

Business Continuity Guide

LEHMAN BROTHERS

In March of 2002, Lehman Brothers formalized its business continuity efforts to ensure that the Firm and our employees are adequately prepared and protected should an event occur that threatens our ability to operate our business.

We place our employees at the heart of these efforts and are committed to ensuring that you are fully aware of the Firm's plans and are personally prepared should an event occur.

As a result of our extensive preparation, education and training, we are prepared to handle a range of emergency situations in a coordinated fashion and strongly believe that Lehman Brothers is one of the safest places to work in the industry.

YOUR ROLE IN BUSINESS CONTINUITY

How do I prepare?

It is paramount to the success of our efforts that employees fully understand the Firm's disaster recovery and business continuity plans and know how to execute them should the need arise. Regular tests and rehearsals are conducted in all locations in which we operate to ensure that we are continually at a state of readiness. You will routinely be asked to participate in one of these exercises and it is important that you commit your time and your attention.

Through everyone's efforts, in the tradition that has become the hallmark of the Firm, we will be prepared to confront any adverse incident that may come, and be stronger when it has passed.

Q: HOW CAN I PREPARE?

A: KNOW YOUR EVACUATION ASSEMBLY LOCATION.

CARRY YOUR WALLET CARD WITH YOU AT ALL TIMES.

PARTICIPATE IN ALL DRILLS AND EXERCISES.

What happens when a business interruption occurs?

Should a business interruption occur, an incident response process is triggered that involves Corporate Security, Business Continuity Management, Facilities, Technology and senior management. This process quickly determines the nature of the incident and actions required to protect you and the Firm against loss. Lehman Brothers will respond immediately to assess the incident and will inform employees how best to respond. Should the event be determined to be significant, there is an organized notification process in place to provide employees with up-to-date information via phone, e-mail and pager. Should the incident result in the closing of the location, a business continuity plan will be activated.

This procedure is tested on a regular basis and activated as necessary.

Q: WHERE CAN I FIND MY EVACUATION STAGING LOCATION?

A: VISIT LEHMANLIVE, KEYWORD: MYBCP. DEPENDING ON YOUR LOCATION, YOU MAY ALSO RECEIVE A WALLET CARD WITH THIS INFORMATION FROM CORPORATE SECURITY WHEN YOU RECEIVE YOUR PHOTO ID CARD.

THE ATTACHED BUSINESS CONTINUITY WALLET CARD HAS BEEN CREATED TO ENSURE YOU ARE FULLY PREPARED TO PARTICIPATE IN BUSINESS OPERATIONS IN THE EVENT OF AN UNEXPECTED INTERRUPTION. PLEASE TAKE SOME TIME TO READ IT CAREFULLY AND KEEP IT WITH YOU AT ALL TIMES.

ON THE CARD, THERE IS A SPACE IN WHICH YOU CAN WRITE YOUR EVACUATION STAGING AREA IN THE EVENT OF A BUILDING EVACUATION.

What happens when a business continuity plan is activated?

During the Business Day

- An announcement will be made over the public address system.
- Follow the instructions of the Fire Safety Coordinator.
- If your building is evacuated, proceed to the appropriate evacuation staging area, where you will be given further instructions.

Outside Normal Business Hours

- An automated notification system may notify you that an incident has occurred. Listen carefully to the information that is given to you and respond to the system's instructions.
- If you are assigned to report to a recovery site, proceed promptly and safely. Bring your wallet card, your ID and any other critical documents in your possession.

What do I do if a business continuity plan is activated?

- Visit LehmanLive, keyword: **mybcp** and check the 888.LEHMAN8 hotline for news and information updates.
- If you are classified as "recovery," you will be notified regarding where and when to report to work.
- If you are classified as "on call," you may be asked to work from home using the Firm's virtual workplace technology.
- Do not make any contact with, or statements to, the media regarding the incident.

Q: DOES EVERYONE GO TO THE RECOVERY SITE?

A: NO. CERTAIN INDIVIDUALS WILL BE DIRECTED TO GO TO THE ALTERNATE SITE WHILE OTHERS WILL REMAIN HOME TO WORK VIA TOCKET OR AWAIT FURTHER INSTRUCTIONS. IF THE INCIDENT LASTS FOR AN EXTENDED PERIOD, ADDITIONAL STAFF MAY RELOCATE TO THE ALTERNATE SITE, OR ROTATE WITH COLLEAGUES.

