

Larry S. Wieseneck
Global Finance

- White Sheet to Employee
- Do Not Distribute Green Sheet.

Memorandum

TO	Communicating Managers
FROM	Gary Weinstein
DATE	December 12, 2007
SUBJECT	Compensation Communication Talking Points

Below please find some suggested talking points for communication of compensation numbers to your direct reports. Please take the time to do more than simply quote a number – it is important that our people understand how we came to the conclusions we did with respect to compensation.

Firm/IBD Performance

- Overall, the Firm performed well in difficult circumstances this year.
 - As you know, it was a challenging year, with record levels of market activity in the first half followed by a dramatic pullback in the second half.
 - Throughout the year, we continued to focus on the long-term development of the franchise and invested in new business opportunities/strategic hires.
- Although IBD's revenues are up slightly from last year, we did not meet our original budget number, and we experienced productivity (revenue per senior banker) erosion globally.
- Other parts of the Firm had even more challenging years, and we are all in this together as one Firm.
- *[Additional Firm performance talking points will be distributed immediately after earnings are released Thursday morning].*

Comp Philosophy/Rationale

- This has been a challenging year for the Firm and our division with respect to comp.
 - IBD's overall comp pool is essentially flat, but keep in mind it is flat from last year's record levels.
 - Furthermore, we are paying our top-performing junior bankers in a responsible fashion (i.e., competitively with our peers on the Street in order to protect our talent) which clearly impacted senior banker compensation.
 - Most senior bankers' total comp is down. A flat outcome for senior bankers this year should be viewed very positively
 - We have a responsibility to the shareholders to be judicious with respect to the comp/revenue ratio and, as equity holders ourselves, we all will benefit from that discipline in the long term
- Banking is a cyclical business – we've been through challenging years before and we'll get through this one as well.
- The important thing is to not lose focus on building the franchise – we've made great strides and are well positioned heading into a period of market slowdown.
- Historically, Lehman takes share in challenging markets, and we are in a much stronger position than many of our competitors heading into this cycle.
- It's also important to know that comp is not formulaic.

- We are paying people based not only on their revenue production, but on their progress with key accounts, on the investments they've made in their businesses, the manner in which they have managed their people, and their firm-wide contributions.
- As always, the comp and review process was fair, consistent and thorough – in keeping with the practices of a meritocracy.

Equity Award Program Highlights

- The details of the cash/stock mix and the discount provisions are unchanged from last year (outlined in the three separate attachments).
- The Stock Price has been set as follows:

Market Price:	\$63.47
<u>RSU/CSA/CEAs are as follows:</u>	
MDs	\$44.43 (30% discount)
SVPs & below	\$47.60 (25% discount)

- The grant date is December 7, 2007. The grant date was determined in advance by the Compensation and Benefits Committee of the Board at the November meeting.
- Stock awarded as part of the 2002 process has just fully vested (November 30, 2007).
- It's also important to recognize the value of the equity portion of your compensation.
 - While history is no guarantee of future results, if you take into account the discount and the rise in the stock price over the full five-year vesting period, an MD who received \$1,000,000 of total compensation in 2002, ended up receiving about \$1.78 million in total compensation value.

Cash Bonus Payments/Base Salary Increases

- Cash bonuses will be paid on or about January 31, 2008.
- US increases are effective December 2, 2007 and will be reflected in the January 25, 2008 paycheck. Europe and Asia increases are effective December 1, 2007.
- Employees on a monthly payroll will receive their salary increase in the February 2008 paycheck, retroactive to December 1, 2007.

Diversity Awards

- Those individuals that made a meaningful contribution to our diversity efforts received a diversity award.
- The amount was based on the employee's level of contribution and was determined by senior management.

Please let me know if you have any questions.

LEHMAN BROTHERS

SUMMARY OF SELECT MATERIAL TERMS OF THE 2007 EQUITY AWARD PROGRAM FOR BONUS-ELIGIBLE AND PRODUCTION-BASED EMPLOYEES

	All Employees up to and including Vice President	Senior Vice Presidents	Managing Directors
Amount of Equity Award	The portion of total compensation in conditional equity awards will remain the same (for bonus eligible employees) and will increase (for production-based employees) compared to 2006 levels.		
Maximum Portion of Total Compensation in Equity	36%	42%	50%
Equity Award Components	100% of the equity award will be in RSUs (subject to a 5-share minimum).		
Discount	The discount will remain at 25%.	The discount will remain at 25%.	The discount will remain at 30%
<u>Vesting & Delivery Schedule</u>			
RSUs	Vesting for RSUs will remain the same: – 75% (principal portion) vests after 2 years – 25% (discount portion) vests after 5 years	Vesting for RSUs will remain the same: – 75% (principal portion) vests after 2 years – 25% (discount portion) vests after 5 years	Vesting for RSUs will remain the same: – 35% (half of principal) vests after 3 years – 65% (balance of principal plus discount) vests after 5 years
Share Payment Date	Vested RSUs convert to shares of common stock on November 30, 2012 (the "Share Payment Date") for both continuing and terminated employees (except in the case of Death or Disability, whereby RSUs convert to shares 30 days after the termination date).		

Termination Provisions

Voluntary Termination (but not Full Career)

Participants forfeit all unvested RSUs. Any remaining RSUs will convert to shares and be issued on the Share Payment Date, provided the participant does not engage in Detrimental Activity through that date.

Involuntary Termination (but not Full Career)

Involuntary Termination without Cause: Participants will become entitled to the Principal portion of their award, including the unvested Principal portion (provided the participant signs a Firm-standard release agreement). The Discount portion will be forfeited. Shares will be issued on the Share Payment Date, provided the participant does not engage in Detrimental Activity through that date.

Involuntary Termination with Cause: Participants will forfeit 100% of the Principal and Discount portions of RSUs.

Full Career Termination

A termination is "Full Career" if:

- The participant has at least 20 years of service; OR
- The participant is at least 45 years old and has at least 10 years of service; OR
- The participant is at least 50 years old and has at least 5 years of service.

Voluntary Termination: Participants will receive 100% of both the RSU Principal and Discount on the Share Payment Date, provided they do not engage in Competitive Activity through the earlier of the end of the fiscal quarter one year following the termination date or the Share Payment Date, and do not engage in Detrimental Activity through the Share Payment Date.

Involuntary Termination: Participants will receive 100% of both the RSU Principal and Discount on the Share Payment Date, provided they do not engage in Detrimental Activity through that date.

Death or Disability

Entire Principal and Discount portions immediately vest, and shares are issued 30 days following the termination date.

