

Whistle Blower Policy

A. Overview / Responsibilities

1. The Board of Directors of Jefferies Financial Group Inc. (collectively with its subsidiaries, the “Company”) has established the following procedures to receive, retain, investigate and act on complaints and concerns of employees, shareholders and others regarding accounting, internal accounting controls and auditing matters, including complaints regarding attempted or actual circumvention of internal accounting controls or complaints regarding violations of the Company’s accounting policies (“Accounting Complaints”), compliance with any legal or regulatory requirements, the Company’s Code of Business Practice or any of the Company’s other compliance policies or procedures, including harassment, or any other matter that could cause serious damage to the Company’s reputation (together with any Accounting Complaints, “Complaints”).
2. The Board of Directors has delegated to the Audit Committee the responsibilities created by these procedures. In the discretion of the Audit Committee, the responsibilities of the Audit Committee created by these procedures may be delegated to the Chair of the Audit Committee or to a subcommittee of the Audit Committee.
3. Additionally, the Board of Directors has retained the authority to oversee the operation and enforcement of this Policy.
4. This Policy applies to all officers, directors, employees, agents, representatives and other third parties when they act on behalf of the Company.

B. Procedures for Receiving and Investigating Complaints

The Chair of the Audit Committee is authorized to receive and investigate Complaints.

- Michael Sharp (the “General Counsel”) or his designee is also authorized to receive and investigate Complaints, including Accounting Complaints. In this capacity, the General Counsel provides advice to, and acts under the authority of, the Audit Committee.
- All persons receiving Complaints should contact the General Counsel so that an appropriate investigation can be conducted.

You may raise Complaints through any of the following channels that you feel most comfortable.

1. To your supervisor, who in turn would forward the Complaint to the appropriate channels.
2. To the Company’s General Counsel as follows:
 - in writing to the attention of Michael Sharp, General Counsel, 520 Madison Avenue, New York, New York 10022; or
 - via email at MSharp@Jefferies.com.
3. To the Action Line as follows:
 - by calling the external, independent, third-party Action Line at 1-800- 688-3054 (U.S. number).

The Action Line is a special telephone line that is available 24 hours a day and is operated by an independent third party service provider. Each caller will be given a report key number with respect to their Complaint to the

Action Line. After making a Complaint through the Action Line, a caller may call back to provide additional information or inquire about the status of a prior Complaint. Callers who are employees, officers or directors of the Company will have the ability to have their identity and the confidentiality of their communications protected, to the extent reasonable or practicable. All other callers may not be given anonymous and confidential treatment.

Information about each Complaint will be provided, on a confidential basis to the extent possible, to the General Counsel, for evaluation and handled in accordance with this Policy (see paragraphs 6 and 7 below).

All Complaints received by the General Counsel or the third-party Action Line are reported to the Company's Audit Committee.

4. To the Chair of the Audit Committee in writing as follows:

- to the attention of the Chair of the Audit Committee, Jefferies Financial Group Inc., 520 Madison Avenue, New York, New York 10022.

Any correspondence to the Chair of the Audit Committee should be clearly marked as an urgent matter for consideration by the Audit Committee of the Company. The Audit Committee Chair may, in his or her discretion, refer the matter to the General Counsel for investigation in accordance with paragraphs 5 and 6 below, or retain the matter for investigation by the Audit Committee in accordance with paragraph 9 below. Ordinarily, the practice of the Audit Committee Chair will be to direct the investigation to be conducted by the General Counsel.

A written Complaint made to the Chair of the Audit Committee may be made anonymously if the complainant prefers.

5. The General Counsel will maintain a written or electronic docket (the "Docket") containing information and background related to all Complaints and summarizing in reasonable detail for each Complaint: the nature of the Complaint (including any specific allegations made and the persons involved); the date of receipt of the Complaint; the current status of any investigation into the Complaint; and any final resolution of the Complaint. The General Counsel will also prepare and distribute a summary of the information contained in the Docket, including highlights of recent developments relating to all Complaints (the "Summary Docket") in reasonable detail, to the Chair of the Audit Committee (and, if the Chair so directs, to the full Audit Committee) in advance of each regularly scheduled meeting thereof.
6. Promptly upon the receipt of any Complaint, the General Counsel will evaluate whether the Complaint constitutes an Accounting Complaint. If the General Counsel determines that the Complaint is an Accounting Complaint, he or she will promptly forward such Complaint to the Audit Committee and, when possible, acknowledge receipt of the Accounting Complaint to the sender. For Complaints other than Accounting Complaints, the General Counsel is responsible for assessing each Complaint on a preliminary basis to determine to what extent an investigation into the Complaint is required, and for directing all aspects of the investigation of any Complaint.
7. If an investigation is required of any Accounting Complaint or other Complaint, the General Counsel or, as applicable, an appropriate person or group identified by the General Counsel, will promptly investigate the Complaint and report the results of his investigation, orally or in writing, to the Audit Committee (an "investigation report"). Investigation reports will be prepared in reasonable detail and shall be in addition to the information provided to the Audit Committee on the Summary Docket. Such reports will describe

