

DATED 11 September 2008

LEHMAN BROTHERS HOLDINGS INC.

as Depositor

THE BANK OF NEW YORK MELLON, LONDON BRANCH

as Account Bank

COLLATERAL DEPOSIT AGREEMENT

*berwin leighton paisner

Berwin Leighton Paisner LLP
Adelaide House London Bridge London EC4R 9HA
tel +44 (0)20 7760 1000 fax +44 (0)20 7760 1111

Contents

| Clause | Name | Page |
|-----------------------------|--|-------------|
| 1 | Definitions and Interpretation | 1 |
| 2 | Establishment of Collateral Account and Deposit..... | 4 |
| 3 | Determination of Collateral | 7 |
| 4 | Set-Off | 8 |
| 5 | Security | 8 |
| 6 | Eligible Investments..... | 9 |
| 7 | Costs, Expenses and Liability | 10 |
| 8 | Services Non-Exclusive..... | 111 |
| 9 | Merger and Consolidation..... | 11 |
| 10 | Further Assurances..... | 12 |
| 11 | Assignments and Transfers..... | 12 |
| 12 | Confidentiality | 12 |
| 13 | Notices | 133 |
| 14 | Amendments..... | 14 |
| 15 | No Third Party Rights..... | 14 |
| 16 | Law and Jurisdiction | 14 |
| 17 | Agent For Service | 154 |
| | | |
| Schedule | Name | Page |
| 1 | Account Mandate..... | 16 |
| 2 | Relevant Programme Entities..... | 199 |
| 3 | Form of Investment Instructions | 20 |
| 4 | Standard Custody Terms | 22 |
| Execution Page | | 23 |

DATED 11 September 2008

PARTIES

- (1) **LEHMAN BROTHERS HOLDINGS INC.**, with its registered office c/o Corporation Service Company, 2711Centreville Rd., Ste. 400 Wilmington, Delaware 19808, USA (the "**Depositor**")
- (2) **THE BANK OF NEW YORK MELLON, LONDON BRANCH**, a banking corporation organised pursuant to the laws of the State of New York and operating through its London Branch at One Canada Square, London E14 5AL, England (the "**Account Bank**")

BACKGROUND

- (A) The Bank of New York Mellon, London Branch and/or its Affiliates ("**BNYM**") provide various paying agency and other services in respect of debt instruments issued or guaranteed by the Depositor or the Relevant Programme Entities.
- (B) Pursuant to the Programme Documentation, BNYM has the right but not the obligation to make various payments on behalf of the Relevant Programme Entities or any of them, and in making such payments, extends intra-day credit to the Relevant Programme Entities.
- (C) The parties have agreed that the Depositor will collateralise the obligations of the Relevant Programme Entities to repay amounts expended by BNYM pursuant to the Programme Documentation by depositing and maintaining the Required Collateral into the Collateral Account at the Account Bank.
- (D) The Account Bank has agreed to open and maintain a US Dollar account in the name of the Depositor on the terms and subject to the conditions contained in this Agreement:
- (E) On the execution of this Agreement, the Depositor shall deposit the Required Collateral into the Collateral Account. Further deposits may be required in accordance with Clause 3 (*Determination of Collateral*) hereof.

OPERATIVE PROVISIONS

1 DEFINITIONS AND INTERPRETATION

- 1.1 Words and expressions shall, unless the context otherwise requires, have the following meanings in this Agreement:

"**Affiliate**" means in relation to any person, a subsidiary, within the meaning of s 76 of the Companies Act 1985, of that person or a holding company of that person or any other subsidiary of that holding company;

"**Authorised Person**" means the Depositor or any person who is designated in writing by the Depositor from time to time to give Instructions to BNYM under the terms of this Agreement;

"**Business Day**" means a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in London and New York;

"Collateral Account" means the account number 141375 in the name of Depositor held with the Account Bank.

"Deposit" means all the Depositor's rights, title, benefit and interest in and to the Collateral Account and all monies (including accrued interest) from time to time standing to the credit of the Collateral Account or receivable in relation to it, and the debts represented by all the foregoing;

"Determination Date" means each Business Day falling two Business Days prior to any Payment Date;

"Eligible Investments" means:

- (a) any investment denominated in US Dollar that it is an obligation of the Account Bank or an Affiliate of the Account Bank; or
- (b) any on-shore money market funds rated, at all times, "AAA" or "AAAm-G" by S&P and "Aaa/MRI+" by Moody's which are acceptable to the Account Bank.

"Instructions" means any notices, directions or instructions (whether written or oral) received by BNYM in accordance with Clause 2.5 (*Instructions*) from an Authorised Person or a person reasonably believed by BNYM to be an Authorised Person.

"Minimum Collateral" means US Dollar 50 million or such other amount as is agreed between the parties hereto;

"Payment Date" means any date upon which a payment is required to be made by or through BNYM under the Programme Documentation;

"Programme Documentation" means all legal documentation (as amended) related to the issuance of securities by the Relevant Programme Entity;

"Relevant Programme Entity" means any of the entities listed at Schedule 2, as such Schedule may be amended from time to time and Relevant Programme Entities means all of them;

"Required Collateral" means as at the date of this Agreement US Dollar 125 million and thereafter such other amount as is determined by BNYM following the reconciliation set out in Clause 3.1 (*Collateral Reconciliation and Further Deposit*) and notified to the Depositor;

"Secured Liabilities" means all present and future monies, obligations and liabilities (whether actual or contingent, whether owed jointly or severally or in any other capacity whatsoever) of the Depositor under this Agreement or of the Relevant Programme Entities under the Programme Documentation, to BNYM;

"Security Interest" means any mortgage, charge, pledge, hypothecation, lien, assignment, title retention, option, right of set-off, security interest, trust arrangement and any other preferential right or agreement to confer security and any transaction which, although in legal terms is not a secured borrowing, has an economic or financial effect similar to that of a secured borrowing;

