

**SETTLEMENT AGREEMENT RESOLVING CLAIM OF DR. H.C. TSCHIRA
BETEILIGUNGS GMBH & CO. KG AND KLAUS TSCHIRA STIFTUNG
GMBH**

This settlement agreement (the "Settlement Agreement") is entered into as of February 26, 2014 (the "Execution Date") by and between Lehman Brothers Holdings Inc. ("LBHI"), as Plan Administrator (the "Plan Administrator") pursuant to the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the "Plan")¹, for and on behalf of itself and the jointly-administered debtors in the chapter 11 cases described in the recitals below (the "Debtors"), on the one hand, and Dr. H.C. Tschira Beteiligungs GmbH & Co. KG ("KG") and Klaus Tschira Stiftung gGmbH ("KTS" and together with KG, the "Tschira Entities"), on the other hand (each of the Plan Administrator and the Tschira Entities, a "Party" and together, the "Parties").

RECITALS:

A. Commencing on September 15, 2008 and periodically thereafter, LBHI and certain of its subsidiaries commenced voluntary cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") before the United States Bankruptcy Court for the Southern District of New York (the "Court"), Case No. 08-13555 (JMP). The Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

B. On December 19, 2008 (with effect as of December 22, 2008), the Swiss Federal Banking Commission (now the Swiss Financial Markets Supervisory Authority ("FINMA") entered an order opening bankruptcy proceedings over Lehman Brothers Finance AG (in Liquidation), also known as Lehman Brothers Finance SA (en liquidation) ("LBF") and appointing PricewaterhouseCoopers AG, Zurich as bankruptcy liquidator of LBF with sole authority to act on LBF's behalf (the "LBF Liquidator").

C. LBF acting through its Netherlands Antilles branch was party to certain variable forward transactions (the "Transactions") with the Tschira Entities which were governed by (i) ISDA Master Agreements dated May 16, 2007, (ii) Schedules thereto dated May 16, 2007, (iii) Credit Support Annexes to the Schedules dated July 14, 2008, and (iv) the Confirmations of the Transactions thereunder (collectively, and as amended from time to time prior to the events described herein, the "Master Agreements").

D. LBHI was LBF's Credit Support Provider under the Master Agreements and issued Restated Guaranties in respect thereof dated May 15, 2008 to each Tschira Entity (the "Guaranties").

¹ Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

E. All transactions under the Master Agreements terminated automatically on September 15, 2008 as a result of the commencement of the Chapter 11 Cases.

F. A dispute subsequently arose between the Tschira Entities and LBF concerning the correct calculation of damages under the Master Agreements.

G. On December 19, 2008, the Tschira Entities filed claims against LBF, which were supplemented on February 27, 2009, in the amount of (i) CHF 278,097,592 based on the Master Agreements, (ii) CHF 6,110,037.72 for interest of 4.5% on CHF 278,097,592 up to December 22, 2008, (iii) CHF 284,421 for legal expenses up to December 22, 2008, (iv) CHF 364,663,050 based on the Master Agreements, (v) CHF 14,731,312.93 for EONIA interest +11% on CHF 364,663,050 up to December 22, 2008, and (vi) CHF 304,781.41 for legal expenses up to December 22, 2008 (the "Tschira-LBF Claims").

H. By order, dated July 2, 2009 [ECF No. 4271], the Court established September 22, 2009 as the deadline to file proofs of claim against the Chapter 11 Estates.

I. On September 21, 2009, KTS filed a proof of claim against LBHI based on the Guaranties, which was assigned claim number 22671 by the Court-approved claims and noticing agent (the "Claims Agent"), asserting an unsecured claim in the amount of \$259,126,673.93 (the "KTS Claim"). On September 22, 2009, KG filed proof of claim against LBHI based on the Guaranties, which was assigned claim number 32395 by the Claims Agent, asserting an unsecured claim in the amount of \$345,842,978.50 (the "KG Claim") and together with the KTS Claim, the "Guarantee Claims").

J. On December 6, 2011, the Court entered an order confirming the Plan [ECF No. 23023] (the "Confirmation Order"). On March 6, 2012, the Plan became effective.

