

This document is primarily addressed to private investors that hold (economic rights in) notes ("**Notes**") issued by Lehman Brothers Treasury Co. B.V. ("**LBT**") through their bank or another intermediary institution. Such investors are also referred to as "beneficial holders" or "ultimate beneficial holders" ("**UBOs**"). The content of this memorandum might also be of interest for professional investors.

UBO INFORMATION MEMORANDUM

1. Introduction

On December 10, 2012, LBT offered a Composition Plan to its ordinary non-preferred creditors ("**Ordinary Creditors**"), as defined in the Composition Plan. LBT prepared the Composition Plan together with the bankruptcy trustees of LBT ("**Bankruptcy Trustees**").

This memorandum is intended to give UBOs an overview of certain key matters related to the Composition Plan. This memorandum is for information purposes only and is not meant to be exhaustive.

2. Where can I find the Composition Plan?

The Composition Plan and the annexes thereto are available on the LBT Website.

3. To whom is the Composition Plan addressed?

The Composition Plan is primarily addressed to persons or entities that are shown in the records of a Clearing System as holders of the particular nominal amounts of Notes ("**Direct Participants**"). Direct Participants will be asked to file claims and vote in favour or against the Composition Plan on behalf of Noteholders.

4. What is the consent solicitation memorandum and to whom is it addressed?

The consent solicitation memorandum ("**Consent Solicitation Memorandum**") contains procedures to submit filing and voting instructions which apply to all Direct Participants. The Consent Solicitation Memorandum is attached as annex II to the Composition Plan and is as such available on the LBT Website.

Since only Direct Participants are allowed to submit filing and voting instructions, the Consent Solicitation Memorandum is addressed to such Direct Participants.

This document is not intended to be exhaustive. Explicit reference is made to the Composition Plan, the Consent Solicitation Memorandum and other information available on the website www.lehmanbrotherstresury.com. Capitalised terms in this memorandum have the meaning attributed to them in the Composition Plan, unless otherwise defined. Nothing in this information memorandum can be deemed or construed as an admission of liability or claims, or as a waiver of any rights, claims or defences by LBT or the Bankruptcy Trustees.

5. What is the consent solicitation period and when does it start and end?

The consent solicitation period ("**Consent Solicitation Period**") is the period during which Direct Participants can submit filing and voting instructions with the Principal Consent Agent. The Consent Solicitation Period commenced on December 10, 2012 and expires on January 25, 2013 at 6:00 pm CET (the "**Expiration Date**"). After the Expiration Date, Direct Participants can no longer submit filing and voting instructions.

6. What is the background of the Composition Plan?

LBT issued Notes to private and institutional investors. The characteristics of the Notes vary from relatively simple to complex. In order for LBT to make distributions to its Ordinary Creditors, each Note needed to be properly valued.

The Bankruptcy Trustees valued each Note in accordance with the valuation principles ("**Valuation Principles**"). The Valuation Principles are designed to achieve valuations that serve as the basis for fair distribution of the assets of the LBT estate amongst Ordinary Creditors. The Valuation Principles respect the conditions of each Note as well as Dutch (Bankruptcy) law, and were further developed in cooperation with a number of large holders of Notes.

7. Where can I find the valuation of the Notes?

The valuation of each specific Note as identified by its unique ISIN or Cusip code is available on the LBT Website under the header 'Financial Information'. The valuation of each specific Note is also attached as annex V to the Composition Plan. The valuations include a column that shows the value of each Note expressed as a percentage of the outstanding nominal value of the Note (the "**Admissible Amount Percentage**").

8. What may I be asked to do?

The Composition Plan is primarily addressed to Direct Participants. In order for such Direct Participants to obtain the required instructions, you may be contacted by your bank or intermediary institution through which you hold your Notes ("**Intermediary Institution**") to give instructions to:

- (i) file a claim with the Bankruptcy Trustees with respect to the Note you hold for the LBT Note Valuation applicable to that Note and;
- (ii) vote in favour or against the Composition Plan.

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9. Can I send my instructions directly to the Bankruptcy Trustees?

No, only Direct Participants are allowed to file claims and give instructions to vote in favour or against the Composition Plan. Most financial institutions of a certain scale are Direct Participants.

