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Sent: Thursday, July 31, 2008 5:05 PM (GMT)
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Subject: JPM Triparty

Have tried to keep this concise. Please add any major information or action points. Thanks.

Main topics:

Collateral Schedule:

JPM is in discussions "at a high level" with Lehman NY about collateralization of clearance (? or Triparty?) including Chris O'Meara, Paolo Tonucci, etc. Therefore, premature to discuss specifics in London now. Goal is to get global schedule- with consistent sets, haircuts, and concentration limits.

Need to discuss with NY what the exact nature of the discussions have been. Will set something up with Dan Fleming, who's involved on our side, and CMPS here.

JPM, Kelly Matthieson, emphasized "the aim is not to pull the rug out from under your feet" and impair our operations/ability to do business. They realize we will not want to collateralize for 100% of the business at least initially (need to establish level of unsecured going forward).

Operational Aspects:

Fair amount of discussion on how collateral would be allocated, potentially across markets and time zones. Given complexity agreed Lehman and JPM would put together timelines to outline how the process would work and what our needs/collateral positions would be during the day. Need to do this for each time zone and then put it all together. Sara Mahoney will liase with Russ Pudney to do this for the upcoming quarterly meeting on 12. August.

Legal:

We need to review legal doc given to us today from a European perspective- need to liase with NY as well. (Phil ?)

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