"Threshold Amount" means US Dollar 5 million or such other amount as is agreed between the parties;

- 1.2 In this Agreement and in any agreement, investment or deed expressly and specifically incorporating this Agreement by reference, the following shall apply:
- (a) the headings and contents pages in this Agreement shall not affect its interpretation. References in this Agreement to "**Clauses**", "**Annexures**", "**Exhibits**" and "**Schedules**" shall, unless the context otherwise requires, be references to Clauses of and Schedules, Annexures and Exhibits to this Agreement;
 - (b) all references to costs or charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof and legal fees and expenses on a full indemnity basis;
 - (c) references in this Agreement to any person shall include references to his permitted successors, transferees, assigns and assignees and any person deriving title under or through him, whether in security or otherwise, whomsoever;
 - (d) references to a "**person**" shall be construed as a reference to any person, firm, company, body corporate, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing, and includes any successor or lawful assign of any of the foregoing;
 - (e) This Agreement shall be deemed also to refer to this Agreement as amended, restated, modified, novated, supplemented or replaced from time to time in accordance with its terms and to any agreements, deed or document executed pursuant thereto and, without limitation, in the case of any insurance contract, to any endorsement thereto;
 - (f) references in this Agreement to any statutory provision shall be deemed also to refer to any statutory modifications or re-enactments thereof and to any statutory instruments, orders or regulations made thereunder or under any such re-enactments; references to "**assets**" includes present and future properties, revenues and rights of every description;
 - (g) all references to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or any indemnity being given in respect thereof;
 - (h) references to an "**authorisation**" includes an authorisation, consent, approval, resolution, licence, exemption, filing or registration;
 - (i) references to a "**regulation**" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (j) references to any action, remedy or method of judicial proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of judicial proceeding described or referred to in this Agreement;

- (k) references to a time of day shall be construed as a reference to London time;
- (l) references to "**set-off**" include analogous rights and obligations in other relevant jurisdictions;
- (m) references to "**USD**", "**US Dollars**" or "**\$**" are to the lawful currency for the time being of the United States of America ; and
- (n) in this Agreement and in any agreement, instrument or deed expressly and specifically incorporating this Agreement by reference:
 - (i) words denoting the singular number only shall include the plural number also and vice versa; words denoting one gender only shall include the other gender;
 - (ii) references to a company shall be construed so as to include any company, corporation or other body corporate wherever and however incorporated or established;
 - (iii) any reference to a day shall mean a period of 24 hours running from midnight to midnight; and
 - (iv) all references to any action, remedy or method of judicial proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than England, references to such action, remedy or method of judicial proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of judicial proceeding described or referred to in this Agreement.

1.3 Where any party to this Agreement from time to time acts in more than one capacity under this Agreement, the provisions of this Agreement shall apply to such party as though it were a separate party in each such capacity.

2 **ESTABLISHMENT OF COLLATERAL ACCOUNT AND DEPOSIT**

2.1 **Appointment**

The Depositor hereby appoints the Account Bank as its agent to carry out and perform the services of the Account Bank on the terms and subject to the conditions set out in this Agreement. The Account Bank hereby accepts such appointment.

2.2 **Establishment**

2.2.1 The Account Bank confirms to the Depositor that the Collateral Account has been opened by the Depositor with the Account Bank pursuant to the relevant account mandate substantially in the form of Schedule 1 (*Account Mandate*) (the "**Account Mandate**"). The Collateral Account is an interest bearing account which will be operated in accordance with this Agreement.

2.2.2 The Depositor confirms to the Account Bank that it has delivered the Account Mandate to the Account Bank. In the event of any inconsistency between this Agreement and the Account Mandate, the terms of this Agreement shall apply.

- 2.2.3 Subject to Clause 4 (*Set-Off*), the Account Bank shall comply with any direction of the Depositor to effect a payment by debit from the Collateral Account if such direction is in writing or through electronic banking software and complies with the applicable Account Mandate and the terms of this Agreement.
- 2.2.4 Any amount standing to the credit of the Collateral Account shall bear interest as agreed in writing between the Account Bank and the Depositor, such interest to be credited to the Collateral Account, as applicable. Such amount of interest, and the period and credit balances on the Collateral Account, as applicable, in respect of which it has been earned, shall be notified by the Account Bank as soon as reasonably practical, at the written request of the Depositor, by way of electronic file containing such information.
- 2.2.5 Notwithstanding anything to the contrary in the Account Mandate, the Account Bank shall not be obliged to make any payment as instructed pursuant thereto prior to deduction of amounts pursuant to the set off provisions of Clause 4 (*Set-Off*).

2.3 **Deposit**

The Depositor shall, on execution of this Agreement, deposit the Minimum Collateral in cleared funds to the Collateral Account, as established pursuant to this Agreement. and shall ensure, thereafter that the Required Collateral is deposited to such account in accordance with clause 3.

2.4 **Authorisation**

- 2.4.1 The Account Bank is authorised and regulated by the Financial Services Authority ("**FSA**"). Words or expressions defined in the rules made by FSA under the Financial Services and Markets Act 2000 ("**FSA Rules**") have the same meanings when used in this Clause, save where the context otherwise requires
- 2.4.2 Nothing in this Agreement shall require the Account Bank to carry on an activity of the kind specified by any provision of Part II (other than article 5 (accepting deposits)) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, or to lend money to the Depositor.
- 2.4.3 If the Account Bank agrees to carry on an activity of the kind specified by article 14 (dealing in investments as principal), 21 (dealing in investments as agent) or 40 (safeguarding and administering investments) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, it will do so in accordance with Schedule 4 (*Standard Custody Terms*), which shall have effect subject to any contrary provisions in this Agreement.
- 2.4.4 Nothing in this Agreement shall require the Account Bank to assume an obligation of any Relevant Programme Entity arising under any provision of the listing, prospectus, disclosure or transparency rules (or equivalent rules of any other competent authority besides FSA).
- 2.4.5 The Account Bank shall be obliged to perform such duties and only such duties as are expressly set out in this Agreement and no implied duties or obligations of any kind (including without limitation duties or obligations of a fiduciary or equitable nature) shall be read into this Agreement against the Account Bank.
- 2.4.6 The Account Bank shall be entitled to take any action or to refuse to take any action which the Account Bank in good faith regards as necessary for the Account Bank to comply with any applicable law, regulation or fiscal requirement, or the

rules, operating procedures or market practice of any relevant stock exchange or other market or clearing system.

