

Lehman Brothers Distributions

The Securities

The securities in respect of our Lehman affected Plans were issued by either **Lehman Brothers Securities N.V. (“LBS”)** or **Lehman Brothers Treasury B.V. (“LBT”)**. In both cases, the guarantor of the obligations of LBT and LBS to meet the payments due from the Securities was **Lehman Brothers Holdings Inc. (“LBHI”)**. Individual Accounts held either LBS or LBT securities, never both.

Who pays distributions?

Meteor made claims to each of LBHI, LBT and LBS. Up to May 2015, we received distributions from each of those Lehman entities.

Accounts that held securities originally issued by LBS received distributions from LBHI and LBS, Accounts that held LBT securities received distributions from LBHI and LBT.

For Accounts that held LBS securities this changed after May 2015 as described in “Wind-Down of the LBS Estate” below.

For Accounts that held LBT securities this changed after May 2019 as described in the “Partial Wind-Down of the LBT Estate” below.

Timing and Receipt of Distributions

LBHI Claim - LBHI paid its first distribution in respect of our Class 5 Guarantee Claim in April 2012 and, in accordance with its Chapter 11 Plan, has paid subsequent distributions at six monthly intervals thereafter.

It has also paid three unscheduled distributions in June 2016, December 2017 and July 2019 after reaching settlement agreements with two major US banks and another Lehman entity respectively.

LBT Claim - LBT’s chief asset was its Class 4A claim against LBHI. At the same times that LBHI paid distributions to Meteor, it also made distributions to LBT. LBT used those distributions to pay its own distributions to its creditors, including Meteor. LBT made its first distribution in May 2013 after its receipt of the third LBHI distribution and made subsequent payments about a month after each LBHI distribution.

It made a final distribution to Meteor in May 2019 - see “Partial Wind-Down of the LBT Estate”.

LBS Claim – LBS’s chief asset had been its Class 4A claim against LBHI. From July 2013 it made distributions on a similar basis to LBT. LBS made a final distribution in May 2015 and transferred its claim against LBHI to its creditors - see “Wind-Down of the LBS Estate” below.

Wind-Down of the LBS Estate

LBS made its final distribution in May 2015 and then transferred its Class 4A claim against LBHI to LBS creditors on a pro-rata basis. The first distribution from the inherited Class 4A Claim was made to us by LBHI in October 2015 alongside the distribution in respect of our Class 5 Guarantee Claim. Subsequent Class 4A distributions have been paid at the same time as each Class 5 distribution.

At the time the LBS estate was wound down, customers were able to ask LBS to sell the right to inherit a share of the Class 4A Claim. A small number of Meteor investors chose this option and received the sale proceeds in the form of a one-off Cash Distribution from LBS. Those customers continue to receive distributions from the Class 5 Guarantee Claim, but do not receive distributions from the inherited Class 4A claim.

Partial Wind-Down of the LBT Estate

In the partial wind-down, qualifying creditors could apply to maintain their claims against LBT. Those who did not qualify, which included Meteor, received a final distribution.

The final distribution was funded by LBT selling a proportionate share of its Class 4A Claim against LBHI to third party purchasers. The proportion of the Class 4A Claim which was sold was based on the relative claims values of those creditors who maintained their claims and those that did not.

The final distribution was paid by LBT in May 2019.

We will no longer receive distributions from LBT but will continue to receive distributions from the Class 5 Guarantee Claim made to LBHI in respect of its role as guarantor of LBT securities.

Currency Exchange

LBHI and ex-LBS claim valuations are calculated in US Dollars and all distributions are paid to us in US Dollars. The exchange rate between the US Dollar and Sterling applicable at the time a distribution is paid will affect the relative value of a distribution.

Payment of Distributions to Investors

Distributions are processed and allocated to individual Accounts and, where we have received payment instructions, paid to investors as soon as possible after receipt.

Investors who have not provided payment instructions should contact us to arrange the receipt of any distributions that are still held on their Accounts.

How much has been received to date?

The amounts differ quite markedly between each security because of the variables involved but the amount received to date ranges between 54.83% and 94.91% of the original investment amounts.

The average amount paid is just under 69.99% of the amounts originally invested.

How much will be paid overall?

It is not possible to give an indication of how much will be received overall but in its Quarterly Report for the period up the end of June 2019, which was published in September 2019, LBHI estimated that future recoveries would be:

- For the Class 4A Claim, 0.753% of the claims valuations
- For the Class 5 Claim, 0.589% of the claims valuations

If borne out in practice and assuming the Dollar/Sterling exchange rate prevailing at the time of the distributions paid in October 2019, this would equate to further distributions equivalent to between 1.33% and 2.30% of the amounts invested for LBS securities and between 0.52% and 0.77% for LBT securities, depending on which security is held.

LBHI's estimates may be higher or lower than what is paid in practice and exchange rates at each subsequent distribution will differ from that prevailing at the time of its most recent distribution.

LBHI has not committed to updating its estimates in future quarterly reports but, if it does so, we will update this information accordingly. We will update this information to allow for changes in the USD/GBP exchange rate only at such times as LBHI updates its estimates or a further distribution is paid.

How much longer will it take for LBHI to complete its liquidation process?

In an update in September 2019, LBHI stated

“Future expenses and distributions are dependent in large measure on the resolution of various legal matters involving the Company and its Non-Controlled Affiliates. The remaining legal matters require resolution in the United States, as well as multiple foreign jurisdictions, including the United Kingdom, France, Germany, India, Spain and Australia. The timing for achieving final administrative or judicial resolution of these legal issues is uncertain. As a consequence, [LBHI] cannot definitively specify a date for the final termination of its activities”.

It seems likely that distributions will continue for some time but it is not possible to predict when they will end.

Statements

Statements detailing the distributions received and paid to date are usually sent in April or May as soon as possible after the receipt of scheduled distributions. Copies of statements are also sent to customers' advisers. If a customer holds Lehman securities through a pension arrangement, wrap or other platform, the statements will have been sent to the pension/wrap/platform provider and the beneficial owner is advised to liaise with that provider and/or their adviser for further information.

If a statement shows an outstanding cash balance, customers should contact us to arrange for the payment of that balance.

This information was updated on 4th October 2019