



To all known creditors

7 August 2017

Our ref: GEB/STB/MT/CLB

Dear Sirs

LB Holdings Intermediate 2 Limited- in Administration (“LBHI2”)

The Joint Administrators (“Administrators”) intend to declare a first interim dividend to the unsubordinated, unsecured creditors of LBHI2 no later than two months from the last date for proving being **4 September 2017**. Formal notice is attached at Appendix A.

For further information, contact details, and proof of debt forms, please visit <http://www.pwc.co.uk/services/business-recovery/administrations/lehman/lbhi2-limited-in-administration.html>.

If you have not yet done so, please submit a proof of debt, and, if so requested, provide such further details or produce such documentary or other evidence as may appear to the Administrators to be necessary. Alternatively, you can email a completed proof of debt form to lehman.affiliates@uk.pwc.com.

A creditor who has not proved their debt by the last date for proving will be excluded from the dividend.

Your attention is drawn to Appendix B, which deals with deductions for income tax in relation to dividend payments.

If you have any queries, please do not hesitate to contact my colleague, Carly Barrington on +44 (0)207 213 3387.

Yours faithfully
For and on behalf of LB Holdings Intermediate 2 Limited

GE Bruce
Joint Administrator

AV Lomas, SA Pearson, DA Howell, GE Bruce and JG Parr were appointed as Joint Administrators of LB Holdings Intermediate 2 Limited to manage its affairs, business and property as agents without personal liability. The Joint Administrators are licensed in the United Kingdom to act as insolvency practitioners by the Institute of Chartered Accountants in England and Wales. The Joint Administrators are bound by the Insolvency Code of Ethics which can be found at: <https://www.gov.uk/government/publications/insolvency-practitioner-code-of-ethics>.

The Joint Administrators are Data Controllers of personal data as defined by the Data Protection Act 1998. PricewaterhouseCoopers LLP will act as Data Processor on their instructions. Personal data will be kept secure and processed only for matters relating to the Administration.

PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT
T: +44 (0) 20 7583 5000, F: +44 (0) 20 7212 7500, www.pwc.co.uk

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**NOTICE OF INTENDED DIVIDEND PURSUANT TO RULE 14.29 OF
THE INSOLVENCY (ENGLAND AND WALES) RULES 2016**

LB HOLDINGS INTERMEDIATE 2 LIMITED - IN ADMINISTRATION

REGISTERED NO: 05957878

REGISTERED ADDRESS: 7 MORE LONDON RIVERSIDE, LONDON SE1 2RT

**IN THE HIGH COURT OF JUSTICE, CHANCERY DIVISION, COMPANIES COURT, NO.
429 OF 2009 / CR-2009-000052**

Notice is hereby given, pursuant to Rule 14.29 of the Insolvency (England and Wales) Rules 2016 that the joint administrators intend to declare a first interim dividend to unsubordinated unsecured creditors within two months from the last date of proving, being **4 September 2017**. Such creditors are required on or before that date to submit their proofs of debt to the joint administrators, PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, United Kingdom, marked for the attention of Carly Barrington or by email to lehman.affiliates@uk.pwc.com.

Persons so proving are required, if so requested, to provide such further details or produce such documents or other evidence as may appear to the joint administrators to be necessary.

The joint administrators will not be obliged to deal with proofs lodged after the last date for proving but they may do so if they think fit.

For further information, contact details, and proof of debt forms, please visit <http://www.pwc.co.uk/services/business-recovery/administrations/lehman/lbhi2-limited-in-administration.html>. Alternatively, please call Carly Barrington on +44(0)207 213 3387.

Joint administrators' details:

Derek Anthony Howell (IP no. 6604), Anthony Victor Lomas (IP no. 7240), Steven Anthony Pearson (IP no. 8832), Julian Guy Parr (IP no. 8003), Gillian Eleanor Bruce (IP no. 9120), all of PricewaterhouseCoopers LLP, 7 More London Riverside, London SE1 2RT, United Kingdom

Date of administration appointment: 14 January 2009

Dated: 7 August 2017

G E Bruce
Joint Administrator

UK TAX LEGISLATION AND DEDUCTION OF INCOME TAX

Under UK tax legislation there is a general obligation for a company to deduct UK income tax at 20% from payments of yearly interest, subject to certain exceptions.

In December 2015, an application was made to the High Court by the Administrators of Lehman Brothers (International) Europe for directions as to whether the payment of statutory interest by a company in administration constitutes yearly interest for the purposes of section 874(1) of the Income Tax Act 2007. HM Revenue & Customs (“HMRC”) was joined as respondent to the application.

The High Court ruled in November 2016 that statutory interest was not to be treated as yearly interest for the purposes of the UK deduction of income tax rules. However, HMRC was granted permission to appeal the decision, which they did, and the appeal is now scheduled to be heard in October 2017.

If HMRC’s appeal is successful, it will look to recover any income tax not deducted from statutory interest payments made by the Administrators, except where an exemption from the requirement to deduct applies. As a result, the circumstances in which the Administrators can make statutory interest payments without provision for income tax at this time are limited.

As it is likely that the appeal or any subsequent appeals will not have been heard by the time the proposed distribution is made, if statutory interest becomes payable, the Administrators will hold back from such distribution an amount for the total income tax and interest which would be due to HMRC if income tax was required to be deducted from payments of statutory interest (the “WHT Provision”) and retain the WHT Provision until such time as the deduction of income tax from payments of statutory interest is finally decided by the Court.

