPC, the Lehman European Group Administration Companies (as defined therein), acting by their administrators, and the Lehman European Group Liquidation Companies (as defined therein), acting by their liquidators.

Stipulation and Protective Order entered between the LBI Trustee and the Joint Administrators (So Ordered on March 12, 2012) (*In re*: Lehman Brothers Inc., Case No. 08-01420 (JMP) SIPA, Docket No. 4952).

Stipulation and Order entered between the LBI Trustee and the Joint Administrators (So Ordered on June 27, 2012) (*In re*: Lehman Brothers Inc., Case No. 08-01420 (JMP) SIPA, Docket No. 5128).

Schedule 8: Withholding Agents

Bank of America Corporation
Grupo Financiero BBVA Bancomer, S.A. de C.V.
The Bank of New York Mellon
The Bank of New York Mellon Corporation
BNP Paribas S.A.
Brown Brothers Harriman & Co.
Citibank, N.A.
Deutsche Bank AG
HSBC Holdings plc
JPMorgan Chase & Co.
Julius Baer Group Ltd.
Nomura Holdings Inc.
The Northern Trust Company
Royal Bank of Canada
Banco Santander, S.A.
Societe Generale Bank & Trust S.A.
Standard Chartered PLC
State Street Corporation
Union Bank, N.A.

Exhibits

Exhibit A:
Form of Approval Order