

INDEPENDENT GUARANTEE

This Agreement is made the 16th day of September, 1997.

Between:

- (1) **Lehman Brothers Holdings Inc. (the "Guarantor"); and**
- (2) **Lehman Brothers Treasury Co. B.V., a private company with limited liability incorporated under the laws of The Netherlands, having its registered office at Amsterdam, The Netherlands (the "Issuer")**

Whereas:

- (A) **The Issuer has authorized the creation and issue of a series of Medium-Term Notes and Commercial Paper (the "Notes") under a Programme.**
- (B) **The Guarantor has authorized the giving of its guarantee in relation to the Notes and has entered into a deed of guarantee (the "Guarantee Deed") under which the Guarantor has unconditionally and irrevocably guaranteed the due and punctual payment of any amount owed by the Issuer to the noteholders (the "Noteholders"), in connection with the Notes issued by the Issuer.**
- (C) **The Issuer is willing to onlend the proceeds of the issues mentioned under (A) to the Guarantor or any of its group companies by way of separate agreements, hereinafter referred to as the "Onlending Agreements" provided the Guarantor provides a guarantee on the terms and conditions set out herein.**

IT IS AGREED as follows:

1 Definitions

"Margin" means the net spread of 0.125% to be reported as contribution to the profit of the Issuer with respect to the issue of the Notes and the Onlending Agreements under

paragraph 1 of the tax ruling dated 2 March 1995 and signed for approval on 17 March 1995

2. Guarantee to Noteholders

The Guarantee Deed has been entered into by the Guarantor at the request of the Issuer and for the account and risk of the Issuer.

3. Guarantee

The Guarantor hereby unconditionally and irrevocably guarantees, by way of an independent guarantee (onafhankelijke garantie) (the "Guarantee") to the Issuer the proper payment of all amounts owed to it under the Lending Agreements.

4. Payment on first demand

The Guarantor shall pay to the Issuer on first demand all sums due under or in connection with the Guarantee and shall indemnify the Issuer and keep the Issuer indemnified on demand against all actions, charges, claims, costs, demands, liabilities, losses and proceedings which may be brought against the Issuer or which the Issuer may suffer or incur directly or indirectly arising out of or in connection with the Guarantee or in connection with the enforcement or the preservation of the Issuer's rights hereunder.

5. Undertaking by the Guarantor

The Guarantor hereby guarantees that the Issuer will annually earn an amount at least equal to the Margin.

6. Term

This Guarantee shall be effective as of 1 December 1996 and shall terminate upon maturity of the Notes.

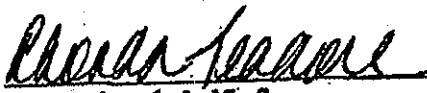
7. Notice

Any notice or demand to be given or made by the Guarantor may be given or made of the Issuer at its registered office or principal place of business for the time being. Any notice or demand to be given or made by the Issuer may be given to or made of the Guarantor at its registered office or principal place of business for the time being.

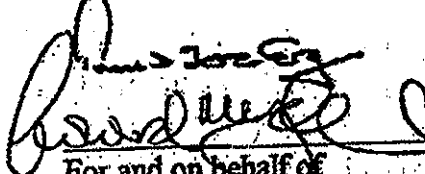
8. **Choice of Law**

This Guarantee shall be governed by and construed in accordance with the laws of The Netherlands. The Issuer and the Guarantor submit to the non-exclusive jurisdiction of the courts in Amsterdam, The Netherlands.

By:


For and on behalf of
Lehman Brothers Holdings Inc.

By:


For and on behalf of
Lehman Brothers Treasury Co. B.V.