- 2.4.7 In acting under this Agreement, the Account Bank shall act solely as an agent of the Depositor and as principal and will not assume any obligation or responsibility towards or relationship of agency or trust for or with any of the owners of any securities issued by any Relevant Programme Entity.
- 2.4.8 The Account Bank shall have no duty or responsibility in the case of any default by any Relevant Programme Entity in the performance of its obligations under the Programme Documentation.
- 2.4.9 The Account Bank shall be protected and shall incur no liability for or in respect of any action taken, omitted or suffered in reliance upon any instruction, request or order from any Relevant Programme Entity (as the case may be) or any document which it reasonably believes to be genuine and to have been delivered by the proper party or parties or upon written instructions from the Relevant Programme Entity (as the case may be).
- 2.4.10 The Account Bank shall not be under any obligation to take any action under this Agreement which it expects will result in any expense or liability accruing to it, the payment of which within a reasonable time is not, in its opinion, assured to it.

2.5 **Instructions**

- 2.5.1 Any notice, Instructions or other communication to a party hereto given hereunder shall be given to it in the English language in accordance with Clause 13 (*Notices*). All such notices and other communications shall be effective when received.
- 2.5.2 The Depositor accepts that facsimile and email communication are not secure and Account Bank shall incur no liability for receiving Instructions from or transmitting data to the Depositor or Authorised Persons via any such non-secure method.
- 2.5.3 Account Bank is authorised to comply with and rely upon any such notice, Instructions or other communications believed by it to have been sent to or given by an Authorised Person. The Depositor shall use all reasonable endeavours to ensure that Instructions transmitted to Account Bank pursuant to this Agreement are completed and correct. Any Instructions shall be conclusively deemed to be valid instructions from the Depositor to the Account Bank for the purposes of this Agreement.
- 2.5.4 The Depositor shall provide, and shall procure that each of its appointed agents provides Account Bank with a certificate in the form of the Appendix to Schedule 1 (*Account Mandate*) containing the names, telephone numbers and specimen signatures of each Authorised Person. Account Bank is authorised to comply with and rely upon any such notices, Instructions or other communications believed by it to have been sent to or given by an Authorised Person. The Depositor and any Authorised Person may amend such certificate or add any person to or delete any person from such certificate by delivering a replacement certificate to Account Bank. However until Account Bank actually receives such replacement certificate, Account Bank may rely upon and shall incur no liability for relying upon the original certificate.
- 2.5.5 For the avoidance of doubt, nothing in this Agreement shall give rise to an obligation of the Account Bank to make any payments pursuant to the Programme Documentation and the Account Bank expressly reserves its right not to make such

payments in the event that it considers, in its sole discretion, there to be insufficient funds deposited in the Collateral Account.

3 **DETERMINATION OF COLLATERAL**

3.1 **Collateral Reconciliation and Further Deposit**

3.1.1 On each Determination Date (which for the avoidance of doubt may be each Business Day), the Account Bank shall determine the amount to be paid under the Programme Documentation on the next following Payment Date (the "**Payment Amount**"). Such Payment Amount shall be expressed in US Dollars and the parties agree that if any amounts to be paid under the Programme Documentation are to be paid in any currency other than US Dollars, the Account Bank shall use the spot rate of exchange quoted by the Account Bank at or about 11.00 a.m. on the Determination Date for the purchase of the such currency with US Dollars, to determine the Payment Amount.

3.1.2 In the event that the Payment Amount so determined by the Account Bank exceeds the amount on deposit in the Collateral Account (including any amounts invested in Eligible Investments) on such Determination Date (the "**Shortfall**"), the Account Bank shall notify the Depositor of any such Shortfall at or around 12.30pm (London time), but in no event later than close of business (London time), on the Determination Date (the "**Request for Collateral**").

3.1.3 By no later than the close of business on the Business Day following the Determination Date, the Depositor shall deposit an amount equal to the Shortfall in the Collateral Account for value on such date, provided that if the Shortfall is less than or equal to the Threshold Amount, in which case the Account Bank shall not make a Request for Collateral, requiring the Depositor to deposit any additional collateral.

3.1.4 The Depositor acknowledges that the Account Bank may, in the event that there remains a shortfall in the Required Collateral on the Payment Date following a Request for Collateral, make no further payments under the Programme Documentation from its own funds and any such payment required to be made by BNYM under the Programme Documentation shall be made only when the relevant cleared funds are received by BNYM.

3.1.5 If at any time the amount on deposit in the Collateral Account is greater than the Required Collateral in respect of the immediately following Payment Date (as reasonably determined by the Account Bank), the Account Bank shall notify the Depositor and shall follow the Depositor's instructions for any transfer to the Depositor or its nominee of such excess amounts in accordance with the Account Mandate.

3.2 **Withdrawal of Collateral by the Account Bank**

3.2.1 In the event that BNYM expends its own funds to make any payments pursuant to the Programme Documentation in accordance with such Programme Documentation and it does not receive reimbursement of such funds within three Business Days of such expenditure (the "**Reimbursement Amount**"), the parties hereto agree that the Account Bank shall be entitled to withdraw an amount equal to the Reimbursement Amount (converted at the Account Bank's spot rate of exchange if such amount is not in US Dollars from the Collateral Account).

3.2.2 The Account Bank shall notify the Depositor, as soon as practicable, of the Reimbursement Amount to be withdrawn from the Collateral Account, after such amount has become due pursuant to Clause 3.2.1.