Q: IF A LOCATION IS CLOSED, WHERE DOES THE RECOVERY OCCUR?

A: IN MOST CASES, THE RECOVERY TAKES PLACE AT A NEARBY ALTERNATE LEHMAN LOCATION. IF NECESSARY, THE FIRM WILL SECURE ADDITIONAL SPACE AT OTHER NON-LEHMAN LOCATIONS.

BUSINESS CONTINUITY
At-A-Glance Guide
Please carry this in your wallet at all times

LEHMAN BROTHERS

THE FIRM IS PREPARED

Business Continuity Operating Principles

Lehman Brothers has established a set of business continuity operating principles which govern how we manage our customers, employees, facilities, systems and procedures on a day-to-day basis to prepare the Firm in the event of a disaster.

These principles are created specifically to address and support our Firm's unique procedures, technologies and markets and ensure that we meet or exceed industry best practices in contingency planning. In addition, they facilitate the building of comprehensive business-specific plans and provide a tool by which we measure our ongoing preparedness.

Business Continuity Plans

All areas of the Firm have business continuity plans that will allow our organization to remain operational in the event of a disaster or other serious incident. Resources from across the Firm, including Business Continuity, Information Technology, Corporate Security and Real Estate are harnessed to build, test and refine these plans. These groups work together to identify a comprehensive set of requirements for continuing vital business activities until normal processing capabilities can be restored.

We take a proactive approach to planning and engage in an ongoing evaluation to make sure that we adapt our plans to best suit the ever changing realities of our businesses and the environments in which we work.

Virtual Workplace

Critical to the success of business continuity efforts is Lehman Brothers employees' ability to access their production environment from any location. The Firm has invested considerable resources to create a virtual workplace that realizes that goal.

Using a standard set of tools, such as Tocket and LehmanLive, employees can now access their environment from any Lehman Brothers or home office.

For more information about virtual workplace, visit LehmanLive, keyword: **virtualworkplace**.

Q: WHAT KINDS OF EVENTS MIGHT PREVENT LEHMAN BROTHERS FROM CONDUCTING BUSINESS FOR AN EXTENDED PERIOD OF TIME AND THEREFORE ACTIVATE A BUSINESS CONTINUITY PLAN?

A: POWER OUTAGES OR SEVERE WEATHER EVENTS. BRIEF OR LOCALIZED EVENTS, SUCH AS A PARTIAL TECHNOLOGY FAILURE, TYPICALLY DO NOT FALL UNDER THE DOMAIN OF BUSINESS CONTINUITY.

Q: WHAT IS A BUSINESS CONTINUITY PLAN?

A: A BUSINESS CONTINUITY PLAN IS A LISTING OF CRITICAL RESOURCES — PEOPLE, FACILITIES, SYSTEMS, VITAL RECORDS, CLIENTS, VENDORS, AND COUNTERPARTIES — THAT WOULD BE NEEDED TO CONTINUE BUSINESS IN AN ALTERNATE LOCATION.

WHERE CAN I FIND ADDITIONAL INFORMATION?

LehmanLive, keyword: **bcp**, contains detailed information about business continuity planning.

- An overview of the business continuity function at Lehman Brothers
- A description of the Firm's "Business Continuity Best Practices and Operating Principles"
- Divisional contact information
- Business continuity FAQ and glossary
- Links to other important LehmanLive pages (such as Corporate Security, Remote Access and Tocket) and pertinent external sites including the Department of Homeland Security

LehmanLive, keyword: **mybcp**, contains detailed information about your personal business continuity plan.

- Important business continuity related messages
- Your office evacuation locations
- BCP conference lines
- Personal recovery information
- BCP Group and contact information
- Tocket Desktop Applications Nugget
- BCP reference links and documentation

The Firm also sends periodic e-mails to provide additional news and information on business continuity and disaster preparedness.

The attached wallet card provides key information to ensure you are prepared.

CONTACT INFORMATION

If you have any specific questions, please call **201.499.6789** or send an e-mail to business_continuity_us@lehman.com.

