

From: Pellerani, Carlo [carlo.pellerani@lehman.com]. Sent: 8/22/2008 2:15 PM.
 To: Tonucci, Paolo [paolo.tonucci@lehman.com].
 Cc: .
 Bcc: .
 Subject: Fw: Settlement Limits.

FYI. I will review with Dan and Stirling...

 ----- Original Message -----

From: guybridge@hsbc.com <guybridge@hsbc.com>
 To: Pellerani, Carlo
 Cc: nicholastaylor@hsbc.com <nicholastaylor@hsbc.com>
 Sent: Fri Aug 22 18:44:28 2008
 Subject: Settlement Limits

Carlo

Further to our discussion today please find attached a spreadsheet with relevant limit information as promised. We would be grateful if you could look at this as far as you are able and advise if there are any immediate changes that you can identify so we can adjust accordingly. You may want to comment of the Treasury limits but otherwise these are included for your information only.

I would be grateful if you could give feedback on the limits by Wednesday as we will then be able to advise a level of cash cover that could be posted as collateral. In the short term this is likely to be for LBIE in the UK under a simple cash deed which can be executed very quickly. I will send you a draft next Wednesday. Clearly there will be a number of things we will need to discuss in more detail and provide additional comment on Asia as noted.

As agreed this morning we have already amended the day Loan facility and the Unsecured Crest limits to zero. The unsecured £100m CREST limit for your Nominee Company is still in place.

I should also make clear that a communication has been made to our Treasury offices, from the highest level, that HSBC will continue to trade normally with the Group within agreed limits. If you become aware that there are any problems you should advise us as soon as possible so we can look into.

(See attached file: Lehman's TSL and PSL limits.xls)

In the interim I hope you have an enjoyable Bank holiday weekend and will speak next week. Kind regards Guy

Guy BRIDGE
 Director | Global Financial Institutions Group
 Level 19, 8 Canada Square, London, E14 5HQ,

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