K. On March 25, 2013 the Tschira Entities filed a request with the Zurich Conciliatory Authority, requesting a judgment holding that they owe nothing to LBF and on September 20, 2013, filed a statement of claim with the Zurich District Court requesting a judgment that they owe nothing to LBF (the "Negatory Swiss Proceeding")

L. On March 27, 2013, LBF entered into a settlement agreement with the LBHI Parties (as defined therein), including LBHI, to resolve outstanding disputes and other issues among the parties thereto (as amended on October 1, 2013, the "LBF Settlement Agreement"). On April 25, 2013, the Court entered an order approving the LBF Settlement Agreement [ECF No. 36866].

M. On April 2, 2013, the LBF Liquidator filed in the High Court of Justice (UK) an action seeking damages from the Tschira Entities arising from the Master Agreements.

N. On April 3, 2013, the LBF Liquidator published the schedule established by the LBF Liquidator listing the admitted claims against LBF (the "Kollokationsplan"). Pursuant to the Kollokationsplan, the Tschira-LBF Claims were disallowed by the LBF Liquidator.

O. On May 21, 2013, the Tschira Entities requested an appealable order from FINMA relating to the LBF Settlement Agreement. On November 11, 2013, FINMA issued such an order, holding that the settlement constituted a lawful act of realization (the "FINMA Order"). The Tschira Entities have filed an appeal of the FINMA Order with the Swiss Bundesverwaltungsgericht (the "Tschira Appeal").

P. On April 15, 2013, the Plan Administrator filed the Supplemental Four Hundred Second Omnibus Objection to Claims 32395 and 22671 (No Liability Derivatives Claims) [ECF No. 36569], requesting that the Court disallow and expunge the Guarantee Claims.

Q. On April 22, 2013, the Tschira Entities commenced an action against LBF in the Zurich District Court challenging the determination that the Tschira-LBF Claims had not been admitted to the Kollokationsplan (the "Swiss Proceedings").

R. On July 18, 2013, the Tschira Entities filed a motion pursuant to Bankruptcy Rule 3006 seeking authority to withdraw the Guarantee Claims (the "Withdrawal Motion"). On August 2, 2013, the Court entered an order [ECF No. 39128] granting the Withdrawal Motion on terms and conditions contained in that order.

S. On August 23, 2013, LBHI filed an adversary proceeding against the Tschira Entities, Adv. Case No. 13-01431 (the "Adversary Proceeding") on account of certain transfers related to the Transactions.

T. After good-faith, arms'-length negotiations, the Parties have agreed to conclude a settlement pursuant to the terms and conditions set forth in this Settlement Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing, it is hereby stipulated and agreed that:

1. The Recitals set forth above form an integral part of this Settlement Agreement and are incorporated fully herein.

2. This Settlement Agreement shall become effective upon an order of the Court, in form and substance reasonably acceptable to the Plan Administrator and the Tschira Entities, approving the Settlement Agreement pursuant to Bankruptcy Rule 9019 (the "Approval Order") becoming a Final Order, as hereinafter defined (the "Effective Date"). On the Effective Date, LBHI shall provide the Tschira Entities with a written certification certifying that the Approval Order has become a Final Order and the LBF Settlement Agreement has not been terminated by LBF (the "Certificate"). The Certificate shall be sent to Daniel Hayek via fax at +41 44 254 55 99 and via email (Daniel.Hayek@prager-dreifuss.com), with copies to Allan Brilliant via fax at 212.698.0612 and via email (allan.brilliant@dechert.com) and Shmuel Vasser via fax at 212.698.0418 and via email (svasser@dechert.com). As soon as practicable after the Execution Date, the Plan Administrator shall file a motion, in form and substance reasonably acceptable to the Tschira Entities, seeking the Approval Order (the "Approval Motion") and request a hearing on the Approval Motion on shortened notice by Order to Show Cause.