LEHMAN BROTHERS

2007 EQUITY AWARD SCHEDULE

AMOUNT OF TOTAL COMPENSATION ("TC") IN EQUITY-BASED AWARDS			
TOTAL COMPENSATION RANGE	EMPLOYEES THROUGH THE VICE PRESIDENT LEVEL	SENIOR VICE PRESIDENTS	MANAGING DIRECTORS
\$0 - \$74,999	1.15% of 2007 TC	2.3% of 2007 TC	2.3% of 2007 TC
\$75,000 - \$99,999	2.3% of 2007 TC	2.3% of 2007 TC	2.3% of 2007 TC
\$100,000 - \$199,999	\$2,300 plus 6.9% of 2007 TC over \$100,000	\$2,300 plus 6.9% of 2007 TC over \$100,000	\$2,300 plus 6.9% of 2007 TC over \$100,000
\$200,000 - \$299,999	\$9,200 plus 11.5% of 2007 TC over \$200,000	\$9,200 plus 11.5% of 2007 TC over \$200,000	\$9,200 plus 11.5% of 2007 TC over \$200,000
\$300,000 - \$499,999	\$20,700 plus 17.25% of 2007 TC over \$300,000	\$34,500 plus 18.687% of 2007 TC over \$300,000	\$34,500 plus 18.687% of 2007 TC over \$300,000
\$500,000 - \$749,999	\$55,200 plus 23% of 2007 TC over \$500,000	\$71,875 plus 23% of 2007 TC over \$500,000	\$71,875 plus 23% of 2007 TC over \$500,000
\$750,000 - \$999,999	\$112,700 plus 28.75% of 2007 TC over \$750,000	\$129,375 plus 40.25% of 2007 TC over \$750,000	\$129,375 plus 40.25% of 2007 TC over \$750,000
\$1,000,000 - \$1,499,999	\$192,600 plus 36% of 2007 TC over \$1.0 million	\$240,000 plus 42% of 2007 TC over \$1.0 million	\$240,000 plus 52.8% of 2007 TC over \$1.0 million
\$1,500,000 - \$1,999,999	\$372,600 plus 42% of 2007 TC over \$1.5 million	\$450,000 plus 54% of 2007 TC over \$1.5 million	\$504,000 plus 67.2% of 2007 TC over \$1.5 million
\$2,000,000 - \$2,499,999	\$582,600 plus 48% of 2007 TC over \$2.0 million	\$720,000 plus 66% of 2007 TC over \$2.0 million	\$840,000 plus 72% of 2007 TC over \$2.0 million
\$2,500,000 and up	\$822,600 plus 54% of 2007 TC over \$2.5 million up to a max of 36% of 2007 TC	42% of 2007 TC	\$1,200,000 plus 75% of 2007 TC over \$2.5 million up to a max of 50% of 2007 TC

Senior Vice President/Executive Director Rankings

Class	1			1/2			2			2/3			3						
	2006	2007	% Chg	2006	2007	% Chg	2006	2007	% Chg	2006	2007	% Chg	2006	2007	% Chg				
1998 & prior	Cannon M 1050 Hibou E 1100 Ho K 825 Kawabayashi W 1300	1150 1225 1200 1300	9.5 FIG L 11.4 M&A L 45.5 AS SI M&A NY	Bothe R 1200 Goebel D 940 Grado F 850 Harley G 1150 Hora N 1400 O'Dwyer M 1050 Ojima T 1000	1100 1000 1000 1150 1450 1250 950	(8.3) RSG L 6.4 EU AM 17.6 ECM L M&A L 3.6 ELH MP 19.0 NR L (5.0) FIG TK	Ackerman N + 2400 Budenbender B + 1000 Chang F + 775 D'Elia C + 700 Dapovic M + 600 Ehke T + 950 Jackson D + 950 Kendall S + 875 Maffre P + 1000	1500 1100 700 725 900 1050 1000 925 1000	(37.5) RSG L 10.0 POW NY (9.7) LF NY 3.6 EU RD 50.0 RSG L 10.5 M&A FK 5.3 M&A C 5.7 ECM NY LF L	Makela A + 800 Matsumoto S + 900 Natala J 1000 Roehm C + 725 Sanko M + 675 Sebastiani G + 950 Seltzer R + 952 Steffen T + 975 van Griensven K + 949.4	950 750 1000 525 600 1020 775 900 1000	18.8 EU L (16.7) CR TK M&A L IND C (11.1) LF NY 7.4 COM L (19.2) AS TK (7.7) IND NY 5.3 AS HK	> Weinstein D + 1000 Hitmar C 725 McGure J 1050 Phillips H 900 Yong E 325 Fujit T 659.2 McCully M 1100 Zvolofsky E - 700	800 700 600 1000 600 525 350 350	(20.0) CR NY (3.4) DCM L (42.9) POW NY 11.1 M&A L (8.1) AS TK (20.4) M&A TK (68.2) FIG NY (50.0) EU TV	Gurkan T 725 Kawanabe T 729.2 Lee M 811.3 Minnesota A 625 > Tumor N 450	250 250 (65.5) 250 (74.7) 250 (89.2) 243.7 (61.0) 250 (44.4)	CR NY DCM TK AS SO FIC P DCM L	
1999	Baladi A 1000 Feldkamp G 1100 Ghalter A 1000 Hutchinson B 1050 Kakada K 1222 Lamp F 1050 Levin D 1100 Rothenberg E 975 Valent J 1100	1200 1300 1100 1350 1400 1200 1600 1250 1175	20.0 MED L 18.2 ECM NY 10.0 GF L 28.6 NR HU 14.6 TEC MP 14.3 FIG AM 45.5 ELH NY 28.2 SPN NY 6.8 DCM NY	Czapla C 825 Gallesano L 850 Giappi M 1000 Jo C 1100 Kozalick K 900 Lieberthal M 950 Paneda I 850 Rogan S 1025 Shaffer M 950 Zubieta R 900	850 950 1400 1100 1000 1100 1000 1300 1400 925	3.0 GF NY 11.8 CR NY 40.0 ECM L FIG NY 11.1 M&A NY 15.8 FIG FK 17.6 EU MD 28.8 NR HU 47.4 LF NY 2.8 COM NY	Choi J + 650 Faessen W + 900 Ghosh P + 550 Gunnarsson R + 600 Iafel A + 1000 Lau L + 900 Mack G + 900 Marin D + 900 Pitt M + 950 Reid J + 950 Srinithi A + 1100	900 1000 500 800 1000 950 950 850 1050 1100	38.5 ECM HK 11.1 CR NY (9.1) IPS NY 3.3 HE L SPN L 5.6 M&A MP 5.6 RST NY (5.6) ECM NY 4.7 LF NY 10.5 FIG NY TEC MP	Van Stone J + 1000 VanderMolen D + 825 Blake J 850 Boeckmann U 600 Charollais J 567.1 Cutter S 925 Hessel T 599.9 Olamend M 850 Post M 850 Ranales J 820	1000 825 950 650 425 (25.1) DCM TK (12.0) LF NY 500 1000 875 800 787	M&A NY IND C 11.8 NR HU 8.3 EU FK (25.1) DCM TK (12.0) LF NY (16.7) AS TK 2.9 FIG MD (7.7) GF L (5.9) SPN L (4.0) IND NY	Wright A 700 Zhou C 400 Chen T 450 Hrynuk M - 700 Khasidy G - 400 Kuruda N - 800 Lim S - 698.1 > Oh M - 650 Park J - 600	650 325 400 400 500 550 350 450 500	(7.1) ECM L 31.3 AS BE 11.8 AS TA (42.9) ECM NY 25.0 RSG L (31.3) FIG TK (49.9) DCM HK (30.8) M&A NY (16.7) SPN HK	Kayano T 454.9 Sabharwal A 700	250 150	(45.0) IND TK (78.6) LF L	
2000	Berger A 1040 > Chapman J 950 Faere J 850 Gishen A 850 Halperin S 950 Kinchel A 800 Michael J 825 Pans J 875 Patterson G 850 Stover R 950 Riffkin A - 1040	1200 1201.5 1000 950 900 1100 1100 1025 1025 1200	15.4 CR NY 26.5 AS HK 17.6 POW L 11.8 ECM L (5.3) ELH NY 25.0 EU P 33.3 M&A NY 25.7 POW NY 20.6 TEC NY 7.8 DCM NY 15.4 CR NY	Baruch S 850 > Brown D 910 Burton B 850 > Casati M 850 Fabrizi V 775 Fry A 800 Hader J 800 Hayward D 1000 Hoveland S 750 Iles P 810 Kawauchi Raihan V 925 Kubota M 950 Lankin J 875 Marinello B 875 Maroni A 550 Meltzer B 900 Mischer V 900 Raimondi R 725 Robinson P 750 Ruppert M 925 Whiting J 900 Wilson B 775.1	775 976 900 920 900 900 1000 1000 775 900 900 925 850 950 925 850 950 1000 875 825	(8.8) LF NY 7.3 ECM NY 5.9 LF NY 8.2 DCM L 18.1 CR L 12.5 NR L 25.0 FIG NY DCM L 3.3 LF NY 11.1 MED NY SPN L (10.5) AS TK 8.6 M&A NY 5.7 DCM NY 54.5 DCM ML 5.6 SPN NY 11.1 FIG L 20.7 M&A NY 6.7 ELH NY 2.7 SPN NY 16.7 FIG NY 16.1 POW L	Fritsch KI + 820 Laguerre M + 700 Ma D + 775 Martinez J + 600 Meyer N + 775 Minton M + 810 Noh N + 875 Nesland J + 825	750 700 900 750 850 875 800 900	(8.5) MED NY PO NY 16.1 AS HK 25.0 AS HK 9.7 M&A NY 8.0 MED NY 2.9 N MUM 9.1 NR NY	Rushon J + 675 Schwartz M + 750 Sorrentino P + 675 Wu W + 775 Boyce E 850 Brown N 600 Frisch Ke 720 Gross J 650	775 750 11.1 LF NY AS HK 1.8 CR L 15.7 HE NY (2.8) MM NY 2.3 IPS NY	Kahn P 750 Lee J 650 Lofis M 665 Meyer P 500 Salvas A 670 Caribe D - 675 Kushno Y - 231.2	750 15.2 AS SO (2.2) IND C (5.0) IPS NY (8.2) EU RD (22.8) DCM L PO TK	Santodomingo A 460 Taphoorn R 755	350 350	(23.9) EU MD (53.6) EU AM	Hay J 575 Lee A 751.7 Mansurov H 329.4 Shin S 775	250 250 (66.7) 176.2 (46.5) 250 (67.7)	NR NY AS HK M&A TK DCM SO
9998	Prasad J 1125.8 Rees M 1000	1150 1150	2.1 DCM HK 15.0 FIG NY	Goold A + 800 Du H 1250 > Perper L 900	850 640 800	6.3 IPS NY (48.8) DCM SO (11.1) LF NY	Thatcher K 800 Fink P - 1500 Gaffey J - 300	800 600 250	(11.1) GF NY (60.0) RSG NY (16.7) FIG NY	Grull I - 300	300	IPS DU							

