

This notice contains important information that is of interest to the registered and beneficial owners of the subject securities. If applicable, all depositories, custodians and other intermediaries receiving this notice are requested to expedite the re-transmittal to beneficial owners of the securities in a timely manner.

Notice to Holders

Lehman Brothers UK Capital Funding LP

€225,000,000

Fixed Rate to CMS-Linked Guaranteed Non-Voting, Non-Cumulative Perpetual Preferred Securities

XS0215349357

Lehman Brothers UK Capital Funding II LP

€250,000,000

Euro Fixed Rate Guaranteed Non-Voting, Non-Cumulative Perpetual Preferred Securities

XS0229269856

Lehman Brothers UK Capital Funding III LP

€500,000,000

Fixed/Floating Rate Enhanced Capital Advantaged Preferred Securities

XS0243852562

16 September 2025

Notice of Proposed Interim Payment

Reference is made to:

(i) the €225,000,000 Fixed Rate to CMS-Linked Guaranteed Non-Voting, Non-Cumulative Perpetual Preferred Securities issued by Lehman Brothers UK Capital Funding LP (the "**Issuer**" or "**LP I**") with ISIN number XS0215349357;

(ii) the €250,000,000 Euro Fixed Rate Guaranteed Non-Voting, Non-Cumulative Perpetual Preferred Securities issued by Lehman Brothers UK Capital Funding II LP (the "**Issuer**" or "**LP II**") with ISIN number XS0229269856; and

(iii) the €500,000,000 Fixed/Floating Rate Enhanced Capital Advantaged Preferred Securities issued by Lehman Brothers UK Capital Funding III LP (the "**Issuer**" or "**LP III**").

hereinafter referred to as the "**Securities**".

Proposed Interim Payment: the Joint Liquidators of LB GP No.1 Ltd propose to make a second interim payment relating to the Liquidation Distribution (as defined in the relevant prospectus for the Securities) in respect of the Securities. Formal details of the values of the distributions for LP I, LP II and LP III will be provided in due course via a formal payment notice. All depositories, custodians, other intermediaries and the beneficial owners of the Securities are urgently encouraged to ensure that their contact and payment details are correctly recorded with the relevant clearing system.

Background: each of the Issuers were registered as a special purpose limited partnership for the purposes of issuing the Securities. LB GP No.1 Ltd (the "**Company**") acts as the General Partner of the Issuers. Bruce Alexander Mackay and Matthew Robert Haw of RSM UK Restructuring Advisory LLP were appointed as joint liquidators (the "**Joint Liquidators**") of the Company on 28 February 2017 pursuant to a special resolution of the Company's sole member, Lehman Brothers Holdings Inc. ("**LBHI**"). The appointment of the Joint Liquidators was ratified by the Company's creditors at a meeting of creditors held on 12 April 2017. Pursuant to the order of his Honour Judge Cawson KC dated 28 May 2024, David Fredrick Shambrook was appointed as Joint Liquidator of the Company and Bruce Alexander Mackay was removed from office both with effect from 30 April 2024. This change in the Joint Liquidators of the Company was effected on account of the retirement of Bruce Alexander Mackay from RSM UK Restructuring Advisory LLP. A Notice to this effect was advertised in the London Gazette on 30 May 2024, and in accordance with the terms of the order, Bruce Alexander Mackay was released from office on 27 June 2024. The costs of the application

were met by RSM UK Restructuring Advisory LLP. Paragraph 5 of the order sets out the appointment of David Frederick Shambrook alongside Matthew Robert Haw to also wind up the affairs of the Partnerships in their capacity as insolvency practitioners.

