RISK COMMITTEE CHARTER

1. Mission Statement

1.1. The Risk Committee serves as a forum for the senior management of the Firm to review all material risk exposures. From time-to-time the Global Head of Risk Management may request the Risk Committee to approve and review certain new risk taking activities.

1.2. The Risk Committee reviews risks on a very granular basis including, Risk Appetite usage versus limits; VaR; counterparty credit exposures by region, product, sector and ratings, top investment grade and non-investment grade names; large exposures: investment grade; non investment grade; principal transactions; workout; equities; pipeline (mandated, contingent, conditional); Firm relationship loans that are new or significant Firm relationship loans coming up for renewal; and other topics of interest as identified by the Global Head of Risk Management.

2. Accountability of Committee

2.1. Reporting Accountability: The Risk Committee reports to and has been granted authority by the Chairman of the Board of Directors of the Firm. The Risk Committee consists of the Executive Committee, the Global Head of Risk Management and the Co-Chief Administrative Officer.

2.2. Code of Authorities: The Chairman and Chief Executive Officer of the Firm is the Chairperson of the Risk Committee.

3. Membership

3.1. Membership goals and purpose: Committee Members are the Executive Committee of the Firm, the Global Head of Risk Management and the Co-Chief Administrative Officer. These members ensure that all business areas and regions of the Firm are represented as part of the review process.

3.2. Functional Members: The Risk Committee shall include members from the following functional and/or business areas:

Function /Business Area
Chairperson/Chairman and Chief Executive Officer
Co-Chief Administrative Officer or designee from Executive Committee, as appropriate
Global Head of Risk Management (Executive Officer/Secretary)

3.3. Member Names and Alternate Members: Please see Appendix 1

3.3.1. Additional participants: Where the risks involve an issue which requires Firm personnel with a particular expertise, the Chairperson may request that such personnel participate in the Risk Committee.

3.3.2. Designees: The Primary Contact may assign a designee to represent their functional area in meetings of the Risk Committee if they are unable to attend.

3.3.3. Referral to Committee: An ad hoc group of Committee Members may meet informally to determine whether an issue should be referred to the full Committee.

3.4. Chairperson, Coordinator and respective alternates: Please see Appendix 1

3.4.1. Alternate Chairperson: The Risk Committee is chaired by the Chairman, Chief Executive Officer of the Firm, or, if unavailable, by the President, Chief Operating Officer of the Firm.

4. Quorum

4.1. Quorum requirements for the Risk Committee will be determined by the Chairperson from time to time based upon the nature of the risk issues under review, and will ensure appropriate functional and/or business representation at all times.

4.2. Required Members: In all cases, the quorum must include the Chairperson or the Chairperson's designee.

5. Frequency of Meetings

5.1. The Committee meets weekly, or on an as-needed basis.

6. Procedures

6.1 General Procedures

The Global Head of Risk Management is responsible for identifying and reporting to the Committee on the Firm's material risk exposures and any risk-taking activities deemed significant by the Global Head of Risk Management. The Global Risk Management Division under the direction of the Global Head of Risk Management will compile all relevant risk information for this purpose.

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6.2 Descriptive Materials to the Committee

Discussions revolve around material provided by the Global Head of Risk Management. Additional information related to issues brought up during the discussions are prepared and circulated as necessary.

6.3 Minutes

Documentation of the risk topics discussed is maintained by the Global Head of Risk Management.

6.4 Approval or Disapproval

The Risk Committee serves as a forum for the Senior Management of the Firm to review all material risk exposures. From time-to-time the Global Head of Risk Management may request the Risk Committee to approve and review certain new risk taking activities. This Committee approves the overall Risk Appetite limit of the Firm as recommended by the Global Head of Risk Management.

6.5 Contingencies

The Global Head of Risk Management is responsible for ensuring follow-up of action items and reporting back to the Risk Committee.

6.6 Follow-up & Resolution

As noted under contingencies, the Global Head of Risk Management is responsible for ensuring follow-up of action items and reporting back to the Risk Committee for final resolution, if necessary.

RISK COMMITTEE CHARTER

Appendix 1
Member Names

Function /Business Area	**Members**	**Alternate Members**
Chairperson/Chairman, Chief Executive Officer	Richard Fuld	Herbert McDade
Executive Officer/Secretary (Global Head of Risk Management)	Chris O'Meara	
Chief Financial Officer & Co-Chief Administrative Officer	Ian Lowitt	
Executive Committee	Jasjit Bhattal Jerry Donini Mike Gelband David Goldfarb Jeremy Isaacs Alex Kirk Stephen Lessing Herbert McDade Hugh McGee Andrew Morton Thomas Russo Benoit Savoret George Walker	

Owner: Lisa Rathgeber