

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.

LEHMAN BROTHERS UK CAPITAL FUNDING V LP (“LP V”)

USD 500,000,000 FIXED RATE ENHANCED CAPITAL ADVANTAGED PREFERRED SECURITIES (“LP V PREFERRED SECURITIES”)

ISIN XS0301813522

17 March 2021

Liquidation of LB GP No.1 Ltd (“the Company”) and implications for parties interested in the LP V Preferred Securities

1 PRELIMINARY INFORMATION

- 1.1 THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
- 1.2 If you are in any doubt as to the action you should take, you are recommended to seek your own financial, legal or other advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.
- 1.3 If you have sold or otherwise transferred your entire (or any part of your) interest in the LP V Preferred Securities you should immediately forward this notice to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.
- 1.4 This notice may contain certain information potentially relating to the future outlook for LP V. Although we believe any expectations are based on reasonable assumptions, any statements about the future outlook for LP V may be influenced by factors that could cause actual outcomes and results to be materially different. As a result, you should not rely on any forward-looking statements. Any forward-looking statements included in this notice are made only as of the date of this notice, and except as otherwise required by law, we undertake no obligation to publicly update or revise any such forward-looking statements to reflect subsequent events or circumstances.

2 QUALIFICATION STATEMENT

- 2.1 This notice has been prepared using information obtained by Bruce Alexander Mackay and Matthew Robert Haw (i) acting as the Joint Liquidators of the Company; and (ii) acting as licensed insolvency practitioners specifically in relation to winding-up the Partnerships (defined below), including LP V, pursuant to an order of the High Court made in accordance with section 6(3) of the Limited Partnerships Act 1907. Reference hereinafter to the Joint Liquidators also includes (where the context requires) Bruce Mackay and Matthew Haw acting as insolvency practitioners for the purpose of winding-up the Partnerships (defined in paragraph 3.5 below). 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.

- 2.2 This notice provides an update regarding the progress of the liquidation of the Company and winding-up of the Partnerships. This notice should not be used for any other purpose, or to inform any investment decision in relation to any debt or financial interest in LP V and the Partnerships. We caution those parties interested in the LP V Preferred Securities and any other stakeholders who may have an interest in the winding-up of the Partnerships against using data in this notice as a basis for estimating the likelihood and/or value of any potential payment from LP V and/or any of the Partnerships.
- 2.3 The information set out in this notice is being distributed to all of those that are recorded as account holders in the relevant clearing system in relation to the LP V Preferred Securities ("**the Account Holders**") at the same time and is also being published via stock exchange announcements and Bloomberg such that the information set out in this notice does not constitute material non-public information.
- 2.4 Neither the Joint Liquidators nor their firm, RSM 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.
- 2.5 This notice should be read in conjunction with the previous notices to the Account Holders issued by the Joint Liquidators, copies of which are available on request.
- 2.6 The Joint Liquidators reserve the right to maintain confidentiality on any issue they consider could be commercially sensitive and to refrain from providing detailed commentary on any issues that may fit into this category.
- 2.7 The Joint Liquidators, on behalf of the Company and the Partnerships, reserve all rights against third parties on all matters and no conclusion should be drawn by third parties as to the Joint Liquidators' and/or the Partnerships' position or legal arguments on any such matters from information contained or not contained within this notice.

3 **BACKGROUND**

- 3.1 Bruce Alexander Mackay and Matthew Robert Haw of RSM 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.
- 3.2 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**").

