

JP MORGAN AGENDA

| | Date | Time | Venue |
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| Meeting | September 4, 2008 | 12:30 -2:00 pm | Luncheon |
| Bank Participants | Barry Zubrow, Chief Risk Officer and EVP, Member of the Operating Committee (Bio attached) Piers Murray, MD, Global Credit Risk Management (Bio attached) Jane Buyers Russo, MD - Division Executive of the Broker Dealer and Hedge Funds Division Mark Doctoroff, Executive Director, Senior RM | | |
| Lehman Participants | Ian Lowitt, , CFO Chris O'Meara, Chief Risk Officer Paolo Tonucci, Global Treasurer | | |
| Agenda | <ul style="list-style-type: none"> • Introduce Barry Zubrow, CRO to Lehman Senior Management • Review of Lehman business strategy and third quarter results • Review operational risk and credit initiatives | | |
| Lehman Priorities | <ul style="list-style-type: none"> • Collateral: Lehman is pushing JP Morgan to increase pricing sources for less liquid collateral, achieve better transparency in net free equity, and improve real time automation. | | |
| JPM Priorities | <ul style="list-style-type: none"> • Collateral: Lehman has deposited collateral of \$8B+ to support intraday triparty exposures in the US. Discussions for an additional collateral pool of \$2B to support European triparty exposures are in process in London. JP Morgan has conveyed its appreciation on how effectively Lehman has worked with them to mitigate intraday exposures.(See attached analysis). • Valuations: JP Morgan has expressed concern about the valuation of some of the collateral posted, specifically CLO's. JP Morgan is not concerned that the collateral is relatively illiquid, but that there is no 3rd party pricing available. JP Morgan has agreed to engage Gifford Fong to undertake valuation of the collateral. • Clearance Documentation: JP Morgan has renegotiated and executed amendments to the clearance agreement, a new security agreement and guaranty from LBHI on August 28, 2008. • Derivative Counterparties: JP Morgan is reviewing the number of Lehman derivative counterparties and has requested we work with them to consolidate the credit exposures to fewer legal entities (combined Bear, Stearns and Lehman exposures). To date, JP Morgan is not requiring that the trades be consolidated with a regulated entity and is comfortable with LBSF. Until completed, JP Morgan has stopped negotiating CSA's with new legal entities, e.g. Bankhaus Seoul Branch. • Guarantees: JP Morgan has requested that new individual guarantees from LBHI be negotiated, including Aurora and all legal entities guaranteed by Board Resolution. Mark Doctoroff working internally with Legal to draft a proposed format. • Liquidity: Lehman has provided detail on our liquidity position as of quarter end. (See attached schedule). JP Morgan is holding an internal credit meeting on September 5 to review the quality of the liquidity composition of all broker dealers. <p>PLEASE NOTE, JP MORGAN'S INTERNAL BRIEFING MEMO FOR THIS MEETING IS ATTACHED.</p> | | |