the Complaint, the steps taken in the investigation, any factual findings, and the recommendations for corrective action, if any. The General Counsel will be free in his discretion to recommend to the Audit Committee Chair that outside auditors, outside counsel or other experts should be engaged to assist in the investigation and in the analysis of results. All investigations initiated by employees will be conducted in a confidential manner, so that information will be disclosed only as needed to facilitate review of the investigation materials or otherwise as required by law. The General Counsel may, if he or she deems it reasonably necessary, require the assistance of the Chief Financial Officer, any of his or her staff, or any other employees of the Company in investigating and resolving any Complaint. The parameters of any investigation will be determined by the General Counsel in consultation with the Chair of the Audit Committee or its designee in its discretion and the Company and its employees will cooperate as necessary in connection with any such investigation. The person who is the subject of a Complaint and related investigation shall be notified in a timely manner as appropriate, and otherwise involved in the investigation as deemed necessary and appropriate.

8. The Audit Committee will review the Summary Docket and any investigation reports submitted by the General Counsel. The Audit Committee will have the authority to direct that the appropriate corrective action be taken by the Company in response to any particular Complaint. The Audit Committee may, in its discretion, consult with any member of the Company's management who may have appropriate expertise to assist in the evaluation of the Complaint. The Audit Committee will be free in its discretion to engage outside auditors, counsel or other experts to assist in the evaluation of any results of any investigation into a Complaint, and the Company will pay all fees of such auditors, counsel and experts.
9. At any time the Audit Committee may, in its discretion, determine that it, and not the General Counsel, should initiate and/or assume the investigation of any Complaint. In this case, the Audit Committee will promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee will be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation of any Complaint and in the analysis of results, and the Company will pay all fees of such auditors, counsel and experts. In determining that it, and not the General Counsel, should, as an initial matter, investigate any Complaint, the Audit Committee may consider such matters as the identity of the alleged wrongdoer, the severity and scope of the alleged wrongdoing, the credibility of the allegations made, whether the allegations are mirrored in press or analyst Complaints, and any other factors that are appropriate under the circumstances. Nothing in this section shall require the General Counsel to delay the commencement of an investigation into a Complaint until the next scheduled meeting of the Audit Committee.
10. At the conclusion of an investigation, the General Counsel (or appropriate investigator) or the Audit Committee, as applicable, may recommend that appropriate corrective actions be taken, and will monitor completion of any recommended corrective actions.

C. Protection of Whistleblowers

Consistent with the policies of the Company, any employee, officer or director may submit a good faith Complaint without fear of dismissal or retaliation of any kind. The Board of Directors, the Audit Committee and the Company's management will not retaliate or attempt to retaliate, and will not tolerate any retaliation or attempted retaliation by any other person or group, directly or indirectly, against anyone who, in good faith, makes a Complaint, reports violations of this Policy or provides assistance to the Audit Committee or the Company's management or any other person or group, including any governmental, regulatory or law

enforcement body, investigating or otherwise helping to resolve any Complaint. A person reports a Complaint in “good faith” if the person believes a violation may have occurred or will occur, and that belief is objectively reasonable. Nothing contained in the Company’s policies limits an employee’s ability to communicate with government agencies regarding possible violations of the law, or to participate in any investigation or proceeding that may be conducted by any governmental agency, including providing documents or other information. Retaliation violates this Policy and may violate the law. Concerns about retaliation should be reported pursuant to this Policy.

D. Confidential and Anonymous Reports by Employees

Employees of the Company are expressly authorized to make Complaints using the procedures described in Section B on a confidential or anonymous basis. If requested, any Complaint received from employees will be treated confidentially or anonymously, as applicable, to the extent reasonable and practicable under the circumstances.

E. Records

The Company will retain for a period of seven years (or otherwise as required under the Company's record retention policies in effect from time to time) all records relating to any Complaint and to the investigation and resolution thereof, including any corrective actions.

F. Communication

The Company will cause these procedures to be communicated to all employees.

G. Policy Review

The Board or Audit Committee, as applicable, will review this Policy periodically.