- 3.3 The Company is part of the Lehman Investment Banking Group (“**the Group**”). It operated from premises at 25 Bank Street, London, E14 5LE prior to the collapse of the Group in September 2008.
- 3.4 Prior to the collapse of the Group, 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.
- 3.5 The funding structure was established through five limited partnerships as follows:
- 3.5.1 Lehman Brothers UK Capital Funding LP (“**LP I**”)
 - 3.5.2 Lehman Brothers UK Capital Funding II LP (“**LP II**”)
 - 3.5.3 Lehman Brothers UK Capital Funding III LP (“**LP III**”)
 - 3.5.4 Lehman Brothers UK Capital Funding IV LP (“**LP IV**”)
 - 3.5.5 Lehman Brothers UK Capital Funding V LP (“**LP V**”),
- (together “**the Partnerships**” or individually a “**Partnership**” as the context requires).
- 3.6 The Company acted as a general partner of each of the Partnerships.
- 3.7 The Partnerships formed the structure of the capital funding arrangement.
- 3.8 The purpose of the Partnerships was to raise regulatory capital for LBH and LBHI by issuing securities to investors. The securities issued by the Partnerships were as follows (definitions taken from the Prospectus for each of the Partnerships):
- 3.8.1 **LP I** – EUR 225,000,000 Fixed Rate to CMS-Linked Guaranteed Non-voting, Non-Cumulative Perpetual Preferred Securities;
 - 3.8.2 **LP II** – EUR 250,000,000 Euro Fixed Rate Guaranteed Non-voting, Non-cumulative Perpetual Preferred Securities;
 - 3.8.3 **LP III** – EUR 500,000,000 Fixed / Floating Rate Enhanced Capital Advantaged Preferred Securities;
 - 3.8.4 **LP IV** – EUR 200,000,000 Euro Fixed Rate Enhanced Capital Advantaged Preferred Securities; and
 - 3.8.5 **LP V** – USD 500,000,000 Fixed Rate Enhanced Capital Advantaged Preferred Securities.
- 3.9 Funds raised by LPs I – III were invested in LBH; and funds raised by LPs IV and V were invested in LBHI. The investments in LBH and LBHI were made through subordinated loan notes.
- 3.10 Reference hereafter to “**Securities**” relates to any one or more (as the context requires) of the investments issued by the Partnerships as referred to in paragraphs 3.8.1 to 3.8.5 above.

3.11 Although this specific notice is addressed and has been distributed (to the extent possible) to the Account Holders of the LP V Preferred Securities with ISIN XS0301813522 issued by LP V, this notice contains information relevant to each of the Partnerships and is therefore to be read as a composite update to enable the Account Holders of Securities issued by each of the Partnerships to understand the position applicable to all of the Partnerships. Separate notices (in materially the same form) have been distributed to the account holders of Securities issued by each of the Partnerships.

4 THE PARTNERSHIPS' ASSETS

Cash held in LP III, LP IV and LP V

4.1 As previously reported, LBHI paid the following sums to the Joint Liquidators for the benefit of LP III, LP IV and LP V:

4.1.1	LP III	€12.8m	5 September 2017
4.1.2	LP IV	€10.8m	13 October 2017
4.1.3	LP V	US\$26.7m	12 October 2017

4.2 LBHI only agreed to transfer the Funds if the Joint Liquidators:

- 4.2.1 acknowledged that the payment was without prejudice to any potential claims LBHI or LB Investment Holdings Ltd (which was the Preferential Limited Partner (“**the PLP**”) for each of the Partnerships may have in respect of the Funds; and
- 4.2.2 agreed not to make distributions of the Funds without receiving (i) confirmation from LBHI and the PLP that they do not have any claims against the Funds; or (ii) an order from the Court that LBHI and the PLP do not have any claims against the Funds following an application to the Court on notice to LBHI and the PLP.

4.3 The Joint Liquidators agreed to the above conditions in order to receive the Funds as the alternative was to issue court proceedings seeking payment of the Funds. LBHI and the PLP have since confirmed that neither of them has a claim to the LP IV and LP V Funds, although for the time being the undertaking still applies to the LP III Funds.

4.4 At the date of this notice, no claims had been received from the joint liquidators of the PLP and none are expected.

Claims by LP I, LP II and LP III against LBH

4.5 LBH issued subordinated notes to LP I, LP II and LP III in return for the payment of the regulatory capital that had been raised by the issuance of the Securities by LP I, LP II and LP III. These three Partnerships have a claim for payment of a dividend by LBH in relation to the subordinated notes that were issued.

