



London
Stock Exchange

10 Paternoster Square
London EC4M 7LS

Telephone +44 (0)20 7797 1000
www.londonstockexchange.com

16 July 2010

**For the attention of the
chairman/senior partner/compliance officer,
all member firms**

N15/10

STOCK EXCHANGE NOTICE

LEHMAN BROTHERS INTERNATIONAL (EUROPE) – IN DEFAULT – INFORMATION FOR NON MEMBER COUNTERPARTIES AND THEIR CUSTODIANS

1. This guidance is applicable to non-member clients and counterparties (“counterparties”) and their custodians who have unsettled transactions with Lehman Brothers International (Europe) (“Lehman”).
2. London Stock Exchange Notice N19/08 issued on 25th September 2008 provided guidance for LSE non-members who were counterparties to Lehman. This can be viewed on the LSE’s dedicated Lehman’s default webpage <http://www.londonstockexchange.com/traders-and-brokers/rules-regulations/default-information/lehman-brothers/lehman-brothers-default.htm>.
3. The LSE is moving towards the closing stages of its default process in relation to its member firms and is now concentrating on any remaining unsettled on Exchange, non-CCP transactions (“market contracts”) between Lehman and non-member counterparties. The LSE’s ability to reconcile these remaining unsettled market contracts relies heavily on submissions made by LSE non-members to the LSE identifying such transactions. To date, the LSE has received few such submissions.
4. To assist the LSE in its reconciliations of these remaining unsettled market contracts, any LSE non-members which have unsettled market contracts with Lehman should contact the LSE’s Deputy Default Official, John Newbury, on 0207 797 1615 or via email at jnewbury@londonstockexchange.com together with appropriate confirmatory material, no later than Friday 6th August 2010. After this date the LSE will begin its final reconciliations on the basis of the information available and finally close out the Lehman’s default process.

5. Any queries on this Notice should be addressed to either:

John Newbury, Deputy Default Official, telephone +44 20 7797 1615 email:
jnewbury@londonstockexchange.com; or

Karen Wu, UK Regulation, telephone +44 20 7797 3523 email:
kwu@londonstockexchange.com.

Nick Bayley
Head of UK Regulation

This Stock Exchange Notice will be available on the website at
<http://www.londonstockexchange.com/en-gb/products/membershiptrading/rulesreg/stockexnoticesnew/>

Calls to London Stock Exchange plc may be recorded to enable the Exchange to carry out its regulatory responsibilities.