This will apply to any statutory interest that is payable to you, if you submit a claim and it is admitted for dividend, unless you can provide evidence to the satisfaction of the Administrators and/or HMRC that you are either:

- i) a company that is tax resident in the UK that is beneficially entitled to receive the statutory interest, and is thereby exempt from the requirement to deduct income tax under s.933 of the Income Tax Act 2007; or
- ii) a company that is not tax resident in the UK but which operates through a permanent establishment in the UK that is beneficially entitled to receive the statutory interest, and is thereby exempt from the requirement to deduct income tax under s.934 of the Income Tax Act 2007; or
- iii) a body eligible for exemption from the requirement to deduct income tax under domestic UK tax legislation other than s.933 and s.934 of the Income Tax Act 2007, or otherwise.

Subject to the final decision of the Court on the matter, any WHT Provision will subsequently be paid either to creditors in respect of their statutory interest entitlement, or to HMRC, as applicable.

If you wish to be considered for exemption from the requirement to deduct UK income tax and so not be subject to the withholding of an amount in respect of the WHT Provision from any statutory interest payments that may be due to you, please complete the relevant section of information form at Appendix C.

Nothing contained within this letter constitutes UK tax advice. It is recommended that you seek independent UK tax advice where required.

| LB HOLDINGS INTERMEDIATE 2 LIMITED – IN ADMINISTRATION | |
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| TAX CERTIFICATION <i>(to be completed only by unsecured creditors who wish to be considered for exemption from the requirement to deduct UK income tax and so not subject to the holding back of the WHT provision from their Statutory Interest payment)</i> | |
| PART 1: FOR COMPLETION BY UK TAX-RESIDENT COMPANIES | |
| I declare and confirm that the above-named creditor (under the General Creditor Information section) is a UK tax-resident company and is beneficially entitled to the payment of Statutory Interest, as per s.933 of the Income Tax Act 2007 | Yes / No |
| Please provide the Unique Taxpayer Reference (“UTR”) / UK Corporation tax ID of the above-named creditor: | |
| Was your debt purchased from another party? | Yes / No |
| If the answer to the above question is “yes,” please provide details of: i) who the claim was acquired from; and ii) the effective date of acquisition. | |
| Was your debt sold to another party? | Yes / No |
| If the answer to the above question is “yes,” please provide details of: i) who the claim was sold to; ii) the effective date of sale; and iii) contact details of the purchaser. Please provide a copy of this letter with appendices to the purchaser, for completion by them. | |
| Are you intending to direct the Statutory Interest payment to another party? | Yes / No |
| If the answer to the above question is “yes,” please provide details of: i) ii) who the payment will be directed to; and iii) contact details. Please provide a copy of this letter with appendices to the other party, for completion by them. | |

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| I acknowledge that any information provided on this form may be made available to HMRC for the purpose of confirming the creditor's withholding tax entitlement (please delete as applicable) | Yes / No |
| PART 2: FOR COMPLETION BY NON-UK TAX RESIDENT COMPANIES OPERATING THROUGH A UK PERMANENT ESTABLISHMENT | |
| I declare and confirm that the above-named creditor (under the General Creditor Information section) is a non-UK tax-resident company operating through a permanent establishment in the UK and the Statutory Interest is attributable for tax purposes to that permanent establishment such that the permanent establishment is beneficially entitled to receive the Statutory Interest, as per s.934 Income Tax Act 2007 | Yes / No |
| Please provide the Unique Taxpayer Reference ("UTR")/ UK Corporation tax ID of the above-named creditor: | |
| Was your debt purchased from another party? | Yes / No |
| If the answer to the above question is "yes," please provide details of: iii) who the claim was acquired from; and iv) the effective date of acquisition. | |
| Was your debt sold to another party? | Yes / No |
| If the answer to the above question is "yes," please provide details of: iv) who the claim was sold to; v) the effective date of sale; and vi) contact details of the purchaser. Please provide a copy of this letter with appendices to the purchaser, for completion by them. | |
| Are you intending to direct the Statutory Interest payment to another party? | Yes / No |
| If the answer to the above question is "yes," please provide details of: iv) who the payment will be directed to; and v) contact details. Please provide a copy of this letter with appendices to the other party, for completion by them. | |
| I acknowledge that any information provided on this form may be made available to HMRC for the purpose of confirming the creditor's withholding tax entitlement (please delete as applicable). | Yes / No |

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| PART 3: FOR COMPLETION BY OTHER UNSECURED CREDITORS WHO DO NOT FALL WITHIN PART 1 OR 2 | |
| If you believe you are entitled to benefit under an exemption under domestic UK tax legislation, other than s.933 and s.934 of the Income Tax Act 2007 or otherwise, please contact us with further information, including your: legal name; and tax and/or legal ID number | |
| I acknowledge that any information provided on this form may be made available to HMRC for the purpose of confirming the creditor's withholding tax entitlement (please delete as applicable). | Yes / No |
| CONFIRMATION | |
| I confirm that the above information is accurate and complete and that I am duly authorised to submit this form on behalf of the creditor. | |
| Signature of creditor or person authorised to act on behalf of the creditor: | |
| Print name: | |
| Date: | |
| Position/ relationship with creditor (e.g. Director, Company Secretary): | |