Groups
 ADM = Administration
 ADV = Advisory Group
 AS = Asia
 CM = Communications/Media Pool
 CR = Consumer/Retail
 CAN = Canada
 CC = Commitment & Credit Review
 CHP = Consumer/Healthcare Pool
 COM = Communications
 DCM = Debt Capital Markets
 ECM = Equity Capital Markets
 ELH = Edgy Linked & Hybrids
 EU = Europe
 FIG = Financial Institutions
 GF = Global Finance
 GFS = Global Finance Solutions
 HE = Healthcare
 HFC = Hedge Fund Coverage

IN = India
 IND = Industrial
 IPS = Insurance/Pension Solutions
 ITP = Industrial/Technology Pool
 LA = Latin America
 LF = Leveraged Finance
 M&A = Mergers & Acquisitions
 MED = Media
 MM = Middle Markets
 NPP = Natural Resources/Power Pool
 NR = Natural Resources
 PCM = Private Capital Markets
 PO = Principal Opportunities
 POW = Power
 RSG = Risk Solutions
 RST = Restructuring
 SPN = Financial Sponsors
 TEC = Technology

Locations
 AM = Amsterdam
 BE = Beijing
 C = Chicago
 CAL = Calgary
 DU = Duque
 DUB = Dubai
 FO = Rome
 FK = Frankfurt
 HK = Hong Kong
 HU = Houston
 L = London
 LA = Los Angeles
 MC = Mexico City
 MD = Madrid
 ME = Melbourne
 ML = Milan
 MOS = Moscow
 MP = Merilo Park
 MUM = Mumbai
 NY = NY
 P = Paris
 RO = Rome
 SI = Singapore
 SO = Seoul
 SP = Sao Paulo
 SY = Sydney
 TA = Taipei
 TK = Tokyo
 TO = Toronto
 TV = Tel Aviv
 ZU = Zurich

Lehman Brothers
2007 Total Compensation Statement

Employee : Hakanoglu,Erol
 Group : Global Finance
 Hire Date : 10/15/07
 Title: Managing Director

Employee ID : 10274813
 Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>
Annualized Salary	\$200,000
Bonus	\$4,800,000
TOTAL COMPENSATION	\$5,000,000
 Total Compensation Value	 \$6,032,692

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

For fiscal year 2007, guaranteed to be paid a bonus of \$4,800,000.

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$2,409,615	\$63.47	\$44.43	54,233.97

Your equity award was calculated based on total compensation of \$4,819,231, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$4,800,000	
Less Total RSUs	(\$2,409,615)	
Total Cash Payment (Before Taxes)	\$2,390,385	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

LEHMAN BROTHERS

Memorandum

TO Erol Hakanoglu

FROM Hilary McNamara, Human Resources

DATE December 12, 2007

SUBJECT Equity Award Program - Prior Service Confirmation

In June 2006, the Firm adopted a policy of providing MDs hired since December 1, 2002, credit for service with their prior employer for the purposes of calculating "Full Career" treatment under the Equity Award Program. In order for MDs to be eligible to receive this credit their immediate last employment must have involved business experience relevant to their position at Lehman Brothers, must have been for a period longer than one full year, and must have ended less than one year before their start date with Lehman Brothers.

To the extent that you have informed the Firm of such eligible service, and insofar as you remain employed with Lehman through the third anniversary of your start date, you will be eligible to receive this additional service credit.

Outlined below is a confirmation of this service credit, as well as the applicable vesting date for the credit:

Start Date:	10/15/2007
Prior Service Credit (years):	22.49
Service Credit Vesting Date:	10/14/2010

Please note that if your employment ends for any reason before the above vesting date, you will receive no credit for service with your last employer.

In addition, please note that "Full Career" eligibility criteria, including the length of service requirement, may vary from year to year in accordance with the terms of the Equity Award Program as then in effect.

If you have any questions, please contact your divisional Human Resources manager.

For internal use only.

Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : Hakanoglu,Erol
Group : Global Finance
Hire Date : 10/15/07
Title: Managing Director

Employee ID : 10274813
Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000		
Bonus	\$4,800,000		
TOTAL COMPENSATION	\$5,000,000		
Total Compensation Value	\$6,032,692		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

For fiscal year 2007, guaranteed to be paid a bonus of \$4,800,000.

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$2,409,615	\$63.47	\$44.43	54,233.97

Your equity award was calculated based on total compensation of \$4,819,231, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$4,800,000	
Less Total RSUs	(\$2,409,615)	
Total Cash Payment (Before Taxes)	\$2,390,385	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

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Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : Klein, Martin P.
 Group : Insurance/Pension Sol
 Hire Date : 4/23/98
 Title : Managing Director

Employee ID : 10069016
 Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000	\$200,000	\$200,000
Bonus	\$2,000,000	\$2,300,000	\$1,800,000
TOTAL COMPENSATION	\$2,200,000	\$2,500,000	\$2,000,000
Total Compensation Value	\$2,621,714		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline:	\$2,200,000	\$2,500,000	(\$300,000)	-12.0%
Firmwide Contribution: One-Firm Champion				

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$984,000	\$63.47	\$44.43	22,147.20

Your equity award was calculated based on total compensation of \$2,200,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$2,000,000	
Less Total RSUs	(\$984,000)	
Total Cash Payment (Before Taxes)	\$1,016,000	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

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Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : Winchenbaugh, Christopher F.
 Group : Debt Capital Markets
 Hire Date : 8/5/96
 Title : Managing Director

Employee ID : 10005716
 Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000	\$200,000	\$200,000
Bonus	\$3,300,000	\$2,200,000	\$1,700,000
Other Comp		\$350,000	
TOTAL COMPENSATION	\$3,500,000	\$2,750,000	\$1,900,000
Total Compensation Value	\$4,250,000		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline:	\$3,500,000	\$2,750,000	\$750,000	27.3%
Firmwide Contribution:	Diversity Contributor Recruiting/Programs Champion			

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$1,750,000	\$63.47	\$44.43	39,387.80

