

LEHMAN BROTHERS HOLDINGS INC.

Minutes of the Board of Directors
July 14, 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 14, 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. Herbert H. McDade III
Mr. Thomas A. Russo
Mr. Jeffrey A. Wellikson

STRATEGIC UPDATE

Mr. Fuld provided a strategic update to the Board of Directors. He reported that the actions taken by the Federal Reserve and Securities Exchange Commission ("SEC") had not improved the overall market tone. Mr. Fuld stated that the Firm's stock traded well for most of the day, but traded very badly during the last few minutes of trading.

Mr. Fuld described the "Dear Colleague" letter which had been sent to the Firm's employees that morning. He noted that a copy of the letter was circulated to the Board members that morning, and that a copy of the letter also was sent to the SEC, the Federal Reserve, and the Treasury Department. Mr. Fuld discussed the Firm's continued conversations with the Federal Reserve and the SEC. He reported that the Firm is still

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working on selling assets. Mr. Fuld updated the Board of Directors on strategic discussions that had taken place with certain foreign and domestic potential partners, including discussions that had taken place the previous day with a potential domestic partner, as well as a negative response received from a potential foreign partner.

Mr. Russo updated the Board of Directors on his conversations with the SEC regarding its consideration of an emergency rule which would prevent investors from making "naked" short sales. Mr. Russo reported that the Firm had hoped that the SEC would include this emergency rule in the prior day's actions.

Mr. Lowitt gave an update to the Board on liquidity and funding. He reported that the Firm's funding experience was good that day and on the previous Friday, and that the secured funding and more than 90% of the commercial paper had rolled. Mr. Lowitt also reported that the Firm has between \$47 billion and \$48 billion of liquidity.

The Board directed questions to management regarding business conditions, including with existing clients and counterparties; the possibility of going private; any recent use of the Fed window; and potential regulatory next steps to support the markets. Mr. Russo also reported to the Board that he had received a report that there had been a very large sell order in the Firm's Common Stock in the last minutes of trading, and that he and Mr. Fuld planned to report this incident to the SEC.

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

UNANIMOUS WRITTEN CONSENT
OF THE
EXECUTIVE COMMITTEE
OF
LEHMAN BROTHERS HOLDINGS INC.

The undersigned, being all of the members of the Executive Committee of the Board of Directors of Lehman Brothers Holdings Inc., a Delaware corporation (the "Corporation"), do hereby adopt the following resolution by unanimous written consent in lieu of a meeting in accordance with Section 141(f) of the General Corporation Law of the State of Delaware:

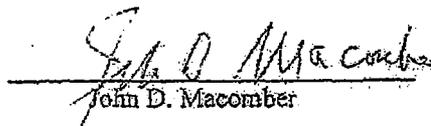
WHEREAS, Edward S. Grieb is resigning as Vice President and Global Head of Investor Relations, effective immediately;

NOW, THEREFORE, BE IT

RESOLVED, that effective immediately, Shaun K. Butler is hereby elected Vice President and Global Head of Investor Relations, to serve or hold such corporate offices at the pleasure of the Board of Directors and subject to her continued employment by Lehman Brothers Holdings Inc., Lehman Brothers Inc., or their subsidiaries, and that such officerships shall immediately cease without the necessity or acceptance of a resignation or relinquishment in the event of death, retirement, or other termination of employment of such officer.

Dated as of July 14, 2008


Richard S. Fuld, Jr.


John D. Macomber

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