The appointment of the Joint Liquidators followed a Court process in which the Company was restored to the Register of Companies with effect from 3 February 2017. The restoration process and a number of related Court Orders that flowed from it were set out in the Joint Liquidators' Notice to Holders dated 23 June 2017 (the "**June 2017 Notice**"). The Company is part of the Lehman Investment Banking Group (the "**Group**"). Prior to the collapse of the Group in September 2008, a funding structure was developed by the Group to fund, on a subordinated basis, capital to be made available to Lehman Brothers Holdings Plc (in administration) ("**LBH**") and LBHI in respect of regulatory capital. The funding structure was established through five limited partnerships as follows:

- (i) Lehman Brothers UK Capital Funding LP ("**LP I**");
- (ii) Lehman Brothers UK Capital Funding II LP ("**LP II**");
- (iii) Lehman Brothers UK Capital Funding III LP ("**LP III**");
- (iv) Lehman Brothers UK Capital Funding IV LP ("**LP IV**"); and
- (v) Lehman Brothers UK Capital Funding V LP ("**LP V**").

(together the "**Partnerships**" or individually a "**Partnership**" as the context requires).

The Company acted as a general partner of each of the Partnerships. The Partnerships formed the structure of the capital funding arrangement. The purpose of the Partnerships was to raise regulatory capital for LBH and LBHI by issuing securities to investors.

The Joint Liquidators' 19 September 2024 update Notice ("the Notice"): paragraphs 4.21 and 4.22 set out the terms of the original Framework Agreement dated 8 October 2023 entered into by various parties which settled priority legal issues two to five and agreed the economic terms of distribution by LBH to its subordinated creditors. The Framework Agreement was attached at Schedule 1 of Appendix 2 of the Notice.

Paragraphs 4.33 to 4.42 (pages 12 to 14) of the Notice set out the proposed terms of an agreement which, if finalised, would settle the ECAPS 2 Appeal (as defined in the Notice), the Partial Discharge issue (as explained in the Notice) and agree the economic terms of future distributions from LBH in relation to tiers Y and Z (as defined in the Notice) of LP I, LP II and LP III. A copy of the Term Sheet (the "**2024 Proposed Terms**") was included at Appendix 2 of the Notice.

In order to ascertain the levels of support for the proposed settlement, ECAPS holders were invited to submit letters of support for the proposed terms or to provide letters of objection to the proposed terms by 5.00pm UK time on 30 September 2024

ECAPS Account Holders' support for the Proposed Terms:

The Joint Liquidators of the Company have received letters of support from approximately 80% (by value) of the ECAPS Account Holders on an aggregate basis. No letters of objection to the Proposed Terms were received. For each of LP I, LP II and LP III, in excess of 75% by value of each Partnership's ECAPS Account Holders provided letters of support.

On 2 October 2024, the Company, LP I, LP II, LP III, LBH, LBHI and Deutsche Bank (amongst other parties) entered into an Amendment and Restatement Agreement which had the effect of changing the terms of the original Framework Agreement dated 8 October 2023. As a result, the original Framework Agreement has been replaced by the Amended and Restated Framework Agreement and together the Amendment and Restatement Agreement and the Partial Discharge Issue Settlement Agreement (the "**2024 Settlement Agreements**") enable the implementation of the 2024 Proposed Terms. A copy of the Amended and Restated Framework Agreement was shared with the ECAPS Account Holder in our notice dated 3 October 2024.

Following the execution of the 2024 Settlement Agreements the parties agreed consent orders and the ECAPS 2 Appeal hearing listed to be heard on 3 and 4 October 2024 was vacated.

The Amended and Restated Framework Agreement set out the following agreed payment structure:

Tier X – available funds of £187,187,072:

The first £187,187,072 of funds available for the subordinated creditors was paid as follows:

- first, 92% (being £172,212,106) to the Company
- second, 8% (being £14,974,966) to LBHI

The Amended and Restated Framework Agreement acknowledges that as at the Amended Effective Date (2 October 2024), the tier X Distributions have been paid in full in accordance with the Original Framework Agreement.