Your equity award was calculated based on total compensation of \$3,500,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$3,300,000	
Less Total RSUs	(\$1,750,000)	
Total Cash Payment (Before Taxes)	\$1,550,000	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES



Employee : Erickson, David S.
 Group : Equity Capital Markets
 Hire Date : 2/18/97
 Title : Managing Director

Employee ID : 10066320
 Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000	\$200,000	\$200,000
Bonus	\$4,550,000	\$4,000,000	\$3,300,000
TOTAL COMPENSATION	\$4,750,000	\$4,200,000	\$3,500,000
Total Compensation Value	\$5,767,857		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline:	\$4,750,000	\$4,200,000	\$550,000	13.1%
Firmwide Contribution:	Leadership Leader Recruiting/Programs Champion Philanthropy Champion			

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$2,375,000	\$63.47	\$44.43	53,454.87

Your equity award was calculated based on total compensation of \$4,750,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$4,550,000	
Less Total RSUs	(\$2,375,000)	
Less EE Transfers Out	(\$7,500)	
Total Cash Payment (Before Taxes)	\$2,167,500	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : Ragde, Martin J.
 Group : Risk Solutions Group
 Hire Date : 8/13/90
 Title : Managing Director

Employee ID : 10038851
 Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000	\$200,000	\$200,000
Bonus	\$2,300,000	\$1,800,000	\$1,550,000
TOTAL COMPENSATION	\$2,500,000	\$2,000,000	\$1,750,000
Cross-Divisional Award			\$10,000
Total Compensation Plus Awards			\$1,760,000
 Total Compensation Value	 \$3,014,286		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline (Without Awards):	\$2,500,000	\$2,000,000	\$500,000	25.0%
Firmwide Contribution:	Leadership Leader Recruiting/Programs Leader One-Firm Leader			

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$1,200,000	\$63.47	\$44.43	27,008.78

Your equity award was calculated based on total compensation of \$2,500,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$2,300,000	
Less Total RSUs	(\$1,200,000)	
Total Cash Payment (Before Taxes)	\$1,100,000	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : Lasser,Alexis D.
 Group : Private Capital Markets
 Hire Date : 4/2/97
 Title: Managing Director

Employee ID : 10066527
 Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000	\$200,000	\$200,000
Bonus	\$1,400,000	\$1,100,000	\$650,000
TOTAL COMPENSATION	\$1,600,000	\$1,300,000	\$850,000
Diversity Award	\$20,000	\$50,000	
Total Compensation Plus Awards	\$1,620,000	\$1,350,000	
 Total Compensation Value	 \$1,870,560		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline (Without Awards):	\$1,600,000	\$1,300,000	\$300,000	23.1%
Firmwide Contribution: Diversity Leader Recruiting/Programs Champion				

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$584,640	\$63.47	\$44.43	13,158.68

Your equity award was calculated based on total compensation of \$1,620,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation, including the diversity award. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$1,400,000	
Diversity Award	\$20,000	
Less Total RSUs	(\$584,640)	
Less EE Transfers Out	(\$4,000)	
Total Cash Payment (Before Taxes)	\$831,360	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : Filipov, Adrienne
 Group : Global Finance
 Hire Date : 8/6/01
 Title : Vice President

Employee ID : 10207221
 Stock Program : VP

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$175,000	\$150,000	\$110,000
Bonus	\$340,000	\$250,000	\$230,000
TOTAL COMPENSATION	\$515,000	\$400,000	\$340,000
Diversity Award	\$60,000		
Total Compensation Plus Awards	\$575,000		

Your outstanding contribution for recruiting has been reflected in your bonus.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline (Without Awards):	\$515,000	\$400,000	\$115,000	28.8%
Advancement:	Employee has been promoted to Senior Vice President			
Firmwide Contribution:	Diversity Champion Recruiting/Programs Champion			

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$72,450	\$63.47	\$47.60	1,522.06

Your equity award was calculated based on total compensation of \$575,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation, including the diversity award. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$340,000	
Diversity Award	\$60,000	
Less Total RSUs	(\$72,450)	
Total Cash Payment (Before Taxes)	\$327,550	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$175,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES



Employee : Roti,Stephen
 Group : Eqty Linked & Hybrid Sol
 Hire Date : 5/9/05
 Title: Managing Director

Employee ID : 10234674
 Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000	\$200,000	\$200,000
Bonus	\$4,400,000	\$3,300,000	\$2,300,000
TOTAL COMPENSATION	\$4,600,000	\$3,500,000	\$2,500,000
Total Compensation Value	\$5,585,714		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline:	\$4,600,000	\$3,500,000	\$1,100,000	31.4%
Firmwide Contribution:	Leadership Contributor Recruiting/Programs Leader			

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$2,300,000	\$63.47	\$44.43	51,766.82

Your equity award was calculated based on total compensation of \$4,600,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$4,400,000	
Less Total RSUs	(\$2,300,000)	
Total Cash Payment (Before Taxes)	\$2,100,000	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : O'Connor,Edward J.
 Group : Global Finance
 Hire Date : 1/4/07
 Title : Senior Vice President

Employee ID : 10262263
 Stock Program : SVP

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$150,000		
Bonus	\$300,000		
TOTAL COMPENSATION	\$450,000		
 Total Compensation Value	 \$469,658		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$58,973	\$63.47	\$47.60	1,238.92

Your equity award was calculated based on total compensation of \$430,962, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$300,000	
Less Total RSUs	(\$58,973)	
Total Cash Payment (Before Taxes)	\$241,027	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$150,000	
New Annual Salary	\$155,000	Salary Adjustments will be included in the January 25, 2008 paycheck, retroactive to December 2, 2007.
Salary Change	\$5,000	

Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

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Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : Wade, Brian P.
 Group : Private Capital Markets
 Hire Date : 3/21/96
 Title : Managing Director

Employee ID : 10064606
 Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000	\$200,000	\$200,000
Bonus	\$1,670,000	\$1,300,000	\$1,000,000
Other Comp		\$250,000	
TOTAL COMPENSATION	\$1,870,000	\$1,750,000	\$1,200,000
Cross-Divisional Award			\$50,000
Total Compensation Plus Awards			\$1,250,000
 Total Compensation Value	 \$2,192,560		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

Bonus includes a Cross-Divisional Award of \$20,000 for the Verasun account.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline (Without Awards):	\$1,870,000	\$1,750,000	\$120,000	6.9%
Firmwide Contribution:	Leadership Contributor			
	Recruiting/Programs Contributor			
	One-Firm Contributor			

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$752,640	\$63.47	\$44.43	16,939.91

Your equity award was calculated based on total compensation of \$1,870,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$1,670,000	
Less Total RSUs	(\$752,640)	
Total Cash Payment (Before Taxes)	\$917,360	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : Sherman, Michael E.
 Group : Eqty Linked & Hybrid Sol
 Hire Date : 3/18/98
 Title : Managing Director

Employee ID : 10068845
 Stock Program : MD

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000	\$200,000	\$200,000
Bonus	\$4,050,000	\$3,550,000	\$3,050,000
TOTAL COMPENSATION	\$4,250,000	\$3,750,000	\$3,250,000
 Total Compensation Value	 \$5,160,714		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline:	\$4,250,000	\$3,750,000	\$500,000	13.3%
Firmwide Contribution: Recruiting/Programs Contributor				

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
RSUs	\$2,125,000	\$63.47	\$44.43	47,828.04

Your equity award was calculated based on total compensation of \$4,250,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$4,050,000	
Less Total RSUs	(\$2,125,000)	
Less EE Transfers Out	(\$5,500)	
Total Cash Payment (Before Taxes)	\$1,919,500	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

Lehman Brothers
2007 Total Compensation Statement
CONFIDENTIAL
DO NOT DISTRIBUTE TO EMPLOYEES

Employee : Konigsberg, Michael J.
Group : Leveraged Finance
Hire Date : 8/22/88
Title : Managing Director

Employee ID : 10032450
Stock Program : MD+

COMPENSATION HISTORY

<u>Compensation Type</u>	<u>Current - 2007</u>	<u>Previous - 2006</u>	<u>2nd Previous - 2005</u>
Annualized Salary	\$200,000	\$200,000	\$200,000
Bonus	\$5,050,000	\$5,800,000	\$4,600,000
TOTAL COMPENSATION	\$5,250,000	\$6,000,000	\$4,800,000
 Total Compensation Value	 \$6,645,000		

"Total Compensation" includes the notional grant-date value of the principal portion of your equity award, as described below. "Total Compensation Value" includes the notional grant-date value of the principal and discount portions of your equity award. To receive the full benefit of the equity award, including the discount portion, you must remain employed at the Firm for five years from the grant date and comply with the terms of the Equity Award Program.