4 **SET-OFF**

4.1 **Set-Off of claims**

Subject to clause 4.3 below the Account Bank may set off any obligation due from any Relevant Programme Entity to BNYM (including, for the avoidance of doubt, any payments made on behalf of the Relevant Programme Entity by BNYM pursuant to the Programme Documentation) under the Programme Documentation against any amounts standing to the credit of the Collateral Account. If the obligations are in different currencies, the Account Bank may convert either obligation at a market rate of exchange in its usual course of business for the purpose of such set-off. For the avoidance of doubt, the Depositor agrees that any instruction given by it pursuant to this Agreement for the payment of or withdrawal of funds from the Collateral Account shall be effected by the Account Bank only to the extent that no amounts would otherwise be owing to the Account Bank or BNYM pursuant to this Clause 4 (*Set-Off*).

4.2 **Contractual right of set off**

Subject to clause 4.3 below in addition to any general lien, right to combine or consolidate accounts, set-off or other similar right to which BNYM may be entitled by contract, at law or otherwise, BNYM may, at any time without notice to, the Depositor, set-off, convert, transfer or apply the Deposit (whether monies forming the Deposit are un-matured deposits or deposits in respect of which the appropriate notice of termination has not been given or otherwise) in or towards the payment and discharge of the Secured Liabilities.

4.3 **Exercise of Rights of set-off**

The Account Bank's rights under clause 4.1 and 4.2 above shall be exercisable at any time on or after the date falling 1 day after the obligation owed by the Relevant Programme Entity to BNYM arises unless the Account Bank in its sole discretion determines that an event or circumstance has occurred that would have a material adverse effect on the ability of a Relevant Programme Entity to meet its obligation to BNYM in which case such rights shall be immediately exercisable. The Account Bank shall promptly notify the depositor after any exercise by it of any of its rights under this clause 4.

5 **SECURITY**

5.1 **Covenant to Pay**

The Depositor covenants with BNYM that it shall, on demand, pay and discharge the Secured Liabilities when they are respectively due in the manner provided in this Agreement.

5.2 **First fixed charge**

The Depositor with full title guarantee charges the Deposit by way of first fixed charge in favour of BNYM for the payment and discharge of the Secured Liabilities which fixed charge shall be enforceable by the Account Bank by exercising its rights under clauses 3.2.1, 4.1 and 4.2 of this Agreement.

5.3 **Condition for withdrawal**

Subject to Clause 3 (*Determination of Collateral*), BNYM may, from time to time in its absolute discretion, permit the Depositor to withdraw monies from the Collateral Account pursuant to Instructions, without thereby obliging BNYM to permit any further withdrawal or in any way affecting the Depositor's obligations under this Agreement, and neither this right of withdrawal nor a withdrawal shall constitute a waiver of the rights of BNYM hereunder including BNYM's rights as regards the balance, from time to time, of the Deposit.

5.4 **Negative Pledge**

5.4.1 The obligations assumed by the Depositor in this Clause 5.4 (*Negative Pledge*) shall apply throughout the duration of this Agreement.

5.4.2 The Depositor shall not, without the prior written consent BNYM, create or allow to subsist any Security Interest on or over the Deposit or the Collateral Account.

5.4.3 The Depositor shall not, without the prior written consent of BNYM, sell, transfer, alienate or otherwise deal with the Deposit or the Collateral Account or attempt or agree to do.

6 **ELIGIBLE INVESTMENTS**

6.1 The Account Bank shall (save to the extent that the Account Bank is entitled to make any withdrawal from the Collateral Account pursuant to Clause 3 or Clause 4) invest the sums standing to the credit of the Collateral Account, in accordance with the investment instructions of the Depositor substantially in the form set out in Schedule 3 (*Form of Investment Instructions*), or such other form as agreed between the parties from time to time, in Eligible Investments.

6.2 Any investments or other assets received or held by the Account Bank for or on behalf of the Depositor will be held by the Account Bank in accordance with its standard terms and conditions applying to the custody of investments as in force at the date hereof, as set out in Schedule 4 (*Standard Custody Terms*) receipt of which is hereby acknowledged by the Depositor), which shall have effect subject to any contrary provisions in this Agreement.

6.3 Any dealing in investments by the Account Bank as agent for or on behalf of the Depositor will be effected by the Account Bank only on the conditions set out in, and in accordance with Schedule 4 (*Standard Custody Terms*). Where a choice of investments is to be made, then in the absence of specific instructions from the Depositor, instructions shall be taken to have been given to the effect that the choice of investments is immaterial. The Account Bank is not acting under this Agreement as investment manager or adviser to the Depositor, and nothing in this Agreement shall be construed as requiring the Account Bank to manage investments within the meaning of article 37, or to advise on investments within the meaning of article 53, of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001. In no event shall the Account Bank be responsible or liable to any person for the choice or performance of any investments provided always that the Account Bank complies with its obligations under this Clause.

6.4 The Account Bank shall act in good faith in investing and/or reinvesting in Eligible Investments, but gives no warranty as to, and shall not be responsible for the performance or profitability (whether as to capital or income) of any such

investments. The Account Bank shall not be responsible or liable to any person for the performance of the Eligible Investments;

6.5 The Account Bank shall not be responsible or liable to any person for determining whether an Eligible Investment is a "qualifying asset" for tax purposes or whether any amounts are required to be paid with respect to stamp duty in any relevant jurisdiction; and

6.6 The Account Bank may aggregate a customer order with an own account order or with an order from a market counterparty or with another customer order provided that it is likely that the aggregation will not work to the disadvantage of each of the customers concerned and the Account Bank has disclosed to each customer concerned (as it is disclosing here to the Depositor) that the effect of aggregation may work on some occasions to its disadvantage. Expressions used in this Clause 6 (*Eligible Investments*) have the same meaning as in the rules made by the Financial Services Authority under FSMA.