- 4.6 The current indications are that the dividend prospects in respect of the claims made on behalf of LP I, LP II and LP III against LBH relating to the subordinated notes are dependent upon several variables. LBH has described these variables as being:
- 4.6.1 the quantum of further payments from LBIE;
 - 4.6.2 the quantum of expense liabilities in various UK Lehman estates, including and not limited to, in relation to tax;
 - 4.6.3 the final outcome of the litigation concerning the priority ranking of subordinated claims; and
 - 4.6.4 the outcome of the litigation commenced by LBHI concerning clawback of guarantee payments ("**Clawback Litigation**") (which has now been settled).
- 4.7 Items 4.6.1 to 4.6.4 above will have an effect on the funds flowing into the LBH administration estate and/or being retained in that estate, and hence the quantum of funds that will be available to meet the claims of LBH's senior and subordinated creditors. The Joint Administrators of LBH have recently issued an updating statement in this respect dated February 2021, which is available for view on PwC's website as follows:
- <https://www.pwc.co.uk/services/business-recovery/administrations/non-lbie-companies/lbh-plc-in-administration.html>
- 4.8 The above link provides a narrative update relating to matters impacting the financial outcome for creditors of the LBH estate and also a link to an updated estimated financial outcome statement. LBH's joint administrators plan to hold a Webex call at 3:00 pm on 18th March 2021 to provide further insights into the potential financial outcomes of the LBH administration. The Joint Liquidators will attend the call and if further relevant information is provided, that the Joint Liquidators consider should be shared with Account Holders, then a subsequent investor update will be issued.
- 4.9 Further information in relation to item 4.6.3 above concerning the outcome of the litigation in relation to the priority ranking of subordinated claims is set out below.

Priority of subordinated claims against LBHI2 and LBH:

- 4.10 As previously explained, on 16 March 2018, the Joint Administrators of LBHI2 made an application to court (the "**LBHI2 Application**") to determine issues of priority between LBH and SLP3 in respect of potential distributions on subordinated claims. The Joint Liquidators were not a party to the LBHI2 Application.
- 4.11 Also on 16 March 2018, the Joint Administrators of LBH made an application to court (the "**LBH Application**") to determine issues of priority between (i) LP I, LP II, LP III; and (ii) LBHI, in respect of potential distributions on subordinated claims. The Joint Liquidators are respondents to the LBH Application.

- 4.12 The relative seniority of the subordinated claims against LBHI2 and LBH has now been determined, at first instance, following Mr Justice Smith's judgment handed down on 3 July 2020.
- 4.13 The LBH Administrators (as respondents in the LBHI2 Application and applicants in the LBH Application) have issued various litigation updates since the first instance judgment was handed down. These are available using the link to PwC's website below and provide a summary of the judgment and current position:
- <https://www.pwc.co.uk/services/business-restructuring/administrations/non-lbie-companies/lbh-plc-in-administration/ongoing-litigation.html>
- 4.14 In summary only, the first instance decision addressed various issues but in relation to priority ranking, the position can be summarised as follows:
- (a) against LBHI2, LBH's claim was found to be senior; and
 - (b) against LBH, the claims of (i) LPI, LP II, LP III; and (ii) LBHI, were found to rank *pari passu*.
- 4.15 Although the Joint Liquidators had argued that, against LBH the claims of LP I, LP II and LP III were senior to LBHI, the Joint Liquidators were not ordered to pay any adverse costs as part of the first instance proceedings.
- 4.16 Various aspects of the first instance judgment are subject to appeal (including the findings in relation to priority ranking of claims against both LBHI2 and LBH).
- 4.17 The Joint Liquidators were granted permission to appeal the decision of Mr Justice Smith and filed an appeal on 26 October 2020 in relation to the first instance decision that the claims of LP I, LP II and LP III rank *pari passu* with the claims of LBHI. The appeal filed by the Joint Liquidators seeks to alter the first instance judgment so that, if successful, the claims of LP I, LP II and LP III against LBH rank in priority to those of LBHI. The Joint Liquidators' appeal skeleton has been filed and served and the appeal hearing has been listed for 4 to 8 October 2021. A copy of the Joint Liquidators' appeal skeleton argument is available via the link referred to in paragraph 4.13 above.
- 4.18 Also within the LBH Application, the Court of Appeal granted Deutsche Bank permission to appeal the Judge's conclusion that LBHI's claim on the PLC Sub-Debt has not been reduced, discharged or diminished by virtue of the interaction of LBHI's subordinated claims against LBH with certain other instruments. However, the Court of Appeal refused Deutsche Bank permission to appeal the Judge's conclusions that (a) LBHI's subordinated claim against LBH was not released by an earlier settlement agreement and (b) LP I – III's claims in relation to the subordinated notes fall to be discounted under Rule 14.44 of the Insolvency (England and Wales) Rules 2016.
- 4.19 Within the LBHI2 Application, the Court of Appeal has granted SLP3 permission to appeal the Judge's conclusion that there was no basis for rectification of the terms of the LBHI2 Sub-Notes.