If you hold your Notes via an Intermediary Institution that is not a Direct Participant, such institution will in most cases have an account with another institution that is a Direct Participant.

10. What happens if I do nothing?

Subject to the Composition Plan (i) being accepted by the required majority of Ordinary Creditors and (ii) being approved by the court, the Composition Plan will be binding on all Ordinary Creditors. Subject to these two conditions being met, submission of filing and voting instructions is not required in order to be entitled to receive distributions under the Composition Plan. That said you are recommended to participate in the consent process and to vote in favour of the Composition Plan.

11. How will distributions be made?

The Composition Plan provides for distributions to be made by LBT by means of the existing payment systems. As such, distributions will be made, as much as practically possible, in the same manner as LBT made interest or redemption payments (if applicable) prior to its bankruptcy. UBOs are therefore not required to transfer their Notes or make specific arrangements to be entitled to distributions, unless requested otherwise by your financial institution.

12. I have not been contacted by the Intermediary Institution through which I hold my Notes. What am I supposed to do?

You can actively contact the Intermediary Institution through which you hold your Notes. Such Intermediary Institution should be able to provide you with information on how to submit instructions.

13. What is the deadline for the submission of instructions?

Direct Participants need to submit their instructions to the Principal Consent Agent before the Expiration Date.

Please note that the Intermediary Institution through which you hold your Notes is likely to impose an earlier deadline for the submission of instructions.

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14. When is the claims admission meeting and do I need to be present?

The claims admission meeting ("**Claims Admission Meeting**") takes place at March 7, 2013.

At the Claims Admission Meeting, the Ordinary Creditors formally cast their votes in accordance with the Consent Solicitation Memorandum.

Only Direct Participants can file claims and cast votes according to the procedures as described in the Consent Solicitation Memorandum. Direct Participants shall be represented at the Claims Admission Meeting through a proxy granted to the Principal Consent Agent. The Principal Consent Agent will formally cast the votes obtained during the Consent Solicitation Period.

Given the above you cannot attend the Claims Admission Meeting.

15. What is the threshold for acceptance of the Composition Plan?

In order for the Composition Plan to be accepted, Dutch Bankruptcy law requires that a simple majority of the Ordinary Creditors that filed claims, votes in favour of the plan.

16. When does the Composition Plan become effective?

The Composition Plan becomes effective and binding on all Ordinary Creditors as soon as any decision from a Dutch Court confirming the Composition Plan is no longer subject to appeal.

17. Suppose the Composition Plan becomes effective. When will I receive my first payment?

The Bankruptcy Trustees will start making distributions as soon as practicable possible after the Composition Plan becomes effective (i.e. as soon as any decision from a Dutch Court confirming the Composition Plan is no longer subject to appeal). If no appeal is made against the Composition Plan, it is expected that the Composition Plan becomes effective in March or April 2013.

18. What happens if the Composition Plan does not become effective?

In case the Composition Plan does not become effective, the Bankruptcy Trustees still intend to make distributions according to the LBT Note Valuations. However, there will be a potentially serious delay in the timing of such distributions.

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19. The request for instructions I received only refers to the nominal value of the Notes. How come?

For administrative and technical purposes, the request for instructions you receive only refers to the nominal value of a Note. Nevertheless, claims are filed and votes are counted on the basis of the applicable LBT Note Valuation. The Principal Consent Agent will administer the instructions it receives via the Direct Participants on the basis of the LBT Note Valuations.

20. Notes will be blocked when I submit instructions. Why is that?

In order to avoid double counting, Notes in respect of which instructions have been submitted will be blocked. This means that these Notes cannot be traded from the moment the instructions are being delivered by the Direct Participant to the relevant Clearing System. In some markets the Notes are blocked during the entire Consent Solicitation Period. The blocking ends at the date that the Claims Admission Meeting is concluded or – in case the instruction is validly revoked - on the date of such revocation.

21. I do not agree with the LBT Note Valuation. Can I file a claim for a different amount?

The Consent Solicitation Memorandum contains a procedure for Direct Participants to file claims for a amount that differs from the LBT Note Valuation.

Note that all LBT Note Valuations are deemed appropriate by the Bankruptcy Trustees. As such, the Bankruptcy Trustees will dispute all claims that are filed for an amount that differs from the LBT Note Valuation.

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