Tier Y – next available funds of up to £225,000,000:

Any Tier Y distribution to subordinated creditors can only be made once certain conditions (as set out in the Amended and Restated Framework Agreement) have been met, which will cause LBH to distribute the next £225,000,000 of the available funds to the Company and LBHI pro rata in the following proportions between the Company and LBHI:

- 73.8% to the Company
- 26.2% to LBHI

Tier Z - remaining funds available:

Subject first to the distributions of Tiers X and Y being paid in full and subject to further distribution conditions (as set out in the Amended and Restated Framework Agreement), further distributions to LBH's subordinated creditors will be paid from any available funds in the following proportions:

- 40% to the Company
- 60% to LBHI

LBH has now paid the Partnerships an initial payment in relation to the Tier Y distribution from which certain costs reserves, which were referred to in Amended and Restated Framework Agreement and related agreements, will be withheld, with the balance of funds to be paid to the respective ECAPS Account Holders. A further formal Notice will be issued at least seven days in advance of the payments, which will confirm the value date of payment and the total amounts to be paid to the ECAPS Account Holders of each of LP I, LP II and LP III. For the avoidance of doubt, there will not be any further distributions to be paid to the ECAPS Account Holders of LP IV or LP V on this occasion.

Qualification Statement: this notice has been prepared using information obtained by Matthew Robert Haw and David Frederick Shambrook (i) acting as the Joint Liquidators of the Company; and (ii) acting as licensed insolvency practitioners specifically in relation to winding-up the Partnerships pursuant to an order of the High Court made in accordance with section 6(3) of the Limited Partnerships Act 1907. Reference in this notice to the Joint Liquidators also includes (where the context requires) Matthew Robert Haw and David Frederick Shambrook acting as insolvency practitioners for the purpose of winding-up the Partnerships. Given the wider international failure and insolvency of associated Lehman entities and the passage of time since the Partnerships were active, it has been difficult to obtain all information relevant to the Partnerships and readers of this notice should understand that the Joint Liquidators' investigations have been hampered (in some cases) by the paucity of financial information and documentation.

Neither the Joint Liquidators nor RSM UK Restructuring Advisory LLP accept any liability whatsoever arising as a result of any decision or action taken or refrained from as a result of information contained in this notice.

This notice should be read in conjunction with the previous notices to the Holders issued by the Joint Liquidators on 23 June 2017, 13 November 2017, 11 May 2018, 19 November 2018, 25 September 2019, 17 March 2021, 30 August 2022, 21 September 2023 and 19 September 2024 copies of which are available on request.

Contacts: holders of the Securities who have queries concerning anything mentioned in this notice may contact the Joint Liquidators at:

RSM UK Restructuring Advisory LLP, 25 Farringdon Street, London, EC4A 4AB
E-mail: Samantha.Hawkins@rsmuk.com

Please note that in any correspondence with the Joint Liquidators, holders of the Securities will be required to verify their holdings of the relevant Securities to the Joint Liquidators by:

- such holder(s) sending an e-mail to the Joint Liquidators c/o Samantha Hawkins using the email address shown above and referencing "LB GP No. 1 Ltd (In Liquidation)" and the ISIN of the Securities in the subject line and disclosing the identity of the holder, the identity of the Partnership or Partnerships which issued the Securities, the nominal amount of each ISIN held by the holder and the details of the person(s) who shall represent the holder; and
- such holder(s) providing (by e-mail to the Joint Liquidators c/o Samantha Hawkins) a letter, screen shot or other proof of holding (in each case from Euroclear/Clearstream and their custodian (if applicable)) verifying each of its holdings in the Securities and disclosing the following information:
 - ISIN
 - Account number
 - Participant name
 - Nominal amount
 - Beneficial Holder details (including e-mail address)

This notice is given by



Matthew Robert Haw

**Acting as Joint Liquidator of LB GP No.1 Ltd without personal liability
Of RSM UK Restructuring Advisory LLP**

ISIN/CUSIP numbers used in this notice have been included solely for the convenience of the holders of Notes. The Joint Liquidators assume no responsibility for the selection or use of such number and make no representation as to the correctness of the numbers listed above.