4.20 If, subject to appeal, LBH's subordinated claim against LBHI2 is confirmed as senior to SLP3's, it is understood that sufficient funds are likely to flow into the LBH estate to allow the Joint Administrators of LBH to discharge fully all costs, senior unsecured liabilities and statutory interest, leaving a surplus available for distribution to LBH's subordinated creditors. However, if the Judge's ruling is overturned on appeal, and LBH's subordinated claim against LBHI2 is found to rank no higher than *pari passu* with SLP3's subordinated claim, it is understood that LBH would not be in a position to pay any dividends to its own subordinated creditors. This scenario would result in no funds being available to pay to either LPs I – III or LBHI and the outcome of the LBH Application would be irrelevant.

Funds flowing from the LBH estate to LPs I - III

4.21 The Joint Liquidators have submitted initial protective claims into the estate of LBH in relation to LP I to LP III. These claims are not final and are subject to review and potential amendment to the extent required. As mentioned above the claims relate to subordinated notes issued by LBH, and these notes do not mature until 2035/2036. As the subordinated notes have not yet fallen due for payment, Rule 14.44 of the Insolvency (England and Wales) Rules 2016 dictates that these claims are subject to discounting to take into account the time value of money. The relevance of Insolvency Rule 14.44 was challenged during the initial court hearing in November 2019, and Justice Smith ruled in his judgment that the claims submitted by LP I to LP III should be subject to discounting. This decision is not subject to appeal.

4.22 Looking at the estimated value of LP I to LP III's discounted claims in tandem with LBH's most recently published estimated financial outcomes for the LBH stakeholders, we have prepared a table to show the potential flow of funds to the LP I to LP III Account Holders below, this being based upon Justice Smith's first instance decisions prevailing:

	Notes	LP I (£m)	LP II (£m)	LP III (£m)	Total (£m)
Initial protective claim submitted to LBH	1	138	198	296	632
Less: Discounting	2	-100	-145	-219	-464
Revised value of claim in LBH estate		38	53	78	168
Estimated dividend - PwC Base case	3	9	12	18	39
Estimated dividend - PwC High case	4	16	22	32	70

Notes

1. These are the values of the initial and protective claims of LP I, LP II and LP III submitted by the Joint Liquidators into the estate of LBH, which have been converted to GBP as at the date of LBH's administration (15 September 2008). As explained above, these claims are not final and are subject to review and potential amendment to the extent required.

2. As noted at paragraph 4.21 above the initial and protective claims submitted by LP I, LP II and LP III are subject to discounting in accordance with Rule 14.44 of the Insolvency (England and Wales) Rules 2016.

3. The basis of the 'PwC Base Case' estimated dividend is set out in PwC's estimated financial outcome, a link to which is included at paragraph 4.7 and is based upon recoveries for LBH's subordinated creditors of £280m.

4. The basis of the 'PwC High Case' estimated dividend is also set out in PwC's estimated financial outcome, a link to which is included at paragraph 4.7 and is based upon recoveries for LBH's subordinated creditors of £500m. The 'PwC High Case' estimate includes an additional potential litigation recovery that is excluded in the 'PwC Base Case' estimated outcome.

4.23 If, on appeal, LBH's seniority in the LBHI2 Application is maintained but the claims of LPs I – III are deemed senior to LBHI's in the LBH Application, PwC's analysis of the LBH administration estate shows that the principal amounts of the discounted claims of LPs I – III (totalling £168m in the table at para 4.22) would be paid in full in both the 'PwC Base Case' and the 'PwC High Case'. The above analysis of this scenario does not take into account claims for statutory interest that would be pursued by LPs I – III in accordance with rule 14.23(7) of the Insolvency (England and Wales) Rules 2016.