Final Order means: "An order of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court or other court of competent jurisdiction shall have been determined by the highest court to which such order was appealed, or certiorari, reargument, or rehearing sought shall have been denied and the time to take any further appeal, petition for certiorari, or move for reargument or rehearing shall have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable law, may be filed with respect to such order shall not cause such order not to be a Final Order."

3. On and after the Execution Date:

(i) the Tschira Entities shall not, and shall procure that their Affiliates;² successors and assigns; and past, present and future members, officers, directors, shareholders, partners, principals, agents, insurers, servants, employees, representatives, administrators, executors, trustees and attorneys neither oppose nor object to (nor support any objection to) this Settlement Agreement, nor take any action to alter, delay or impede the effectiveness and consummation of this Settlement Agreement, other than pursuant to rights contained herein.

(ii) the Debtors shall not, and shall procure that their Affiliates; successors and assigns; and past, present and future members, officers, directors, shareholders, partners, principals, agents, insurers, servants, employees, representatives,

² As used herein, the term "Affiliate" shall have the meaning ascribed to it in Rule 405 of the Securities Act of 1933, provided however that as of the date of execution of this Settlement Agreement, either Party has the power to control the business and/or operations of these entities, which, for removal of doubt, as to LBHI shall not include LBF, LBIE and their direct and indirect subsidiaries.

administrators, executors, trustees and attorneys neither oppose nor object to (nor support any objection to) this Settlement Agreement, nor take any action to alter, delay or impede the effectiveness and consummation of this Settlement Agreement, other than pursuant to rights contained herein.

4. In the period after the issuance of the Approval Order of the Court, but prior to the Effective Date, the Tschira Entities shall orally inform the Swiss Bundesverwaltungsgericht about the existence of the Approval Order by the Court.

5. On and after of the Effective Date, the Tschira Entities shall not, and shall procure that their Affiliates; successors and assigns; and past, present and future members, officers, directors, shareholders, partners, principals, agents, insurers, servants, employees, representatives, administrators, executors, trustees and attorneys neither oppose nor object to (nor support any objection to) the LBF Settlement Agreement, nor take any action to alter, delay or impede the effectiveness and consummation of the LBF Settlement Agreement, other than pursuant to rights contained herein.

6. On or before 9:30 am local Swiss time on the Effective Date, and provided that on or before 8:30 am local Swiss time the Tschira Entities actually received the Certificate, the Tschira Entities shall withdraw the Tschira Appeal with prejudice by sending via facsimile a German translation of the letter attached hereto as Exhibit A to the Swiss Bundesverwaltungsgericht with a copy to FINMA. Separately, the Tschira Entities shall forward a copy of said letter to LBF Liquidator and LBHI.

7. Upon the Effective Date of this Settlement Agreement, automatically and without the need for any further Court order, the Guarantee Claims shall be reinstated and Allowed as a single Allowed Guarantee Claim in LBHI Class 9A (the "Tschira-LBHI Claim") in an amount equal to (and converted to USD at the exchange rate applicable on September 15, 2008) the aggregate admitted amount of the Tschira-LBF Claims (which may be \$0.00, if such claims are ultimately disallowed in the Swiss Proceedings) reflected on a revised Kollokationsplan as admitted either by, or pursuant to (i) the Final Order of a court of competent jurisdiction in Switzerland entering judgment without a settlement for which no objection is interposed by any party, (ii) a settlement agreement between LBF and the Tschira Entities (a "Tschira-LBF Settlement"), or (iii) if any party, including LBHI, objects to a Tschira-LBF Settlement or the revised Kollokationsplan in Switzerland, the Final Order of a court of competent jurisdiction in Switzerland in respect of such objection, or a settlement agreement, resolving such objection, *provided that*

(x) if the Tschira-LBF Claim are admitted as described in (i) and (ii) (based on Kollokationsklage), the Tschira-LBHI Claim may not exceed (a) CHF 150,000,000, if the Tschira-LBF Claims are admitted pursuant to a Final Order or a Tschira-LBF Settlement that is no longer subject to objection within six (6) months of the Effective Date, (b) CHF 210,000,000, if the Tschira-LBF Claims are admitted pursuant to a Final Order or a Tschira-LBF Settlement that is no longer subject to objection between six (6) and twelve (12) months after the Effective Date, and (c)