MANAGER NOTES

	<u>2007 Actual</u>	<u>Prior Year Comparison</u>	<u>Difference</u>	<u>Variance</u>
Comparison to Baseline:	\$5,250,000	\$6,000,000	(\$750,000)	-12.5%
Firmwide Contribution:	Leadership Leader Recruiting/Programs Leader			

EQUITY SUMMARY in USD

	<u>Equity Component</u>	<u>Market Price</u>	<u>Discount Price</u>	<u>Shares</u>
Regular RSUs	\$2,625,000	\$63.47	\$44.43	59,081.70
Special RSUs	\$630,000	\$63.47	\$44.43	14,179.61
	<u>\$3,255,000</u>			<u>73,261.31</u>

Your equity awards, including your Special RSUs, were calculated based on total compensation of \$5,250,000, where "total compensation" includes salary, bonus, and other forms of eligible compensation. All terms and conditions of equity awards, including those relating to vesting and forfeiture, are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalized in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

PAYMENT SCHEDULE

Bonus	\$5,050,000	
Less Total RSUs	(\$3,255,000)	
Less EE Transfers Out	(\$5,000)	
Total Cash Payment (Before Taxes)	<u>\$1,790,000</u>	Payable on or about January 31, 2008

ANNUAL SALARY

Effective Fiscal Year 2008, your annual base salary will be as follows:

Current Annual Salary	\$200,000
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Your rights to the bonus payment and equity awards are subject to the terms and conditions of the Firm's bonus policy and the controlling equity award documents, as applicable.

If you have any additional questions regarding your compensation or personal data, please contact your divisional HR representative. If you have any questions regarding your equity award, please contact the Compensation Department at (212) 526-8346.

11-Dec-07

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PRIVATE AND CONFIDENTIAL
2007 TOTAL COMPENSATION STATEMENT

TO: Jason Tilroe ID 10221797
DEPT: IBD : 20952 - RSG London
FROM: C Meissner, P Hoffmeister
DATE: December 13, 2007

Please find below the details of your 2007 Total Compensation and any year-end awards:

Total Compensation Summary

	USD
Paid Salary	200,000
Total Bonus	6,800,000
Total Compensation	7,000,000
Total Bonus	6,800,000
Total Equity Award	4,340,000
Net Bonus Award	2,460,000

Equity Award Detail

Equity Type	USD Award Value	USD Mkt Price	USD Grant Price	No. of Units
CSAs	3,500,000	63.47	44.43	78,775.60
Special MD CSAs	840,000	63.47	44.43	18,906.14
Total Equity Award	4,340,000			

Your total Contingent Stock Award (CSAs) is based on a Total Compensation of USD 7,000,000.

Your total Contingent Stock Award (CSAs) includes a Special MD CSA Award. Please refer to your 2007 Special MD CSA Personal Award Statement for the terms and conditions related to this award.

When awarding the CSA award Lehman Brothers Holdings Inc has applied a discount of 30% to the market price of \$ 63.47. CSAs are subject to restrictions until 30 November 2012; they cannot be sold, traded or pledged before then.

A full summary of all your outstanding CSA Awards (including your 2007 Award) will be available on LehmanLive, keyword "equityaward", during the first quarter of 2008. All terms and conditions of the CSA Awards are subject to the controlling plan documents, including the FY 2007 equity award agreements (expected to be finalised in early 2008), the 2005 Stock Incentive Plan and related Prospectus.

Salary

Your salary remains unchanged.

Additional Information

The notional total value of your 2007 compensation, including the grant-date value of the discount portion of the CSAs awarded under the Equity Award Program, is USD 8,860,000. To receive the full benefit of the CSA award, including the discount portion, you must remain an employee of Lehman Brothers for five years and comply with the terms of the Program.

All terms and conditions of your employment remain unchanged.

To be eligible for your 2007 bonus award you must be employed by Lehman Brothers at, and not under notice either given or received prior to, 31 January 2008.

LEHMAN BROTHERS

2007 SPECIAL CONTINGENT STOCK AWARDS ("SPECIAL MD CSAs") PERSONAL AWARD STATEMENT¹

JASON TILROE

Grant Date	December 7, 2007	
Grant Price	Market Price:	\$63.47
	Discounted Grant Price:	\$44.43

Amount of 2007 Total Compensation in Special MD CSAs² **\$840,000**

Number of Special MD CSAs Granted	Principal portion (70%):	13,234.30
	Discount portion (30%):	<u>5,671.84</u>
	Total	18,906.14

Conditions 100% of Special MD CSAs (principal and discount) becomes subject to Limited Conditions on November 30, 2009, provided the employee remains actively employed with the Firm through that date. 100% of Special MD CSAs become unconditional on November 30, 2012.

Share Payment Date Shares in respect of unconditional Special MD CSAs will be delivered on November 30, 2012 (the "Share Payment Date").

TERMINATION PROVISIONS³

Voluntary Termination	All Special MD CSAs still subject to Full Conditions are forfeited. Any Special MD CSAs subject to Limited Conditions become unconditional and convert to shares of common stock and are delivered on the Share Payment Date, provided the employee does not engage in Detrimental Activity through that date.
Involuntary Termination without Cause	100% of the principal portion of Special MD CSAs becomes subject to Limited Conditions (subject to the execution of a Firm-standard release agreement). Discount portion still subject to Limited Conditions is forfeited. Shares are delivered on the Share Payment Date, provided the employee does not engage in Detrimental Activity through that date.
Involuntary Termination with Cause	Participants forfeit 100% of both the principal and discount portions of Special MD CSAs (including any portions no longer subject to Limited Conditions).
Termination due to Death or Disability	100% of principal and discount portions immediately vest, and shares are delivered 30 days following the termination date.

¹ This document is informational only. All terms and conditions of the 2007 Special Equity Award for Select MDs are subject to the applicable controlling plan documents, including but not limited to the applicable award agreement (to be finalized in early 2008), the 2005 Stock Incentive Plan and the 2005 Stock Incentive Plan Prospectus. In the event of any conflict between the plan documents and the information in this document, the plan documents will govern. Capitalized terms not otherwise defined above have the meaning assigned to them in the 2007 Equity Award Program. Unless otherwise provided herein, the terms and conditions of the 2007 Equity Award Program will otherwise apply to these 2007 Special Equity Awards for Select MDs.

² Calculated as 12% of 2007 Total Compensation (including diversity awards) of \$7,000,000. This amount is in addition to amounts awarded under the 2007 Equity Award Program for Managing Directors.

³ Note that this award has no full career provisions for employees whose employment terminates prior to the date(s) conditions lapse.

