

From: Shotton, Paul <paul.shotton@lehman.com>
Sent: Friday, February 2, 2007 8:52 PM (GMT)
To: Feng, Ping <pfeng@lehman.com>
Subject: Single Transaction Limit Framework
Attach: Single Transactions - Short Version 2005.jan.doc;STL result v2.xls;STL1 one tab.xls

Ping, below is a presentation on the Single Transaction Limit Framework. The only thing which has changed since this presentation was sent out is that the max STL loss limit has since been increased to \$250mm, as opposed to \$200mm shown in the presentation.

Regards, Paul.

From: Li, Joe
Sent: Monday, April 11, 2005 5:37 PM
To: Weiss, Jeffrey L; Konigsberg, Michael; Wieseneck, Larry; Howell, Richard; Toal, Peter J; Hughes, William J; Bernard, Thomas E; Hannan, Steve; Guarnieri, Michael P; Pitts-Tucker, Charles; Moar, Guy; Kirk, Alex; Jotwani, Tarun [LDN]; Umezaki, Kentaro; Hedlund, Robert
Cc: Antoncic, Madelyn; Shotton, Paul
Subject: Single Transaction Limits Proposal (Draft)

All,

The Firm is in the process of adopting a single transaction limit framework designed to limit "head-line" risk. Risk management has been working on the framework with input from various people over the past couple of years and proposes limits consistent with the Firm's overall risk management framework.

The attached has gone through several iterations and has been vetted with Alex Kirk, Rick Rieder, Tarun Jotwani, Hyung Lee, Ken Umezaki, Mike Konigsberg, Robert Hedlund and others. We are circulating it to a wider group for further discussion. Please see the attached for background information and the proposal. Your thoughts and input would be greatly appreciated.

Thank you.

1. Background document

<<Single Transactions - Short Version 2005.jan.doc>>

2. Risk factors and risk limits proposal

<<STL result v2.xls>>

3. Historical deal analysis based on this framework

<<STL1 one tab.xls>>

Regards
Joe