CHF 300,000,000, if the Tschira-LBF Claims are admitted as a claim pursuant to a Final Order or a Tschira-LBF Settlement that is no longer subject to objection later than twelve (12) months after the Effective Date;

(y) if LBHI interposes an Authorized Objection as hereinafter defined, to a Tschira-LBF Settlement or revised Kollokationsplan (Negative Kollokationsklage), and the Tschira-LBF Claim is admitted pursuant to (iii), and

(A) such Final Order does not grant LBHI's objection, then the Tschira-LBHI Claim shall be the lower of the admitted amount and (a) CHF 150,000,000, if such Final Order is issued within six (6) months of the Effective Date (b) CHF 210,000,000, if such Final Order is issued between six (6) and twelve (12) months after the Effective Date and (c) CHF 300,000,000, if such Final Order is issued later than twelve (12) months after the Effective Date; or

(B) such Final Order grants LBHI's objection by reducing the amount of the Tschira-LBF Claims provided for in the settlement of revised Kollokationsplan, then the Tschira-LBHI Claim shall be the lower of the admitted amount and (a) CHF 150,000,000, if LBHI's objection is interposed within six (6) months of the Effective Date (b) CHF 210,000,000, if LBHI's objection is interposed between six (6) and twelve (12) months after the Effective Date and (c) CHF 300,000,000, if LBHI's objection is interposed later than twelve (12) months after the Effective Date, provided however, that anything to the contrary herein notwithstanding, such the Tschira-LBHI Claim shall not be reduced below the applicable Tschira-LBF Claim Cap, as hereinafter defined, applicable as of the date such objection was interposed; and

(z) if any party objects, but LBHI does not object (Negative Kollokationsklage by a third party) prior to the last day for filing an objection, the lower of amount provided for in the Tschira-LBF Settlement or the applicable Tschira-LBF Claim Cap, as hereinafter defined as of the date of such objection, shall automatically and without need for Court order become the Allowed Tschira-LBHI Claim regardless of whether it is ever admitted.

8. To the extent that a the Kollokationsplan, as revised by the LBF Liquidator, admits an aggregate amount for the Tschira-LBF Claims that exceeds (a) CHF 150,000,000, if determined pursuant to a Tschira-LBF Settlement that is executed within six (6) months of the Effective Date, (b) CHF 210,000,000, if determined pursuant to a Tschira-LBF Settlement that is executed between six (6) and twelve (12) months after the Effective Date, and (c) CHF 300,000,000, if determined pursuant to a Tschira-LBF Settlement that is executed later than twelve (12) months after the Effective Date (in each case, a "Tschira-LBF Claim Cap"), LBHI may interpose an objection to any such

Tschira-LBF Settlement and/or the admitted amount of the Tschira-LBF Claims as set forth in the revised Kollokationsplan (but only seek, by court motion or otherwise, to reduce the admitted amount of the Tschira-LBF Claims to the applicable Tschira-LBF Claim Cap and solely in Switzerland) (an "Authorized Objection"), and the Tschira Entities waive any and all rights that they may have in respect of LBHI pursuant to section 4.1 of the LBF Settlement as third party beneficiary (*Vertrag zugunsten Dritter*) and consent to LBHI interposing an Authorized Objection to any Tschira-LBF Settlement and/or the amount of the Tschira-LBF Claims that is set forth in the Kollokationsplan, as revised by the LBF Liquidator. LBHI shall indemnify the Tschira Entities for any and all losses, damages, costs and expenses, including, without limitation legal fees, incurred by them in connection with an objection by LBHI or its Affiliates to any Tschira-LBF Settlement and/or the amount of the Tschira-LBF Claims that is set forth in the Kollokationsplan, as revised by the LBF Liquidator, that is not an Authorized Objection and such indemnity claim shall be considered an Administrative Expense Claim (as defined in the Plan).

