

From: O'Meara, Chris M (NY) [comeara@lehman.com].

Sent: 4/7/2008 1:22 PM.

To: Reynolds, Kristi Michelle [kristimichelle.reynolds@lehman.com].

Cc: .

Bcc: .

Subject: FW: Market Risk Limit Policy.

K - Pls print all. Thanks, C

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> From: Shotton, Paul

> Sent: Wednesday, March 19, 2008 5:25 PM

> To: O'Meara, Chris M (NY)

> Cc: Garg, Sandeep; Goodman, Jeffrey; Huang, Ken (Risk); Van Buren,

> Chris; Vezie, Eric

> Subject: Market Risk Limit Policy

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> Chris, we'd like to implement the new Market Risk Limits Policy ahead
> of the impending Risk Management internal audits. Having discussed the
> issues again with Jeff, Sandeep, Ken, ChrisVB and Eric we are agreed
> on the wording of the attached draft, which better reflects current
> practice (I also attach the current policy for comparison purposes).
> Unless you object I'll have Lisa & Liz upload to the website as our
> official policy. Let me know if you'd like me to take you through it
> to explain the changes.

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> I also attach an Appendix, which shows the cascading limit hierarchy
> and the current limit values. The idea would be that this page would
> be updated periodically to reflect limit changes and the introduction
> of new limits, etc. as the businesses and markets develop over time.

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> Paul.

> Proposed new policy: <<Market Risk Management Limit Policy - Draft
> Mar 2008.doc>>

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> Current policy: <<Market Risk Management Limit Policy.doc>>

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> Appendix of current limits: <<Market Risk Limits March 2008.doc>>

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