7 **COSTS, EXPENSES AND LIABILITY**

7.1 **Costs and Expenses**

7.1.1 The Depositor shall reimburse the Account Bank promptly for all out of pocket costs and expenses properly incurred by the Account Bank in the performance of the services hereunder.

7.1.2 The costs and expenses payable to the Account Bank for services rendered and the performance of its obligations under this Agreement will not be abated by any other remuneration receivable by the Account Bank or (to each of their knowledge) an Affiliate thereof in connection with any transaction effected by the Account Bank with or for the Depositor.

7.1.3 The Depositor agrees to pay any and all stamp and other documentary taxes or duties which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement by the Account Bank.

7.1.4 The Depositor hereby indemnifies and holds harmless the Account Bank and its directors, officers, employees and agents at the time of such demand, against any liabilities, losses, damages, actions, proceedings, claims or demands which it or any of them may incur or be subject to in consequence of this Agreement or as a result of the performance of the functions and services provided for hereunder provided that this indemnity shall not apply (i) to the extent that such liabilities, losses, damages, actions, proceedings, claims or demands have been caused by the gross negligence, fraud or wilful misconduct of the Account Bank, or (ii) to any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special or consequential damages, whether or not the Depositor has been advised of the possibility of such loss or damages. This indemnity shall expressly inure to the benefit of any director, officer, employee or agent existing or future and to the benefit of any successor of the Account Bank hereunder.

7.2 **Liability**

7.2.1 Save as otherwise provided in this Agreement, the Account Bank shall have no liability for the obligations of the Depositor or otherwise and nothing herein shall constitute a guarantee, or similar obligation by the Account Bank of the Depositor in respect thereof.

- 7.2.2 Notwithstanding any other provision of this Agreement the Account Bank will only be liable to the Depositor for losses, liabilities, costs, expenses and demands arising directly from the performance of its duties under this Agreement suffered by or occasioned to the Depositor to the extent that the Account Bank has been grossly negligent, fraudulent or in wilful default in respect of its duties under this Agreement. In no event shall the Account Bank be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special or consequential damages, whether or not the Account Bank has been advised of the possibility of such loss or damages.
- 7.2.3 Nothing in this Agreement shall exclude or restrict any duty or liability which the Account Bank may have to the Depositor under FSMA.
- 7.2.4 The liability of the Account Bank under Clause 7.2 (*Liability*) will not extend to any amounts arising through any acts, events or circumstances not reasonably within its control, or resulting from the general risks of investment in or the holding of assets in any jurisdiction, including, but not limited to amounts arising from, nationalisation, expropriation or other governmental actions; any law, order or regulation of a governmental, supranational or regulatory body; regulation of the banking or securities industry including changes in market rules or practice, currency restrictions, devaluations or fluctuations; market conditions affecting the execution or settlement of transactions or the value of assets; breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; the failure of any relevant exchange or clearing house; natural disasters or acts of God; war, terrorism, insurrection or revolution; and strikes or industrial action.

7.3 **Conflict**

The Account Bank may effect transactions in which the Account Bank has, directly or indirectly, a material interest or a relationship of any description with another party which may involve a potential conflict with the Account Bank's duty to the Depositor. The Account Bank shall not be liable to account to the Depositor for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions. The Account Bank may, in exceptional circumstances, deal in investments as principal with the Depositor. None of the services to be provided by the Account Bank hereunder nor any other matter shall give rise to any fiduciary or equitable duties which would prevent or hinder the Account Bank or any associate in transactions with or for the Depositor.

7.4 **Covenant to release**

Once all the Secured Liabilities have been discharged in full the Account Bank shall, at the request and cost of the Depositor take any action which may be necessary to release the Deposit from the security constituted by this Agreement.

8 **SERVICES NON-EXCLUSIVE**

Nothing in this Agreement shall prevent the Account Bank from rendering account bank services similar to those provided for in this Agreement to other persons, firms or companies carrying on business similar to or in competition with the business of the Depositor.

9 **MERGER AND CONSOLIDATION**

Any corporation into which the Account Bank may be merged or converted, or with which they may be consolidated, or any corporation or association resulting from

any merger, conversion or consolidation to which the Account Bank shall be a party, or any corporation or association to which all or substantially all of the corporate trust business of such entities may be sold or otherwise transferred, shall be the successor, (as the case may be) hereunder without any further act.

10 **FURTHER ASSURANCES**

10.1 The parties hereto agree that they shall co-operate fully to do all such further acts and things and execute any further documents as may be necessary or reasonably desirable to give full effect to the arrangements contemplated by this Agreement.

10.2 The Depositor shall, upon request by the Account Bank as soon as practicable, give to the Account Bank such powers of attorney or other written authorisations or mandates and instruments as are necessary to enable the Account Bank to perform its obligations under this Agreement, provided that the Account Bank shall not be liable for any failure to perform its services hereunder as a result of such powers of attorney, other written authorisations, mandates or instruments not having been given to it.

11 **ASSIGNMENTS AND TRANSFERS**

11.1 The Account Bank shall not be entitled to assign or transfer all or part of its rights and benefits or obligations hereunder except to a new account bank pursuant to Clause 9 (*Merger and Consolidation*) or unless:

- (a) The Depositor consents in writing to the assignment or transfer; or
- (b) the assignee or transferee agrees in writing to be bound by the terms of this Agreement.

11.2 The Depositor may not transfer or assign its rights or obligations under this Agreement to any other party without the written consent of the Account Bank.