24 x 7 Corporate Security.....	212.526.3300
Employee Information Hotline.....	888.LEHMAN8
Lehman Help Desk	212.526.4357
LehmanLive Web site	http://my.lehman.com
Personalized Business Continuity Plan.....	LehmanLive, keyword: mybcp
General Business Continuity Information.....	LehmanLive, keyword: bcp

Key EAP Services

- Emotional Well-being
- Relationship Issues
- Workplace Challenges
- Parenting Concerns
- Child Care and Elder Care Needs
- Education Issues
- Legal and Financial Concerns
- Resources for Emergencies

Call 866.216.8925 (24/7)

LehmanLive keyword: **EAP**

www.harristhoberg.com

username: **lehman** password: **LB**

Employee Assistance Program

A Message from Dick Fuld

DEAR COLLEAGUES:

At some time in our lives, many of us will face personal problems that can cause pain or stress, and which may impair our ability to concentrate and do our jobs well.

The Employee Assistance Program (the "EAP") is one of the ways in which the Firm shows its commitment to giving each person their best chance to succeed. EAP counselors help employees—the Firm's most valuable assets—solve such problems. The EAP's mission is to assist you before a personal problem reaches the point where it limits your productivity and fulfillment. The program is designed to help you evaluate any problems and discover possible solutions to them, in a manner that is both professional and confidential.

The assistance the EAP provides is most effective if you consult an EAP counselor promptly, before a problem reaches a critical stage. I encourage you to review the information in this brochure and to share it with your family. If you feel that you might benefit from a phone call, a face-to-face conversation, or perhaps more extended discussions with one of the EAP counselors, please call the appropriate number at the end of the brochure. I am pleased that we are able to offer this service to you, and hope you will not hesitate to take advantage of this benefit.



Richard S. Fuld, Jr.

WHAT IS THE EMPLOYEE ASSISTANCE PROGRAM (EAP)?

The Employee Assistance Program, or EAP, is a professional and confidential counseling service available to the employees of Lehman Brothers and its affiliates. Family members, including domestic partners and their families, are also welcome to use its services. The EAP works with you to help resolve troubling personal situations before they affect your health, family or job by offering strategies and resources to address those problems.

WHAT KIND OF ASSISTANCE DOES THE EAP OFFER?

The EAP is staffed with experienced counselors, all of whom have advanced degrees in counseling, social work or psychology. These professionals can meet with you for confidential discussions to help you to understand and overcome any difficulties you may have that are interfering with your job or your life outside of work.

WHAT SORT OF SITUATIONS COULD I WORK ON WITH THE EAP?

EAP counselors have helped employees and their family members to deal with stress related to work, depression, anxiety over financial difficulties, marital and family trouble, difficulty relating to clients or colleagues, a child's problems in school or with friends, and alcohol or substance abuse, among many others. Additionally, counselors can help you identify legal, child care, elder care, education and budget counseling resources. The situation need not be at a crisis level for you to call the EAP. In fact, the sooner you call, the more helpful the EAP can be in working with you to resolve the situation.

WHO CAN USE THE EAP?

All employees of Lehman Brothers, as well as the members of their families, including domestic partners and their families, can use the EAP. You do not need to have a referral or permission of any kind. Just make a confidential call if you think the EAP might be able to help.

WHAT WILL HAPPEN WHEN I CALL THE EAP? WHAT DO I ASK FOR?

If you contact the EAP directly, explain that you're a Lehman Brothers employee (or a member of an employee's family, domestic partner or a member of a domestic partner's family) and say that you'd like to speak to an EAP counselor. You can schedule an appointment to see a counselor in locations near your home or office throughout the U.S. In the New York area, a counselor is available on site. You can also talk with a counselor by phone. During your discussion with the counselor, he or she will help you address the issue that is concerning you. For many employees, just a few discussions with an EAP counselor will be sufficient. If more counseling is needed, the EAP can give you referrals to local professionals, based on your specific needs.

Your discussion, and the fact that you have chosen to consult the EAP, are confidential. If you like, you can speak to your manager or a representative from Lehman Brothers Human Resources before consulting the EAP. Whether you call the EAP directly or speak first with your manager or someone from HR is up to you.

EAP CONSULTATIONS ARE FREE. THERE IS NO COST TO YOU.

There is no charge for discussions with the EAP staff. If you feel you would like additional or specialized counseling and you ask the EAP to make a referral, the EAP can often direct you to pre-screened professionals whose charges may be covered under your health care insurance.

THE EMPLOYEE ASSISTANCE PROGRAM

Available 24 hours per day/7 days per week
Call: 866.216.8925

In addition, a counselor focusing on work issues is on site in the New York City area
Call: 212.526.6621
8:30 a.m. to 6:00 p.m. Eastern Time
Monday through Friday