9. Notwithstanding anything to the contrary in section 7, no Distribution shall be made in respect of the Tschira-LBHI Claim by LBHI pursuant to the Plan until the first Distribution Date that occurs at least thirty (30) days after the date upon which the Allowed amount of the Tschira-LBHI Claim is determined as set forth in section 7 (the "Tschira Claim Determination Date"). If the Allowed amount of the Tschira-LBHI Claim is determined as set forth in section 7 above to be an amount greater than \$0.00, then

(i) (a) upon the first Distribution Date that occurs at least thirty (30) days after the Tschira Claim Determination Date, LBHI shall (i) pay CHF 12,500,000 (converted to USD at the exchange rate applicable on the date of such payment) to the Tschira Entities in full satisfaction of all expenses incurred by the Tschira Entities in defending the Adversary Proceeding and prosecuting the Tschira Appeal (the "Settlement Payment") and (b) make payment to the Tschira Entities in an amount equal to its pro-rata share of all accumulated distributions made to holders of Allowed Class 9A Claims from the Effective Date of the Plan through and including such Distribution Date (the "Initial Settlement Payment"), less the Settlement Payment, such that LBHI shall only make Distributions in respect of the Tschira-LBHI Claim to the extent that the cumulative amount distributable in respect of such claim exceeds the Settlement Payment; and

(ii) the Tschira Entities shall have an Allowed Administrative Expense Claim in the amount (which may be \$0.00) equal to (and converted to USD at the exchange rate applicable on the Admin Expense Calculation Date (as defined below)) of the Tschira-LBHI Claim converted to CHF at the exchange rate applicable on September 15, 2008 times (a) 1 less the percentage recovery of the Tschira-LBF Claims, less (b) all Distributions received in respect of the Tschira-LBHI Claim converted to CHF at the exchange rate applicable on each Distribution Date (the "Administrative Expense Claim"). The amount of the Administrative Expense Claim shall be finally determined and fixed in amount and, as soon as practicable thereafter, LBHI shall make a Distribution in respect of the Administrative Expense Claim on the date (the "Admin

Expense Calculation Date") that is the earlier of (x) the date upon which all distributions have been made in respect of the Tschira-LBHI Claim and the Tschira-LBF Claims, (y) the date upon which the Tschira-LBHI Claim has been deemed satisfied in full pursuant to section 8.13 of the Plan, on which date the Parties shall use reasonable efforts in good faith to determine and fix the amount of the Administrative Expense Claim within thirty-six (36) months based on a good faith determination of the expected distributions on the Tschira-LBF Claims and taking into account the prices of the Tschira-LBF Claims available on such date from generally recognized sources or the most recent closing bid quotations for such sources, or (z) five (5) years from the Effective Date, on which date the Parties shall use reasonable efforts in good faith to determine and fix the amount of the Administrative Expense Claim based on a good faith determination of the expected distributions on the Tschira-LBF Claims and the Tschira-LBHI Claim and taking into account the prices of the Tschira-LBHI Claim and the Tschira-LBF Claims available on such date from generally recognized sources or the most recent closing bid quotations for such sources.

10. The Tschira Entities authorize the Plan Administrator to provide a copy of this Settlement Agreement to the Claims Agent with instructions to update the claims registry in accordance with this Settlement Agreement.

11. Within 5 days of the Effective Date, LBHI shall withdraw the Adversary Proceeding with prejudice. Until the earlier of the Effective Date or the termination of this Settlement Agreement pursuant to its terms, the Adversary Proceeding and all time periods agreed to or imposed by any applicable statute, rule or the Bankruptcy Court shall be stayed.