12 **CONFIDENTIALITY**

Any party hereto shall not, during the continuance of this Agreement or after its termination, disclose to any person, firm or company whatsoever (except with the authority of the other party) any information which the other party has acquired under or in connection with this Agreement other than:

- (a) in connection with any proceedings arising out of or in connection with this Agreement;
- (b) if required to do so by an order of a court of competent jurisdiction whether in pursuance of any procedure for discovering documents or otherwise;
- (c) pursuant to any law or regulation or requirement of any governmental agency in accordance with which such party is required to act;
- (d) to any governmental, banking or taxation authority or competent jurisdiction; or
- (e) to its employees, officers and those of its Affiliates, and its auditors or legal or other professional advisers,

provided that the above restriction shall not apply to:

- (a) information already known to a recipient otherwise than in breach of this Clause 12 (*Confidentiality*);
- (b) information also received from another source on terms not requiring it to be kept confidential; and
- (c) information which is or becomes publicly available otherwise than in breach of this Clause 12 (*Confidentiality*);

13 **NOTICES**

13.1 Unless stipulated otherwise herein, any notice or other communication under this Agreement:

- (a) shall be in writing in the English language;
- (b) shall be given in one of the ways referred to in Clause 13.2; and
- (c) shall be sent to the party to whom it is to be given at the applicable address or number, and marked for the attention, if any, as set forth in Clause 13.3; provided that a party may, by notice to the other parties, change the address, telephone number, fax number and marking details for notices or other communications to be given to it under this Agreement. The change shall take effect on the date stated in the notice or if no date is stated, on the date which is seven calendar days after the notice is deemed given under Clause 13.2.

13.2 Any such notice or other communication shall be deemed to be given:

- (a) if delivered in person, or by courier, or by post, at the time when it is delivered; or
- (b) if sent by fax, at the time when the complete fax is received in legible form (it being agreed that a transmission report generated by the sender's fax machine is sufficient evidence of such receipt),

except that any notice or communication which would, under the above provisions, be deemed to be given outside local business hours shall instead be deemed to be given at the beginning of the next following local business hours. In this Clause 13.2, "**local business hours**" means 9.00 am to 5.00 pm on a day other than a Saturday, Sunday or public holiday in the place where the notice is to be received.

13.3 The addressees, relevant addressee, facsimile numbers and, if relevant, process agent details of the parties for the purpose of Clause 13.1 are as follows:

Depositor: Lehman Brothers Holdings Inc.

Address: c/o 25 Bank Street, London, E14 5LE

Fax:

For the attention of: Graham Kettle

Process Agent for the

Depositor: Lehman Brothers International (Europe)

Address: 25 Bank Street, London, E14 5LE

Fax:

Account Bank: Address: One Canada Square, London E14 5AL

Fax:

For the attention of:

Without prejudice to any other provision hereof, if one or more provisions hereof is or becomes invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party or parties shall not, to the fullest extent permitted by applicable law, render invalid, illegal or unenforceable such provision or provisions in any other jurisdiction or with respect to any other party or parties hereto. Such invalid, illegal or unenforceable provision shall be replaced by the parties with a provision which comes as close as reasonably possible to the commercial intentions of the invalid, illegal or unenforceable provision.

14 **AMENDMENTS**

This Agreement may only be amended in writing by the parties hereto.

15 **NO THIRD PARTY RIGHTS**

A person who is not party to this Agreement may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 (the "**Act**"), but this shall not affect any right or remedy of a third party which exists or is available apart from the Act.

16 **LAW AND JURISDICTION**

16.1 **Governing law**

This Agreement is governed by, and shall be construed in accordance with, English law.

16.2 **Appropriate forum**

16.2.1 Each party irrevocably agrees that the English courts have jurisdiction to hear and determine any Proceedings and to settle any Disputes and each party irrevocably submits to the jurisdiction of the English courts.

16.2.2 Any Proceedings may be taken in the English courts.

16.2.3 Each party also irrevocably waives (and irrevocably agrees not to raise) any objection which it might any time have on the ground of *forum non conveniens* or on any other ground to Proceedings being taken in any court referred to in this Clause 16 (*Law and Jurisdiction*), and agrees that any judgment in Proceedings taken in any such court shall be conclusive and binding on it and may be enforced in any other jurisdiction.

17 **AGENT FOR SERVICE**

17.1 Each of the parties (each, an "**Appointing Party**") above which is stated to have a process agent (in each case, the "**Process Agent**") irrevocably appoints such Process Agent to be their respective process agents to accept on their respective behalves services of any writs, summons, claim forms, orders, judgments or other documents ("**Service Document**") relating to or in connection with any Proceedings in England and Wales. Each relevant Appointing Party shall give notice in writing to the relevant parties of any change of its Process Agent. If any Process Agent (or any replacement agent appointed pursuant to this Clause) at any time ceases for any reason to act as such or ceases to have an address for service in England or Wales, the Appointing Party shall promptly appoint a replacement agent to accept such service having an address for service in England or Wales and shall notify each relevant party of the name and address of the replacement agent. Failing such appointment and notification, within 14 days after demand by the other party. In this Clause 17 (*Agent For Service*) "**Replacement Process Agent**" means any replacement agent so appointed by the relevant Appointing Party, and whose name and address has been so notified, to the other party.

17.2 Each of the Appointing Parties irrevocably agrees that any Service Document may be sufficiently and effectively served on it in connection with Proceedings in England and Wales by service on its Process Agent or, if there is a Replacement Process Agent, its Replacement Process Agent.

17.3 Any Service Document served pursuant to this Clause 17 (*Agent For Service*) shall be marked for the attention of the relevant Process Agent (or, if there is a Replacement Process Agent, of the relevant Replacement Process Agent) at the relevant Process Address and left at or sent by first class post to the relevant Process Address. A copy of any Service Document served pursuant to this Clause 17 (*Agent For Service*) shall be sent by post to the relevant Appointing Party, but no failure or delay in so doing shall prejudice the effectiveness of service of the Service Document. In this Agreement "Process Address" means the address of the Process Agent given in this Agreement or, if there is a Replacement Process Agent, the Replacement Process Agent's address referred to in Clause 17.1 or such other address within England or Wales of the Process Agent or of any Replacement Process Agent, as the case may be as may be notified to each relevant party.