Claims by LP IV and LP V against LBHI

4.24 It was LBHI and not LBH that issued subordinated notes to LP IV and LP V in return for the payment of the regulatory capital that was raised by the issuance of the Securities by LP IV and LP V. The LP IV and LP V Partnerships may have a claim for payment of a dividend by LBHI in relation to the subordinated notes that were issued. This is a matter that the Joint Liquidators are continuing to keep under review. However, it is the Joint Liquidators' understanding that LBHI's subordinated debt holders are currently not expected to receive any distribution. The Joint Liquidators therefore understand that the prospects of any recovery from LBHI in relation to these claims are very low.

Subordinated guarantee claims

4.25 LBH provided a subordinated guarantee to the Account Holders of the Securities in relation to LP I, LP II and LP III. It was agreed by all parties to the LBH Application that subordinated guarantees provided by LBH to Account Holders ranked below the claims of LP I, LP II, LP III and LBHI for the purposes of any distribution from LBH. Account Holders of the relevant Securities should take their own independent legal advice in relation to the subordinated guarantee and any claims they may wish to make.

4.26 LBHI also provided a subordinated guarantee to the Account Holders of the Preferred Securities in relation to LP IV and LP V. The Joint Liquidators' initial assessment is the same for LP IV and LP V and accordingly Account Holders of the relevant Securities should take their own independent legal advice in relation to the subordinated guarantee and any claims they may wish to make.

Claims against Lehman Brothers Special Financing and LBHI

4.27 The Joint Liquidators have investigated claims in relation to interest rate swap contracts (“**the Swaps**”) entered into by LP IV and LP V with Lehman Brothers Special Financing (“**LBSF**”). A settlement was agreed in relation to the Swaps and this has been explained in earlier updates.

5 PROFESSIONAL COSTS

5.1 The Court directed that the Joint Liquidators should explain to Account Holders of the Securities the costs incurred to date and the basis upon which costs will be incurred in the future with regard to the winding-up of the Partnerships.

5.2 The professional costs and expenses incurred to date on a time costs basis are as set out below. Please note that the Company and the Partnerships were not VAT-registered. Accordingly, input VAT, where incurred, is not recoverable.

5.3 Joint Liquidators (RSM)

5.3.1 Time costs: £1,396,131 plus VAT and disbursements have been incurred to 10 March 2021, of which £69,110 relates to time costs incurred in the period leading up to the Joint Liquidators appointment on 28 February 2017.

5.3.2 Fees of £1,386,488 plus VAT and disbursements of £48,932 have been paid to date.

5.4 Charles Russell Speechlys LLP (“**CRS**”) (UK solicitors for the Joint Liquidators)

5.4.1 Time costs: £1,565,347 plus VAT and disbursements have been invoiced and paid for the period 16 November 2016 to 28 February 2021 in relation to time costs. Since the end of that period, a further £9,942 plus VAT and disbursements has been incurred but not paid up to and including 10 March 2021.

5.4.2 Disbursements: £758,133 plus VAT has been incurred by Counsel instructed by CRS on behalf of the Joint Liquidators. Of that sum, £20,310 plus VAT is outstanding