12. Other than the right to receive the Settlement Payment and Distributions under the Plan and in accordance with this Settlement Agreement on account of the Tschira-LBHI Claim and the Administrative Expense Claim, the Tschira Entities and their Affiliates, successors and assigns, and their past, present and future members, officers, directors, shareholders, partners, principals, agents, insurers, servants, employees, representatives, administrators, executors, trustees and attorneys (collectively, the "Tschira Releasing Parties"), shall following the Effective Date have no further right to payment from LBHI, the Debtors, the Plan Administrator, their Affiliates (which shall not include LBF and Lehman Brothers International (Europe) "LBIE") or their respective successors or assigns (collectively, the "LBHI Released Parties") in respect of the Transactions, Master Agreements, Guarantee Claims, Tschira-LBF Claims, Tschira Appeal, Swiss Proceedings, or the Adversary Proceeding. Other than the right of the Tschira Entities to receive the Settlement Payment, the Administrative Expense Claim and Distributions under the Plan and in accordance with this Settlement Agreement, following the Effective Date, the Tschira Releasing Parties hereby irrevocably waive any and all claims (as defined in section 101(5) of the Bankruptcy Code), counterclaims, defenses, rights of setoff and recoupment, debt, liens, losses, demands, damages, costs and causes of action of whatever nature arising out of or relating to the Guarantee Claims, Tschira Appeal, or the Adversary Proceeding (collectively, the "LBHI Released Claims") against any of the LBHI Released Parties, and shall be barred from asserting any and all LBHI Released Claims whatsoever, whether known or unknown, whether accrued or

unaccrued, matured or unmatured, liquidated or unliquidated, certain or contingent, asserted or not asserted, and whether found in fact or law or in equity, in existence as of the execution of this Settlement Agreement; provided, however, that the releases granted in this section 12 shall not apply to obligations, rights, remedies or actions arising or accruing pursuant to this Settlement Agreement. On and after the Effective Date, and subject to the proviso herein, the LBHI Released Parties shall not, directly or indirectly, assist or support with information, documents or any other kind of evidence, take any action or commence any proceeding of any kind or nature against the Tschira Entities, including, without limitation, intervening or otherwise participating in any manner and in whatever capacity in the Negatory Swiss Proceedings, the Tschira Appeal, the Swiss Proceedings and any pending or future legal proceeding between and among LBF and the Tschira Entities in any court or other tribunal in any jurisdiction, including, without limitation, in the United Kingdom, other than the filing and prosecution of an Authorized Objection, *provided, however*, that to the extent requested by LBF, the LBHI Released Parties may provide the information and "derivative valuation and reconciliation services" expressly required by sections 4.5 and 9 of the LBF Settlement Agreement, but shall not provide any other assistance to LBF, including, without limitation, providing strategic or other advice to LBF, participate, directly or indirectly in negotiations regarding the Tschira-LBF Claims or any litigation concerning the Tschira Entities. For removal of doubt, nothing herein shall affect (i) a release of the Tschira Entities' claims of any kind, directly or indirectly, against LBF and /or Lehman Brothers International (Europe) ("LBIE"), including any such claim that is held, owned or pursued by LBHI through assignment, subrogation, sale or otherwise, or (ii) in any way the Tschira Entities' rights, if any, to claim, offset, obtain or otherwise deal in or with any cash, assets or other properties pledged to or held by LBF in connection with the Transactions, the Master Agreements or otherwise, or held by LBIE.

13. LBHI, the Plan Administrator, the Debtors, their respective successors or assigns, their Affiliates (which shall not include LBF and LBIE), and their past, present and future members, officers, directors, shareholders, partners, principals, agents, insurers, servants, employees, representatives, administrators, executors, trustees and attorneys (collectively, the "LBHI Releasing Parties"), shall upon the Effective Date automatically be deemed to have released the Tschira Entities, their respective successors or assigns, their Affiliates, and their past and present members, officers, directors, shareholders, partners, principals, agents, insurers, servants, employees, representatives, administrators, executors, trustees and attorneys (collectively, the "Tschira Released Parties") in respect of any claim, debt, liability, obligation, cause of action of whatever nature, whether known or unknown, including, without limitation, the Transactions, Master Agreements, Guarantee Claims, Tschira-LBF Claims, Tschira Appeal, Swiss Proceedings and the Adversary Proceeding. Other than LBHI's rights as provided in this Settlement Agreement, following the Effective Date, the LBHI Releasing Parties hereby irrevocably waive any and all claims (as defined in section 101(5) of the Bankruptcy Code), counterclaims, defenses, rights of setoff and recoupment, debt, liens, losses, demands, damages, costs and causes of action of whatever nature, including, without limitation, arising out of or relating to the Transactions, Master Agreements, Guarantee Claims, Tschira Appeal and the Adversary Proceeding (collectively, the "Tschira Released Claims") against any of the Tschira Released Parties, and shall be barred from