17.4 **Counterparts**

This Agreement may be executed (manually or by facsimile) in one or more counterparts, and each such counterpart (when executed) shall be an original. Such counterparts shall together constitute one and the same instrument.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
Account Mandate

The Depositor provides the following Instructions.

- 1 The account 141375 in the name of the Depositor held with The Bank of New York Mellon (the "**Account Bank**") acting through its office at One Canada Square, London E14 5AL (the "**Collateral Account**") will be used to provide collateral for the benefit of the Account Bank in respect of any payments it may make under the Programme Documents.
- 2 The mandate given to the Account Bank by virtue of this document (the "**Mandate**") is given on the basis that the Account Bank complies with the procedure set out in, and the terms of, this document.
- 3 In relation to the Collateral Account, the Account Bank is instructed and authorised to:
 - (a) honour and comply with all cheques, drafts, bills, payments by way of the Clearing House Automated Payment System, promissory notes, acceptances, negotiable instruments and orders expressed to be drawn, accepted, made or given and all directions given in writing or by way of electronic impulses ("**Instructions**") in respect of the Collateral Account; and
 - (b) honour and comply with all instructions to deliver or dispose of any securities, documents or property held by the Account Bank in connection with the Collateral Account; and
 - (c) treat all Instructions and directions in favour of the Collateral Account as being endorsed on behalf of the Depositor and to deal with them,in each case subject to the provisions of this Agreement and to the extent that compliance with the same should not result in a debit balance provided that any such Instructions, directions, other instructions and/or endorsements are given as follows:
 - (i) with the acknowledgement of the Depositor of the provisions of Clause 3 (*Determination of Collateral*); and
 - (ii) after the deduction of any amounts by way of set off in accordance with Clause 4 (*Set-Off*); and

Furthermore, in consideration of the Account Bank agreeing at the Depositor's request and, subject to the foregoing provisions of this paragraph 3, at the Account Bank's absolute discretion to rely upon and act in accordance with any notice, instruction, demand or other communication which may from time to time be, or purport to be, given by facsimile in respect of any payments to be made from the Collateral Account and appearing to be signed in accordance with this Mandate without any enquiry on the Account Bank's part as to the authority or identity of the person giving or purporting to give such notice, instruction, demand or other communication.

- 4 This Mandate is given on the basis that the Account Bank acknowledges that:
 - (a) the Account Bank will be supplied with a list of names of signatories in relation to the Collateral Account and the Account Bank is authorised to act on any

information given by an authorised signatory of the Depositor as to any changes thereon;

- (b) the Account Bank is authorised to act on payment instructions (including instructions regarding withdrawals and transfers from the deposit accounts and settlement instructions (including standard settlement instructions)) received by it from the Depositor, and to effect payments including third party payments on account thereof, if given to the Account Bank in writing or by unauthenticated facsimile purporting to be signed on behalf of the Depositor by any two of the persons designated Authorised Persons in the Appendix attached hereto;
 - (c) any changes made by the Depositor to standard settlement instructions must be advised to the Account Bank in similar manner;
 - (d) the Account Bank will be furnished with copies of the resolution authorising this mandate, duly certified as true, complete, and up-to-date by an authorised signatory of the Depositor and that the Account Bank shall be notified in writing immediately, and provided with copies of, any subsequent changes or amendments to that resolution; and
 - (e) the Account Bank is authorised to provide the Depositor's auditors from time to time with such information as they may request concerning any account or transactions of the Depositor with the Account Bank.
- 5 This shall constitute the Depositor's mandate to the Account Bank and remain in force until a resolution to amend this Mandate shall be duly approved by an authorised signatory and a copy thereof, certified by any authorised signatory of the Depositor is received by the Account Bank.
- 6 This Mandate is subject to the provisions of the Collateral Deposit Agreement between, among others, the Depositor and the Account Bank and dated [●] 2008. Capitalised terms used but not defined in this Mandate shall have the same meaning given to such terms in the Collateral Deposit Agreement.

Lehman Brothers Holdings Inc.

Authorised signatory

Authorised signatory

Appendix

Specimen signatories certificate of Depositor

Schedule 2
Relevant Programme Entities

| |
|---|
| LEHMAN BROTHERS (LUXEMBOURG) EQUITY FINANCE S.A |
| LEHMAN BROTHERS BANKHAUS AG |
| LEHMAN BROTHERS FINANCE S.A. |
| LEHMAN BROTHERS HOLDINGS INC |
| LEHMAN BROTHERS SECURITIES N.V |
| LEHMAN BROTHERS TREASURY CO BV |
| LEHMAN BROTHERS (UK) CAPITAL FUNDING 1 LP |
| LEHMAN BROTHERS (UK) CAPITAL FUNDING 2 LP |
| LEHMAN BROTHERS (UK) CAPITAL FUNDING 3 LP |
| LEHMAN BROTHERS (UK) CAPITAL FUNDING 4 LP |

**Schedule 3
Form of Investment Instructions**

AUTHORIZATION AND DIRECTION TO THE BANK OF NEW YORK MELLON TO INVEST CASH BALANCES IN MONEY MARKET MUTUAL FUNDS

CUSTOMER NAME (the "Customer"): Lehman Brothers Holdings Inc__

ACCOUNT (the "Account"):__ Collateral Account_

AGREEMENT (Description): Collateral Account Agreement

ACCOUNT NUMBER: 141375

FUND CHOICE (the "Fund"):_Dreyfus Cash Management Plus

SHARE CLASS: Institutional (Cusip 261934103) (TAS Code 9999176)

These instructions supersede any previous instructions which pertain to the investment of cash in the Account.

AUTHORIZATION AND DIRECTION

The Bank of New York Mellon ("BNYM") is hereby authorized and directed to invest any available cash in the Account in shares of the Fund and to redeem shares of the Fund to meet the cash requirements of the Account. Customer may, from time to time, direct BNYM in writing to redeem and exchange shares of the Fund for shares of, or to invest available cash or the proceeds from any redemption in, another eligible investment and BNYM shall comply with such direction. Customer represents and warrants to BNYM that it is authorized and empowered to direct BNYM to make the investment specified herein and that the investment authorized herein is an authorized investment.