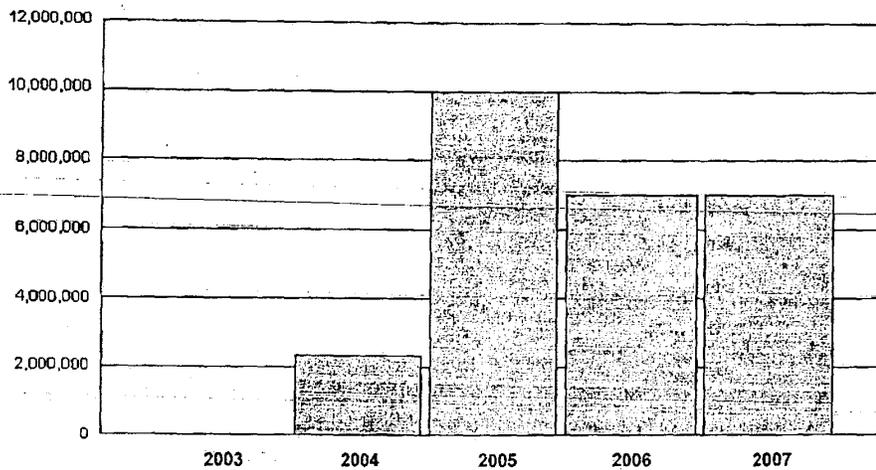
Special MD CSA 12/11/07

2007 MANAGER COMMUNICATION SHEET

NOT FOR DISTRIBUTION TO EMPLOYEE

EMPLOYEE	Jason Tilroe	ID	10221797
DEPT	IBD : 20952 - RSG London	HIRE DATE	Mar/2004
MANAGER	C Meissner, P Hoffmeister	QUOTE USD	CORP MD

USD



	2003	2004	2005	2006	2007
Bonus	0	2,100,000	9,800,000	6,800,000	6,800,000
Salary+	0	200,000	200,000	200,000	200,000
T Comp	0	2,300,000	10,000,000	7,000,000	7,000,000
%Chg		0.00 %	334.78 %	-30.00 %	0.00 %

Service	3.8 yr(s)	Pool Group	NGNNH	Hire Group	Continuing	Gtee Yrs	N/A	Perf/Rank
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SALARY	Current	New	Change	%Chg	
	USD 200,000	200,000	0	0 %	NO CHANGE

NOTES	
2007 Paid Total Compensation	USD 7,000,000
Value of 2007 Paid Total Comp + Equity Discount	USD 8,860,000
Contingent Stock Award (CSAs) includes a Special MD CSA Award. Please refer employee to 2007 Special MD CSA Personal Award Statement for the terms and conditions related to this award.	
Recruiting/Programs Contributor	

European Human Resources - December 2007

Manager Talking Points – 2007 Special MD Equity Award—CSAs
CONFIDENTIAL

- The Firm has decided this year to make a grant of Special CSAs to MDs at your compensation level. These Special CSAs have been awarded at a 30% discount.
- We expect this to be a one-time grant, rather than an ongoing program.
- The Special CSAs have been granted as part of your 2007 total compensation and are in addition to the regular equity award you have also received under the terms of the 2007 Equity Award Program for MDs. The number of Special CSAs is detailed on your 2007 total compensation worksheet.
 - Since the Special CSAs are awarded at a discount, the grant date value of the discount is included in the "Total Compensation Value" shown on the 2007 compensation worksheet.
- While these Special CSAs are subject to a shorter schedule of conditions than your regular 2007 MD CSAs, they have no Full Career provisions.
- The material terms of your Special CSAs are summarized on your award statement and are as follows:
 - The amount of your 2007 US\$ total compensation in Special CSAs is 12%. This means that your total equity award, including your regular MD CSAs, is equal to 62% of your 2007 US\$ total compensation.
 - Special CSAs have been granted based on the closing stock price on December 7, 2007 of \$63.47, less a 30% discount; the discounted grant price is therefore \$44.43. The discounted grant price is the same as that for your regular CSAs.
 - The Special CSAs have a special (shorter) schedule of conditions than regular MD CSAs:
 - o 100% of these Special CSAs (both principal and discount portions) are subject to Full Conditions for 2 years, until November 30, 2009, at which time they are subject to Limited Conditions until November 30, 2012. For your regular 2007 MD CSAs 35% are subject to Full Conditions for 3 years (until November 30, 2010), and the remainder are subject to Full Conditions for 5 years (until November 30, 2012).
 - o Like the regular 2007 MD CSAs, Special CSAs become unconditional and convert to shares of common stock in 5 years, on November 30, 2012.
- Refer to the award statement for further details on your award, including the termination provisions.
- The terms and conditions of your Special CSAs will be formalized in an award agreement, which will be distributed to you in early 2008.
- If you have any questions at all about this award, please contact the Compensation Department at 8-526-8346.

Special MD CSA

LEHMAN BROTHERS

Memorandum

TO Jason Tilroe
FROM Hilary McNamara, Human Resources
DATE December 12, 2007
SUBJECT Equity Award Program - Prior Service Confirmation

In June 2006, the Firm adopted a policy of providing MDs hired since December 1, 2002, credit for service with their prior employer for the purposes of calculating "Full Career" treatment under the Equity Award Program. In order for MDs to be eligible to receive this credit their immediate last employment must have involved business experience relevant to their position at Lehman Brothers, must have been for a period longer than one full year, and must have ended less than one year before their start date with Lehman Brothers.

To the extent that you have informed the Firm of such eligible service, and insofar as you remain employed with Lehman through the third anniversary of your start date, you will be eligible to receive this additional service credit.

Outlined below is a confirmation of this service credit, as well as the applicable vesting date for the credit:

Start Date:	01-Mar-2004
Prior Service Credit (years):	6.41
Service Credit Vesting Date:	01-Mar-2007

Please note that if your employment ends for any reason before the above vesting date, you will receive no credit for service with your last employer.

In addition, please note that "Full Career" eligibility criteria, including the length of service requirement, may vary from year to year in accordance with the terms of the Equity Award Program as then in effect.

If you have any questions, please contact your divisional Human Resources manager.

For internal use only.

Group Report

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Global Finance - Group Heads

**LEHMAN BROTHERS
INVESTMENT BANKING DIVISION
Compensation History
(Ordered by Title/Alpha)**

Global Finance - Group Heads

Name	Title	Class	Hire Date	Last Salary Review	Year	Current Salary	Actual Salary	Paid Salary	Proj. Bonus	Guar. Bonus	Car	Proj. Tot Comp	Rank	Tot Comp Percent Change	Additional Payments
Atterbury, Richard Financial Sponsors - London	MD	9998	08/15/05	08/15/05	2007	268.34	268.3	268.3	5,831.66			6,100.0		10.91	
					2006	244.88	244.9	244.9	5,255.12	4,755.1	5,500.0	2+			
					2005	249.45	249.4	74.8	5,000.55	5,000.6	5,250.0				
Brown, Kenneth A Equity Capital Markets - London	MD	1996	03/01/00	12/01/05	2007	268.34	268.3	268.3	2,431.66			2,700.0		8.00	
					2006	244.88	244.9	244.9	2,255.12	2,255.1	2,500.0	1			
					2005	184.77	184.8	184.8	1,315.23		1,500.0	1			
Dufournier, Philippe Global Finance - London	MD	9998	06/04/01	12/01/06	2007	268.34	256.3	256.3	4,743.70			5,000.0		11.11	
					2006		237.5	237.5	4,262.47		4,500.0				
					2005		241.2	241.2	3,758.81		4,000.0				
Erickson, David S Equity Capital Markets - NY	MD	9998	02/18/97	05/20/03	2007	200.00	200.0	200.0	4,550.00			4,750.0		13.10	
					2006	200.00	200.0	200.0	4,000.00		4,200.0	1			
					2005	200.00	200.0	200.0	3,300.00		3,500.0	1-			
Ferguson, Scott Equity Capital Markets - London	MD	9998	04/19/04	04/19/04	2007	268.34	268.3	268.3	2,481.66			2,750.0		25.00	
					2006	244.88	244.9	244.9	1,955.12		2,200.0	2+			
					2005	249.45	249.4	249.4	1,500.55		1,750.0	2			
Hakanoglu, Erol Global Finance - NY	MD	9998	10/15/07	10/15/07	2007	200.00	200.0	19.2	4,800.00	4,800.0		5,000.0			
Hong, Joonkee Global Finance - Hong Kong	MD	9998	04/01/05	04/01/05	2007	200.00	200.0	200.0	2,050.00			2,250.0		(10.00)	
					2006	200.00	200.0	200.0	2,300.00	2,050.0	2,500.0	1			
					2005	200.00	200.0	133.3	2,050.00	2,050.0	2,250.0				
Howell, Richard D Leveraged Finance - London	MD	9998	07/04/00	12/01/02	2007	268.34	268.3	268.3	3,231.66			3,500.0		7.69	
					2006	244.88	244.9	134.8	3,005.12		3,250.0	1			
					2005	249.45	249.4	249.4	2,750.55		3,000.0				
Kerstein, Daniel Y Global Finance Solutions - NY	MD	1997	02/19/03	11/19/06	2007	200.00	200.0	200.0	1,500.00			1,700.0		41.67	
					2006	200.00	150.0	150.0	1,050.00		1,200.0	1/2			
					2005	150.00	135.0	135.0	715.00		850.0	1/2-			
Klein, Martin P Insurance/Pension Solutions - NY	MD	9998	04/23/98	11/24/02	2007	200.00	200.0	200.0	2,000.00			2,200.0		(12.00)	
					2006	200.00	200.0	103.8	2,300.00		2,500.0	2			
					2005	200.00	200.0	200.0	1,800.00		2,000.0				
Konigsberg, Michael J Leveraged Finance - NY	MD	1988	08/22/88	06/01/98	2007	200.00	200.0	200.0	5,050.00			5,250.0		(12.50)	
					2006	200.00	200.0	200.0	5,800.00		6,000.0	1			
					2005	200.00	200.0	200.0	4,600.00		4,800.0	1-			

