

LEHMAN BROTHERS HOLDINGS INC.

Minutes of the Board of Directors
July 16, 2008

A meeting of the Board of Directors of Lehman Brothers Holdings Inc. (the "Corporation" or collectively with its subsidiaries, the "Firm") was held telephonically at 4 p.m. on July 16, 2008, pursuant to written notice.

PRESENT – BOARD MEMBERS

Mr. Michael L. Ainslie
Mr. John F. Akers
Mr. Roger S. Berlind
Mr. Thomas H. Cruikshank
Ms. Marsha Johnson Evans
Mr. Richard S. Fuld, Jr.
Sir Christopher Gent
Mr. Jerry A. Grundhofer
Mr. Roland A. Hernandez
Mr. Henry Kaufman
Mr. John D. Macomber

ALSO PRESENT BY INVITATION

Mr. Ian T. Lowitt
Mr. Thomas A. Russo
Mr. Jeffrey A. Welikson

STRATEGIC UPDATE

Mr. Fuld updated the Board of Directors on the Firm's funding and its client business. He reported that the Firm is continuing its review of strategic alternatives concerning mortgage and real estate assets. Mr. Fuld described the alternatives of bulk sales, a spin-off to stockholders, and maintaining the status quo. Mr. Fuld reported that the Firm is continuing to investigate the possibility of selling the Firm's asset management business. He also reported that the Firm is continuing to investigate the possibility of going private. Mr. Fuld described the discussions that have taken place with two private equity firms regarding going private, and he indicated that one of these private equity firms is beginning to conduct due diligence. There was also a discussion regarding the hiring of Gary Parr, Deputy Chairman of Lazard, to assist in the exploration of strategic alternatives. The Board directed questions to management regarding the

possible sale of the Firm's asset management business, the possibility of the Firm going private, and the potential mark-to-market adjustments on the Firm's residential and commercial mortgages.

There being no further business to come before the meeting, the meeting was, upon motion duly made and seconded, adjourned.

Respectfully submitted,

Jeffrey A. Welikson

Jeffrey A. Welikson
Secretary of the Meeting