PROSPECTUS: Customer has read the Prospectus of the Fund and has independently made the determination to direct BNYM to invest available cash in the Account in shares of the Fund. Customer understands that the Fund is not an obligation of, or recommended, endorsed or guaranteed in any way by, BNYM, its affiliates or any other bank; that the Fund is not insured by an agency or instrumentality of the United States, such as the Federal Deposit Insurance Corporation; and that investments in the Fund may be subject to investment risks, including possible loss of the principal amount invested. Customer further understands that, other than with respect to the BNYM Hamilton Funds and the Dreyfus Funds, neither BNYM nor its affiliates has participated in the preparation of the Prospectus or is responsible for its content. With respect to the BNYM Hamilton Funds and the Dreyfus Funds, Customer understands, and hereby acknowledges, that BNYM and /or its affiliates provide investment advisory and other services to the BNYM Hamilton Funds and the Dreyfus Funds, and are compensated for such services.

PERIODIC STATEMENTS: Customer agrees that transactions in the Fund will be reported only in BNYM's regular periodic account statements.

VOTING SHARES: Customer assumes the obligation and retains the right to vote all shares of the Fund held by BNYM for the benefit of the Account.

SHAREHOLDER SUPPORT SERVICES FEES: Customer acknowledges that BNYM performs certain shareholder support services for the Fund and is currently compensated, and hereby consents to such compensation, for such services by the Fund, the Fund's adviser and/or the Fund's distributor at an annual rate of 0.10% based upon the Account's average net assets invested in the Fund. Such shareholder support services may include, without limitation, answering client's inquiries regarding the Fund, processing dividend payments for the Fund and providing assistance to clients in changing dividend options, account designations and addresses, aggregating and processing purchase and redemption transactions, providing periodic statements showing a client's account balance and showing their purchases, sales and positions in the Fund, arranging for BNYM wires, providing sub-accounting services to the Fund for shares held by BNYM clients and forwarding communications from the Fund to BNYM clients and such other information and

services as the Fund, the Fund's distributor or Customer reasonably may request. Customer further acknowledges that the Fund may purchase securities from or through BNYM or its affiliates, may engage in repurchase transactions with BNYM or its affiliates, may place funds on deposit in accounts with BNYM or its affiliates and receive interest income thereon and may obtain other services from BNYM for which BNYM is paid a fee.

The annual rate for the Shareholder Support Services Fees that is paid to BNYM by the Fund may change in the future. To obtain any future revised Shareholder Support Service Fee rate paid to BNYM, Customer should contact the BNYM officer responsible for the Account. To arrange to automatically receive any future revised Shareholder Support Service Fee rate, Customer must send a request by e-mail to GCTPRR@BNYMellon.com.

INVESTMENT MAINTENANCE FEE: BNYM will charge an investment maintenance fee with respect to investments in the Fund, calculated at an annual rate of up to 0.00 basis points on average total monthly account balances. The investment maintenance fee will be charged [monthly/quarterly/yearly].

CUSTOMER ACKNOWLEDGEMENT: The Customer acknowledges and represents to BNYM that it has made its own decision to invest available cash in the Account in shares of the Fund, and BNYM and its representatives have not recommended or endorsed the Fund or required that the Fund be utilized for this purpose. The Customer further acknowledges that it has the right to direct BNYM to invest available cash in a different investment option selected by the Customer from time to time, subject to any operational and legal requirements related to such investment option.

This Authorization and Direction is executed, acknowledged and consented to at
_____, _____ **on** _____

London United Kingdom 11 September 2008

Lehman Brothers Holdings Inc.

By (Signature): _____

Name (Print): _____

Title: _____

Schedule 4 Standard Custody Terms

For the purposes of this Schedule, "**Funds**" means any money market funds or other investments selected by the Depositor, as may be designated by Depositor in accordance with the provisions of this Agreement from time to time and all interest, dividends, payments and other distributions thereon (collectively "**Distributions**"), which shall from time to time be delivered to or received by BNYM for deposit in or otherwise held in the Collateral Account (Funds and Distributions together with cash are collectively referred to in this Schedule as "**Property**")

BNYM is hereby authorized to receive all Property delivered to BNYM from time to time for deposit in the Account and shall arrange for the safekeeping of such Property, either in its own facilities or with the issuer of such Funds. Property may be registered in the name of a nominee controlled by BNYM or any other manner permitted by the rules of the FSA. BNYM shall not be under any duty to verify the terms and conditions applicable to subscriptions for shares in the Funds and shall be entitled to rely on the information given to it by the Issuer. BNYM is also hereby authorized to endorse Property and to make, execute, acknowledge and deliver any and all documents or instruments (including but not limited to all declarations, affidavits and certificates of ownership) that may be necessary or proper to effectuate the powers and authority granted herein. The Depositor's Property may be held in a commingled client securities account (with assets of other customers of BNYM) and will be treated as fungible with all other securities of the same issue held in such account by BNYM. Individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic records. In the event of an irreconcilable shortfall after the failure of BNYM, BNYM's clients may share in that shortfall in proportion to their original share of the assets in the pool. Where the Depositor's Property is pooled with the assets of other clients of BNYM, BNYM will credit the Collateral Account with the Depositor's pro rata entitlement to distributions that accrue to the Depositor. Where shares in Funds are held outside of the United Kingdom, different settlement, legal and regulatory requirements and different practices relating to the separate identification of those shares may apply which are different to those in the United Kingdom or the Depositor's jurisdiction (as the case may be).

EXECUTION PAGE

Acting by)
Signed by a duly authorised attorney of)
Lehman Brothers Holdings Inc. by:)

Authorised signatory

Authorised signatory

Signed by a duly authorised attorney of)
The Bank of New York Mellon, London)
Branch by:)

Gerard Barber