asserting any and all Tschira Released Claims whatsoever, whether known or unknown, whether accrued or unaccrued, matured or unmatured, liquidated or unliquidated, certain or contingent, asserted or not asserted, and whether found in fact or law or in equity, in existence as of the execution of this Settlement Agreement; provided, however, that the releases granted in this section 13 shall not apply to obligations, rights, remedies or actions arising or accruing pursuant to this Settlement Agreement. On or after the Effective Date, the LBHI Releasing Parties shall not object, and are barred from objecting, to the Allowed amount of the Tschira-LBHI Claim, the Administrative Expense Claim, and the Settlement Payment.

14. Prior to the Effective Date,

(i) the Plan Administrator shall have the right, in its discretion, to terminate this Settlement Agreement by written notice which must be delivered to the Tschira Entities prior to the Effective Date if (a) there is a breach, in any material respect, of the representations, warranties, and/or covenants of the Tschira Entities under this Settlement Agreement that has not been cured within three (3) Business Days after notice thereof is given to each of the Tschira Entities, or (b) the LBF Settlement Agreement has been terminated by LBF;

(ii) the Tschira Entities shall have the right, in their discretion, to terminate this Settlement Agreement by written notice which must be delivered to the Plan Administrator prior to the Effective Date, if (a) there is a breach, in any material respect, of the representations, warranties, and/or covenants of the Plan Administrator under this Settlement Agreement that has not been cured within three (3) business days after notice thereof is given to Plan Administrator, or (b) the LBF Settlement Agreement has been terminated by LBF; and

(iii) this Settlement Agreement shall be deemed terminated if, absent the consent of the Parties, the Effective Date has not occurred by March 20, 2014; *provided, however*, that such dates may be extended with the written consent of the Parties.

(iv) Notwithstanding anything to the contrary in this Settlement Agreement, this Settlement Agreement may not be terminated after the Effective Date.

(v) LBHI shall provide to the Tschira Entities copies of any and all termination notices ("Termination Notices") received, on and after the Execution Date, from LBF concerning the LBF Settlement Agreement and any all communications related to termination or potential termination of the LBF Settlement Agreement (collectively with Termination Notices, "Termination Communications"), on the day LBHI received such notices or communications. Within one day of the Execution Date LBHI shall provide to the Tschira Entities with copies of Termination Communications received between the Execution Date and February 19, 2014.

15. In the event that this Settlement Agreement is terminated in accordance with its terms, neither this Settlement Agreement (except for this section 15)

nor any motion or other papers filed in the Court or on appeal with respect to the approval of this Settlement Agreement shall have any *res judicata* or collateral estoppel effect or be of any force or effect, each of the Parties' respective interests, rights, remedies, and defenses shall be restored without prejudice as if this Settlement Agreement had never been executed, and the Parties shall be automatically relieved of any further obligations under this Settlement Agreement. Upon such termination, this Settlement Agreement and all communications and negotiations among the Parties with respect hereto or any of the transactions contemplated hereunder are without waiver of or prejudice to the Parties' rights and remedies and the Parties hereby reserve all claims, defenses, and positions that they may have with respect to each other.

16. This Settlement Agreement contains the entire agreement between the Parties as to the subject matter hereof and supersedes all prior agreements and undertakings between the Parties relating thereto.

17. This Settlement Agreement may not be modified other than by signed writing executed by the Parties hereto.

18. Each person who executes this Settlement Agreement represents and warrants that he or she is duly authorized to do so on behalf of the respective Party hereto and that each such Party has full knowledge and has consented to this Settlement Agreement.

19. The Tschira Entities represent and warrant that on the Effective Date, (i) they own the Tschira-LBF Claims free and clear of any and all liens, claims, setoff rights, security interests, participations, or encumbrances, and have not transferred or assigned to any other person any of the Tschira-LBF Claims, in whole or in part, except for any such interests and rights that do not limit their rights to enter into this Settlement Agreement and perform their obligations thereunder, and (ii) neither Tschira Entity has entered into any agreements with LBF concerning any of the claims or legal proceedings that are the subject of this Settlement Agreement.