FOIA CONFIDENTIAL TREATMENT REQUESTED BY LARRY WIESENECK

LW 00921

**LEHMAN BROTHERS
INVESTMENT BANKING DIVISION
Compensation History
(Ordered by Title/Alpha)**

Global Finance - Group Heads

Name	Title	Class	Hire Date	Last Salary Review	Year	Current Salary	Actual Salary	Paid Salary	Proj. Bonus	Guar. Bonus	Car	Proj. Tot Comp	Rank	Tot Comp Percent Change	Additional Payments	
Lasser, Alexis D Private Capital Markets - NY	MD	1995	04/02/97	11/21/04	2007	200.00	200.0	200.0	1,400.00			1,600.0		23.08		
					2006	200.00	200.0	200.0	1,100.00			1,300.0	2			
					2005	200.00	200.0	200.0	650.00			850.0	2			
Pitts-Tucker, Charles H Leveraged Finance - London	MD	1994	08/02/99	12/01/03	2007	268.34	268.3	268.3	2,631.66			2,900.0		11.54		
					2006	244.88	244.9	244.9	2,355.12			2,600.0	1			
					2005	249.45	249.4	249.4	2,000.55			2,250.0	1/2			
Price, Eamonn M Debt Capital Markets - London	MD	1989	06/06/94	12/01/00	2007	268.34	268.3	268.3	2,481.66			2,750.0		(31.25)		
					2006	244.88	244.9	244.9	3,755.12			4,000.0	1			
					2005	249.45	249.4	249.4	2,750.55			3,000.0	1/2+			
Roti, Stephen Eqty Linked and Hybrid Solutions - NY	MD	9998	05/09/05	05/09/05	2007	200.00	200.0	200.0	4,400.00			4,600.0		31.43		
					2006	200.00	200.0	200.0	3,300.00	1,800.0		3,500.0	1			
					2005	200.00	200.0	107.7	2,300.00			2,500.0				
Sherman, Michael E Eqty Linked and Hybrid Solutions - NY	MD	9998	03/18/98	05/20/03	2007	200.00	200.0	200.0	4,050.00			4,250.0		13.33		
					2006	200.00	200.0	200.0	3,550.00			3,750.0	1			
					2005	200.00	200.0	200.0	3,050.00			3,250.0	1/2-			
Tilroe, Jason Risk Solutions Group - London	MD	9998	03/01/04	03/01/04	2007	200.00	200.0	200.0	6,800.00			7,000.0				
					2006	200.00	200.0	200.0	6,800.00			7,000.0	1			
					2005	200.00	200.0	200.0	9,800.00			10,000.0	1/2			
Wade, Brian P Private Capital Markets - NY	MD	9998	03/21/96	03/21/96	2007	200.00	200.0	200.0	1,670.00			1,870.0		24.67		
					2006	200.00	200.0	200.0	1,300.00			1,500.0	2+			
					2005	200.00	200.0	200.0	1,000.00			1,200.0	2			
Winchenbaugh, Christopher F Debt Capital Markets - NY	MD	1995	08/05/96	11/23/03	2007	200.00	200.0	200.0	3,300.00			3,500.0		45.83		
					2006	200.00	200.0	200.0	2,200.00			2,400.0	2+			
					2005	200.00	200.0	200.0	1,700.00			1,900.0	1/2			
Group Total:	19															
					2007	4,278.35	4,266.3	4,085.6	65,403.68	4,800.0	0.000	69,670.0		15.35	0.00	
					2006	3,669.25	3,856.8	3,650.5	56,543.21	10,860.2	0.000	60,400.0			0.00	
					2005	3,582.00	3,808.2	3,474.6	50,041.81	7,050.6	0.000	53,850.0			0.00	
Total Count:	19															

Group Report

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Risk Solutions Group

LEHMAN BROTHERS
INVESTMENT BANKING DIVISION

Compensation History
(Ordered by Title/Alpha)

Risk Solutions Group

Name	Title	Class	Hire Date	Last Salary Review	Year	Current Salary	Actual Salary	Paid Salary	Proj. Bonus	Guar. Bonus	Car	Proj. Tot Comp	Rank	Tot Comp Percent Change	Additional Payments
Lee, James Sungho Risk Solutions Group - Hong Kong	MD	9998	07/04/05	12/01/06	2007	205.01	205.0	205.0	1,344.99			1,550.0		19.23	
					2006	193.19	193.2	193.2	1,106.81			1,300.0	2		
					2005	175.38	175.4	71.7	1,025.00	975.0	1,200.4				
Lin, Xin Risk Solutions Group - Hong Kong	MD	1997	08/16/05	12/01/06	2007	205.01	205.0	205.0	2,794.99			3,000.0		76.47	
					2006	150.69	150.7	150.7	1,549.31			1,700.0	1		
					2005	150.33	150.3	44.0	1,000.00	1,000.0	1,150.3				
Nario, Luis Risk Solutions Group - London	MD	1995	12/03/01	12/01/06	2007	268.34	266.1	266.1	783.94			1,050.0		(25.00)	
					2006	244.88	244.9	244.9	1,155.12			1,400.0	2+		
					2005	249.45	249.4	82.5	1,450.55		1,700.0				
Ragde, Martin J Risk Solutions Group - NY	MD	1990	08/13/90	05/31/99	2007	200.00	200.0	200.0	2,300.00			2,500.0		25.00	
					2006	200.00	200.0	200.0	1,800.00			2,000.0	2		
					2005	200.00	200.0	200.0	1,550.00		1,750.0	2			
Rothman, Daniel J Risk Solutions Group - NY	MD	9998	05/10/04	06/14/07	2007	200.00	200.0	200.0	2,100.00			2,300.0		27.78	
					2006	200.00	200.0	200.0	1,600.00			1,800.0			
					2005	200.00	200.0	200.0	1,400.00		1,600.0				
Seknadje, Guy Risk Solutions Group - London	MD	1994	05/07/04	12/01/04	2007	268.34	254.7	254.7	1,255.33			1,510.0		5.37	
					2006	244.88	235.9	235.9	1,197.10			1,433.0	2+		
					2005	249.45	239.6	239.6	760.44		1,000.0	2			
Ackerman, Niels Risk Solutions Group - London	ED	1997	07/03/06	12/01/06	2007	213.68	213.7	213.7	1,286.33			1,500.0	2+	(37.50)	
					2006	181.39	181.4	75.6	2,218.61	2,218.6	2,400.0				
Botha, Russel John Risk Solutions Group - London	ED	1998	05/21/04	12/01/06	2007	238.52	238.5	238.5	861.48			1,100.0	1/2	(8.33)	
					2006	217.67	217.7	217.7	982.33			1,200.0	1/2		
					2005	221.73	221.7	221.7	878.27		1,100.0				
Dapcevic, Milena Risk Solutions Group - London	ED	1996	07/04/94	11/14/07	2007	268.34	291.4	291.4	608.62			900.0	2+	50.00	
					2006	266.79	265.0	265.0	334.97			600.0	2		
					2005	268.13	268.1	268.1	631.87		900.0	2			
Dzeng, Titan F R Risk Solutions Group - Hong Kong	SV	2000	06/01/06	12/01/06	2007	147.35	147.3	147.3	0.00			147.3		(66.64)	
					2006	141.67	141.7	70.8	300.00	300.0	441.7				

