

**Policy Regarding Director  
Independence Determinations**

LEHMAN Capital LIMITED

The Board of Directors (the "Board") of The LEHMAN Capital LIMITED. (together with its consolidated subsidiaries, the "Company") will determine which of its members are independent for purposes of the NYSE rules on an annual basis at the time the Board approves director nominees for inclusion in the proxy statement issued in connection with the annual meeting of shareholders and, if a director is appointed to the Board between annual meetings, at the time of such appointment. The Board may determine a director to be independent only if the Board affirmatively determines that the director has no material relationship with the Company (either directly or as a director, partner, shareholder and/or officer of an organization that has a relationship with the Company).

The Board, pursuant to the recommendation of the Corporate Governance and Nominating Committee, has established the following standards to assist it in determining independence. Multiple relationships or transactions that individually are deemed immaterial under one or more standards shall not be deemed collectively to create a material relationship that would cause the director not to be independent. However, if a director has a relationship that violates any standard in Paragraphs A or C, then that director will not be considered independent, regardless of whether the relationship would otherwise be deemed not material by any other standard. In the context of the other standards, the fact that a particular relationship or transaction either is not addressed or exceeds the thresholds shall not create a presumption that the director is or is not independent. In that case, the Board will determine whether, after taking into account all relevant facts and circumstances, relationships or transactions that are not addressed or that exceed the thresholds are, in the Board's judgment, material, and therefore whether the affected director is independent. The Company will explain in its next annual proxy statement for the election of directors the basis for any Board determination that any such relationship or transaction was not material.

#### **Employment/Other Compensation**

A. A director will not be considered independent if:

#### **Employment by the Company**

1. such director is or has been within the last three years an employee, or has an immediate

family member (as defined below) who is or has been within the last three years an executive officer (as defined below) of, the Company (other than, with respect to such director, employment as an interim Chairman or CEO or other executive officer);

#### Direct Compensation from the Company

2. such director has received during any twelve-month period within the last three years, or has an immediate family member who has received during any twelvemonth period within the last three years, more than \$120,000 in direct compensation from the Company, not including (A) director and committee fees and pension or other forms of deferred compensation for prior service (provided that such compensation is not in any way contingent on continued service); (B) with respect to such director, compensation received for former service as an interim Chairman, CEO or other executive officer; and (C) with respect to an immediate family member, compensation received for service as an employee of the Company (other than an executive officer);

#### **Employment by the Company's Internal or External Auditor**

3. (A) such director or an immediate family member is a current partner of the Company's present internal or external auditor; (B) such director is a current employee of such a firm; (C) such director has an immediate family member who is a current employee of such a firm and personally works on the Company's audit; or (D) such director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time;

#### **Compensation Committee Interlocks**

4. such director or an immediate family member is or has been within the last three years employed as an executive officer of another company where any of the Company's present executive officers at the same time serves or served on that company's compensation committee.

#### **Director Fees**

B. The receipt by a director of director and committee fees, including regular benefits received by

other directors, and pension or other forms of deferred compensation for prior service (provided that such compensation is not in any way contingent on continued service), from the Company shall not be deemed to be a material relationship or transaction that would cause such director not to be independent.

#### **Transactions and Other Business Relationships**

Payments for Property or Services by Director-Affiliated Entity C. A director will not be considered independent if such director is a current employee of, or has an immediate family member who is a current executive officer of, a company or tax-exempt organization that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years of such other company or organization, exceeds the greater of \$1 million or 2% of such other company's or organization's consolidated gross revenues.

D. A relationship arising solely from a director's status as an executive officer, employee or equity owner of a company that has made payments to or received payments from the Company shall not be deemed a material relationship or transaction that would cause a director not to be independent so long as the payments made or received during such other company's last three fiscal years are not in excess of the greater of \$1 million or 2% of such other company's consolidated gross revenues for such other company's fiscal year in which the payments were made.

Director Interests in Parties Transacting with the Company E. A relationship arising solely from a director's ownership of an equity or limited partnership interest in a party that engages in a transaction with the Company shall not be deemed a material relationship or transaction that would cause a director not to be independent so long as such director's ownership interest does not exceed 5% of the total equity or partnership interests in that other party.