20. LBHI represents and warrants that on the Effective Date, it owns the alleged claims against the Tschira entities free and clear of any and all liens, claims, setoff rights, security interests, participations, or encumbrances, and have not transferred or assigned to any other person any of the alleged claims, in whole or in part.

21. Each Tschira Entity represents and warrants that the execution and delivery by it of, and the performance by it of its obligations under, this Settlement Agreement are within its corporate powers, have been duly authorized by all necessary action, and will not contravene any constitutional document or other instrument or agreement binding on it, or any law, regulation, judgment, order or administrative action binding on it.

22. Subject to entry of an order by the Bankruptcy Court approving the Settlement Agreement pursuant to Bankruptcy Rule 9019, the Plan Administrator represents and warrants that the execution and delivery by it of, and the performance by it

of its obligations under, this Settlement Agreement are within its corporate powers, have been duly authorized by all necessary action, and will not contravene any constitutional document or other instrument or agreement binding on it, or any law, regulation, judgment, order or administrative action binding on it.

23. This Settlement Agreement may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Settlement Agreement to present any copy, copies, or facsimiles signed by the Parties hereto to be charged. Delivery of an executed counterpart of a signature page by facsimile or PDF transmission shall be as effective as delivery of a manually executed counterpart.

24. This Settlement Agreement shall inure to the benefit of, and shall be binding upon, the Parties hereto and their respective successors and assigns.

25. All rights under Section 1542 of the California Civil Code, or any analogous state or federal law, are hereby expressly WAIVED, if applicable, with respect to any of the claims, injuries, or damages described in the release sections of this Settlement Agreement. Section 1542 of the California Civil Code reads as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

26. This Settlement Agreement shall be exclusively governed by and construed and enforced in accordance with the laws of the State of New York, without regard to conflicts of law principles thereof.

27. The Court shall have exclusive jurisdiction over any and all disputes arising out of or otherwise relating to this Settlement Agreement. Should the Court abstain from exercising its jurisdiction or be found not to have jurisdiction over a matter relating to this Settlement Agreement, such matter shall be adjudicated in either a federal district court in the State of New York or a state court in the State of New York.

28. The fees and expenses incurred by each Party in connection with this Settlement Agreement will be paid by such Party.

29. Each Party acknowledges that this Settlement Agreement effects a settlement of potential claims and counterclaims that are denied and contested, and that nothing contained herein shall be construed as an admission of liability or wrongdoing.

30. This Settlement Agreement constitutes a fully negotiated agreement among commercially sophisticated parties and therefore shall not be construed or interpreted for or against any Party, and any rule or maxim of construction to such effect shall not apply to this Settlement Agreement.

THE UNDERSIGNED WARRANT THAT THEY HAVE READ THE TERMS OF THIS SETTLEMENT AGREEMENT, HAVE HAD THE ADVICE OF COUNSEL OR THE OPPORTUNITY TO OBTAIN SUCH ADVICE IN CONNECTION WITH READING, UNDERSTANDING AND EXECUTING THE SETTLEMENT AGREEMENT, AND HAVE FULL KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS SETTLEMENT AGREEMENT.

LEHMAN BROTHERS HOLDINGS
INC.

By: 

Print Name: Daniel J. Ehrmann

Title: Senior Vice President

DR. H.C. TSCHIRA BETEILIGUNGS
GMBH & CO. KG

By: _____

Print Name: _____

Title: _____

KLAUS TSCHIRA STIFTUNG GGMBH

By: _____

Print Name: _____


Title: _____

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Print Name: Daniel J. Ehrmann
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DR. H.C. TSCHIRA BETEILIGUNGS
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By:  _____
Print Name: BERND KRAMM
Title: DELEGATE

KLAUS TSCHIRA STIFTUNG GGMBH

By:  _____
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Title: DELEGATE