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LEHMAN BROTHERS
INVESTMENT BANKING DIVISION
Compensation History
(Ordered by Title/Alpha)

Risk Solutions Group

Name	Title	Class	Hire Date	Last Salary Review	Year	Current Salary	Actual Salary	Paid Salary	Proj. Bonus	Guar. Bonus	Car	Proj. Tot Comp	Rank	Tot Comp Percent Change	Additional Payments
Flink, Peter	SV	9998	03/20/06	03/20/06	2007	200.00	200.0	161.5	400.00			600.0	2-	(60.00)	
Risk Solutions Group - NY					2006	200.00	200.0	134.6	1,300.00			1,500.0			
Khasidy, Garry	ED	1999	07/01/04	12/01/06	2007	238.52	238.5	238.5	261.48			500.0	2-	25.00	
Risk Solutions Group - London					2006	217.67	217.7	217.7	182.33			400.0	2/3		
					2005	221.73	233.0	106.7	267.01			500.0			
Wong, Malin	SV	1998	08/20/07	08/20/07	2007	150.00	150.0	37.5	1,850.00	1,850.0		2,000.0			
Risk Solutions Group - NY															
Cope, Richard	DI	2001	11/09/06	12/01/06	2007	154.04	154.0	154.0	745.96			900.0	2+	(30.23)	
Risk Solutions Group - London					2006	131.51	131.5	8.1	1,158.49	1,158.5		1,290.0			
Kim, Brian	DI	2001	01/29/07	01/29/07	2007	154.04	154.0	130.1	245.96			400.0	2-		
Risk Solutions Group - London															
Shen, De Hua	VP	2002	09/08/05	12/01/06	2007	134.54	134.5	134.5	590.46			725.0	1/2	43.56	
Risk Solutions Group - Hong Kong					2006	128.79	128.8	128.8	376.21			505.0	2		
					2005	122.06	122.1	28.1	64.14			186.2			
Astrologo, Luca	DI	2003	03/19/01	12/01/06	2007	141.30	141.3	141.3	533.70			675.0	2+	42.11	
Risk Solutions Group - Milan					2006	129.16	128.4	128.4	346.61			475.0	1/2		
					2005	130.65	130.2	130.2	209.80			340.0	1/2		
Donehue, Jason S	VP	2003	07/09/01	11/20/05	2007	150.00	150.0	121.2	150.00			300.0	2-	(45.45)	
Risk Solutions Group - NY					2006	150.00	150.0	150.0	400.00			550.0			
					2005	150.00	105.0	105.0	395.00			500.0			
Koval, Pavel	DI	2003	09/10/07	09/06/07	2007	134.17	134.2	30.1	900.00	900.0		1,034.2			
Risk Solutions Group - London															

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LEHMAN BROTHERS
INVESTMENT BANKING DIVISION
Compensation History
(Ordered by Title/Alpha)

Risk Solutions Group

Name	Title	Class	Hire Date	Last Salary Review	Year	Current Salary	Actual Salary	Paid Salary	Proj. Bonus	Guar. Bonus	Car	Proj. Tot Comp	Rank	Tot Comp Percent Change	Additional Payments
Lewis, Joseph C Risk Solutions Group - NY	VP	2003	07/09/01	11/19/06	2007	175.00	175.0	141.3	350.00			525.0	2	(34.38)	
					2006	175.00	150.0	150.0	650.00			800.0			
					2005	150.00	115.0	115.0	385.00			500.0			
Lucarelli, Anna Risk Solutions Group - London	DI	2003	08/01/03	12/01/06	2007	134.17	134.2	134.2	515.83			650.0	1/2	36.84	
					2006	108.83	108.8	108.8	366.17			475.0	1		
					2005	107.17	125.0	125.0	249.99			375.0	1		
Patel, Manay Risk Solutions Group - NY	VP	2003	01/23/06	01/23/06	2007	150.00	150.0	121.2	500.00			650.0	1/2	8.33	
					2006	150.00	150.0	124.0	450.00			600.0			
Santos, Susana Risk Solutions Group - London	DI	2003	07/03/06	12/01/06	2007	134.17	134.2	134.2	65.83			200.0	2/3	(51.81)	
					2006	113.37	113.4	47.2	301.63	301.6	415.0				
Cavalcanti, Marita Risk Solutions Group - London	AS	2004	08/09/04	12/01/06	2007	124.23	124.2	124.2	275.77			400.0	2+	19.40	
					2006	108.83	108.8	108.8	226.17			335.0	2		
					2005	107.17	107.2	107.2	132.83			240.0	2-		
Gupta, Ashutosh Risk Solutions Group - Hong Kong	AS	2004	05/06/03	12/01/06	2007	121.72	121.7	121.7	403.28			525.0	1	28.05	
					2006	122.35	122.4	111.7	287.65			410.0	1/2		
					2005	95.08	95.1	95.1	81.79			176.9			
Ding, David Risk Solutions Group - Hong Kong	AS	2005	10/02/07	10/02/07	2007	108.91	108.9	17.9	100.00	100.0			208.9		
Sane, Shashank Risk Solutions Group - NY	AS	2005	07/14/03	11/19/06	2007	115.00	115.0	92.9	320.00			435.0	1	45.00	
					2006	115.00	95.0	95.0	205.00			300.0			
					2005	95.00	95.0	95.0	54.71			149.7			
Arango Zuluaga, Carlos Andres Risk Solutions Group - NY	AS	2006	07/17/06	07/17/06	2007	95.00	95.0	76.7	181.50			276.5	2	97.50	
					2006	95.00	95.0	32.9	45.00			140.0			

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**LEHMAN BROTHERS
INVESTMENT BANKING DIVISION
Compensation History
(Ordered by Title/Alpha)**

Risk Solutions Group

<u>Name</u>	<u>Title</u>	<u>Class</u>	<u>Hire Date</u>	<u>Last Salary Review</u>	<u>Year</u>	<u>Current Salary</u>	<u>Actual Salary</u>	<u>Paid Salary</u>	<u>Proj. Bonus</u>	<u>Guar. Bonus</u>	<u>Car</u>	<u>Proj. Tot Comp</u>	<u>Rank</u>	<u>Tot Comp Percent Change</u>	<u>Additional Payments</u>
Jin, Jing	AS	9998	11/23/06	12/01/06	2007	155.04	155.0	155.0	300.00			455.0		13.56	
	Risk Solutions Group - Hong Kong				2006	150.69	150.7	3.5	250.00			400.7			
Group Total: 29						2007	4,984.42	4,991.5	4,489.8	22,025.44	2,850.0	0.000	27,017.0	18.13	0.00
						2006	4,137.35	4,080.8	3,403.3	18,789.52	3,978.7	0.000	22,870.4		0.00
Total Count: 29						2005	2,893.33	2,832.1	2,234.9	10,536.42	1,975.0	0.000	13,368.5		0.00