Directors of Companies Transacting with the Company F. A relationship arising solely from a director's position as a director or advisory director (or similar position) of another company or tax-exempt organization that engages in a transaction with the Company shall not be deemed a material relationship or transaction that would cause a director not to be independent.

Banking or Financial Relationships between Director-Affiliated Entities and the Company G. An

extension of credit to, underwriting securities of, or entering into a derivative or commodity transaction or other banking or financial relationship with, a company or tax-exempt organization of which a director is an executive officer shall not be deemed a material relationship or transaction that would cause a director not to be independent if such loan, underwriting, derivative or commodity transaction or other relationship is made or extended on terms and under circumstances, including credit or underwriting standards, that are substantially similar to those prevailing at the time for companies with which the Company has a comparable relationship and that do not have a director of the Company serving as executive officer.

Director Affiliations with Tax-Exempt Organizations That Transact Business with the Company H. A relationship arising solely from a director's affiliation with a tax-exempt organization that has a transaction or other financial relationship with the Company (other than payments covered by Paragraph C and contributions covered by Paragraph I) shall not be deemed a material relationship or transaction that would cause a director not to be independent so long as such transaction or relationship is on substantially the same terms as those prevailing at the time for similarly-situated organizations that do not have an affiliation with a director of the Company.

#### **Contributions to Tax-Exempt Organizations**

I. A relationship arising solely from a director's affiliation with a tax-exempt organization that receives contributions from the Company (directly or through The LEHMAN Foundation or a similar organization established by the Company) shall not be deemed a material relationship or transaction that would cause a director not to be independent so long as such contributions (other than employee matching contributions) for a particular fiscal year are not in excess of the greater of \$1 million or 2% of the organization's consolidated gross revenues for such fiscal year.

#### **Client Relationships**

J. The ownership by a director of equity securities of the Company, or to the extent legally permissible, the maintenance by a director of a brokerage, banking or similar account with, the use of other banking, lending, or similar services or products offered by, or the purchase of investment services, investment products, securities or similar products and services from, the Company or its affiliates, shall not be deemed to be a material relationship or transaction that

would cause a director not to be independent so long as the relationship is on substantially the same terms as those prevailing at the time for similarly-situated persons who are not directors or executive officers of the Company.

K. The ownership by a director of an interest in a partnership or fund associated with the Company (whether sponsored or managed by the Company or a third party) shall not be deemed to be a material relationship or transaction that would cause a director not to be independent so long as the terms on which such director acquired the interest and participates in the fund are substantially the same terms as those prevailing at the relevant time for similarly-situated persons who are not directors or executive officers of the Company.

#### **Indebtedness**

L. A relationship arising solely from a director's status as an executive officer, employee or equity owner of a company to which the Company was indebted at the end of the Company's last full fiscal year shall not be deemed a material relationship or transaction that would cause a director not to be independent so long as the aggregate amount of the indebtedness is not in excess of 5% of the Company's total consolidated assets.

#### **Other**

M. Any other relationship or transaction that is not covered by any of the standards listed above and in which the amount involved does not exceed \$10,000 in any fiscal year shall not be deemed a material relationship or transaction that would cause a director not to be independent.

N. Any relationship or transaction between an immediate family member of a director and the Company shall not be deemed a material relationship or transaction that would cause the director not to be independent if the above standards would permit the relationship or transaction to occur between the director and the Company.

**Definitions:** For purposes of these guidelines:

"company" includes for-profit organizations, as well as any parent or subsidiary in a consolidated group with such organization, and excludes tax-exempt organizations.

"Executive officer" means an entity's president, principal financial officer, principal accounting

officer (or, if there is no such accounting officer, the controller), any vice-president of the entity in charge of a principal business unit, division or function, any other officer who performs a policymaking function, or any other person who performs similar policy-making functions for the entity.

Officers of an entity's parent or subsidiaries will be deemed officers of the entity if they perform policy-making functions for the entity. See Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended.

"Immediate family members" of a director means the director's spouse, parents, children, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law and anyone (other than domestic employees) who shares the director's home.

When applying the look-back provisions of the standards, persons who are no longer immediate family members as a result of legal separation or divorce or those who have died or become incapacitated shall not be considered.

<https://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/policy-regarding-director-independence-determinations.pdf>