5.5 Kirkland & Ellis LLP (US attorneys for the Joint Liquidators)

5.5.1 Time costs: USD 578,379.75 has been invoiced to date which has been paid in full.

5.5.2 Disbursements: USD 17,199 has been invoiced to date and this sum has been paid in full.

5.6 Various Bank of New York Mellon entities (“**BNYM**”) (paying agent, common depository and initial limited partner)

- 5.6.1 Fees and costs totalling £101,793 have been paid to BNYM to date for the provision of transaction services, facilitating the distributions to the LP IV and LP V ECAPS accountholders and for general assistance in facilitating investor communications and providing transaction records and documents (including the costs of BNYM's legal counsel).
- 5.7 Warwick Risk Management Ltd (valuer's fees)
 - 5.7.1 Fees totalling £20,000 plus VAT have been paid to Warwick Risk Management Ltd for the provision of valuation services.
- 5.8 Dentons UKMEA LLP (Solicitors for Deutsche Bank AG) (subject to the Joint Liquidators' assessment with regard to the reasonableness of those fees)
 - 5.8.1 Time costs: £105,880.84 plus VAT (up to 15 March 2017 as per proof of debt form).
 - 5.8.2 Disbursements: £6,960.45 plus VAT where appropriate (up to 15 March 2017 as per proof of debt form).
 - 5.8.3 As yet these costs have not been agreed and reimbursed, and the Joint Liquidators will follow up with Dentons UKMEA LLP to progress this matter to a conclusion.
- 5.9 Weil Gotshal & Manges (Solicitors for LBHI) (subject to the Joint Liquidators' assessment with regards to the reasonableness of those fees)
 - 5.9.1 Time costs: USD 97,795.35 (up to 11 April 2017 as per proof of debt form). As yet these costs have not been agreed and reimbursed, and the Joint Liquidators will follow up with Weil Gotshal & Manges to progress this matter to a conclusion.
- 5.10 Agents costs: It should be noted that additional costs have been incurred and will be discharged in connection with the maintenance of agents and the provision of information to the Account Holders of the Securities.
- 5.11 The professional costs and disbursements outlined above relate to necessary steps that have been taken to place the Company into liquidation and to undertake the process of winding-up the affairs of the Partnerships, which is a complex matter with a number of significant ongoing issues.
- 5.12 The professional costs and disbursements have been (and will continue to be) paid from sums realised from the Partnerships' assets in accordance with the Order of the Court. To date the costs have been paid and apportioned as follows:
 - 5.12.1 Costs relating to all Partnerships have been paid from the Funds and apportioned between LP III, LP IV and LP V. To the extent any funds are realised in relation to LP I and LP II then the apportionment of costs will be adjusted accordingly so that no one

Partnership (or more than one) disproportionately bears the costs of the winding-up of the Partnerships collectively.

5.12.2 Costs specifically relating to LP I, LP II and LP III in relation to the subordinated debt claims against LBH are currently being paid from LP III's Funds as LP I and LP II currently have no cash assets. LP IV and LP V have not contributed to these costs on the basis that work undertaken in relation to the subordinated debt claims against LBH does not relate to LP IV and V. To the extent any funds are realised in relation to the claims against LBH by LP I and LP II then the apportionment of costs will be adjusted accordingly so that LP III does not disproportionately bear the costs of issues relating jointly to LP I, LP II and LP III.

5.13 At the date of this update the Joint Liquidators hold the following cash balances in each of the Partnerships. These figures are net of costs that have been paid to date but they do not take into account accrued or future costs:

5.13.1 LP III: €10,637,181

5.13.2 LP IV: €627,227

5.13.3 LP V: \$1,701,973

The LP IV and LP V net balances are after interim distributions that were made to those Partnerships' Account Holders in October 2020, as referred to in Section 6 below.

5.14 The current hourly rates of those expected to be involved in this matter going forward are set out below (figures quoted exclude input VAT where applicable):

5.14.1 RSM

(a) Partner (Joint Liquidators) - £625 (increased from £595 on 1 October 2018)

(b) Associate Director - £345

(c) Manager - £345 (increased from £325 on 1 October 2018)

(d) Senior Administrator - £210 (increased from £200 on 1 October 2018)

5.14.2 CRS

(a) Partner - £625 (increased from £595 on 1 May 2019)

(b) Senior Associate - £450 (increased from £425 on 1 May 2019)

(c) Associate - £255 (increased from £245 on 1 May 2019)

5.14.3 Counsel

(a) Queen's Counsel - £650

(b) Junior Counsel - £250

6 DISTRIBUTIONS IN RELATION TO LP IV AND LP V

6.1 On 28 September 2020 the Joint Liquidators issued a notice of proposed interim payment in relation to the Securities issued by LP IV and LP V. The notice advised that the Joint Liquidators intended to make an initial interim payment relating to the Liquidation Preference (as defined in the relevant prospectus for the Securities) in respect of the Securities. The notice advised that a formal payment notice would soon be issued and urged all depositories, custodians, other intermediaries and beneficial owners of the Securities to ensure that their contact and payment details were correctly recorded with the relevant clearing systems.

6.2 On 19 October 2020 the Joint Liquidators issued a notice of interim payment in relation to the Securities issued by LP IV and LP V. The notice confirmed that an initial interim payment would be paid for a value date of 28 October 2020 relating to the Liquidation Preference in respect of the Securities, payable to the beneficial holders of the Securities as of 21 October 2020. The values of the interim distributions are set out below:

Issuer	Value of interim distribution
LP IV	EUR 9,000,000
LP V	USD 25,000,000

6.3 The distributions set out above were successfully paid to the clearing systems on 28 October 2020. The balance of LP IV and LP V funds retained by the Joint Liquidators will be distributed when outstanding cost issues and the allocations between the separate Partnerships have been determined. In this respect, the Joint Liquidators will investigate the extent to which a costs reapportionment exercise may be appropriate, to ensure that the costs met by the LP IV and LP V estates are reasonable.

7 FURTHER UPDATE NOTICES TO HOLDERS OF SECURITIES

7.1 The Joint Liquidators will continue to provide update notices to Account Holders of Securities as and when there are significant matters to report and otherwise routinely on at least an annual basis by the following methods:

7.1.1 To the extent possible, by notice distributed via the clearing systems relevant to the Securities for each Partnership (i.e. either the Euroclear system or Clearstream system); and

7.1.2 To the extent possible, by notice distributed via the relevant exchanges upon which the Securities for each Partnership are listed.

8 **INFORMAL INVESTORS' COMMITTEE**

- 8.1 Since the commencement of the winding-up of the Partnerships, the Joint Liquidators have been approached by a number of Account Holders of the Securities and they have requested that an informal investors' committee ("**IIC**") is established.
- 8.2 The Joint Liquidators have established such an IIC. The IIC has two members, with the second member only having joined the ICC in February 2021. There have been no meetings of the ICC to date.
- 8.3 In order to join the IIC, an Account Holder of Securities will be required to sign a Memorandum of Understanding ("**MOU**") as well as a Non-Disclosure Agreement ("**NDA**").
- 8.4 If you are an Account Holder of Securities and you are interested in becoming a member of the IIC you will be required to enter into the MOU and NDA on the same terms as the current members and any other prospective members. To confirm your interest in joining the IIC, please contact Samantha Hawkins using the details provided at 9.1.2 below, and verifying your holding of the Securities in the manner set out at paragraph 9.2.2 below.
- 8.5 Please be reminded that the IIC has no statutory powers and will be non-binding upon the Joint Liquidators. Its purpose, if utilised, is to provide an additional means of liaising with Account Holders of Securities in relation to the Partnerships and providing a forum for discussing and providing feedback to the Joint Liquidators in relation to the various issues arising.


9 **CONTACTS**

- 9.1 Account Holders of the Securities who have queries concerning anything mentioned in this notice may contact the Joint Liquidators as follows:
- 9.1.1 Post: RSM Restructuring Advisory LLP, 25 Farringdon Street, London, EC4A 4AB
- 9.1.2 E-mail: Samantha.Hawkins@rsmuk.com
- 9.2 Please note that in any correspondence with the Joint Liquidators, the Account Holders of the Securities will be required to verify their interest in the relevant Securities to the Joint Liquidators by:
- 9.2.1 The Account Holders sending an e-mail to the Joint Liquidators c/o Samantha Hawkins using the email address shown at paragraph 9.1.2 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 Account Holder, the identity of the Partnership or Partnerships which issued the Securities, the nominal amount of each ISIN held by the Account Holder and the details of the person(s) who shall represent the Account Holder; and

9.2.2 The Account Holders providing (by e-mail to the Joint Liquidators c/o Samantha Hawkins) a letter, screen shot or other proof of the interest (in each case from Euroclear/Clearstream and their custodian (if applicable)) verifying each of its account holdings in the Securities and disclosing the following information:

- (a) ISIN
- (b) Account number
- (c) Participant name
- (d) Nominal amount
- (e) Beneficial Account Holder details (including e-mail address)

Dated: 17 March 2021

Signed: 

**This notice is given by
Bruce Alexander Mackay
RSM Restructuring Advisory LLP
as Joint Liquidator of LB GP No.1 Ltd
Acting without personal liability**