

DERIVATIVES CLAIMS SETTLEMENT FRAMEWORK

May 27, 2011

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ON MAY 31, 2011.

LAMCO

LEGACY ASSET MANAGEMENT COMPANY

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This document (the "Framework Methodology") is strictly private and highly confidential and contains material non-public information. This document and its contents are offered for settlement purposes and subject to Federal Rule of Evidence 408 and other rules of similar import.

This Framework Methodology is proposed as an alternative to litigation of highly complex matters to fix and determine the valid amounts of Derivative Claims¹ and Derivative Guarantee Claims that may be allowed against the Debtors, and to avoid the potentially enormous costs and extended amount of time that would otherwise be incurred by all parties if only individual reconciliation efforts are pursued. The Framework Methodology represents material concessions from the Debtors in respect of their legally supportable positions in the interest of settlement. The proposed Framework Methodology is not binding on the Debtors and nothing herein shall be construed as a waiver of the Debtors' rights to dispute any claim filed against them on any basis and the Debtors shall not be bound by anything contained in the Framework Methodology, including, without limitation, the proposed claims calculation methodology set forth herein, in any litigation or dispute. All of the Debtors' rights, claims and defenses with respect thereto are fully preserved.

The Debtors expressly reserve their rights to commence litigation or an alternative dispute resolution procedure at any time with respect to the matters covered hereby and the Debtors are not waiving or staying such rights by proposing this Framework Methodology or participating in this settlement process.

Each Big Bank Counterparty that is receiving a copy of this Framework Methodology is party to a confidentiality agreement with the Debtors. This Framework Methodology constitutes "Confidential Information" and any party receiving this document agrees to use and maintain this Framework Methodology strictly in accordance with the terms of its confidentiality agreement with the Debtors.

¹ Capitalized terms used but not defined in this section shall have the meanings ascribed to them in Section 1.4.

Section 1: Derivatives Claims Settlement Framework Overview

1.1 Framework Methodology Overview

The Framework Methodology is proposed as a settlement approach with the intent of creating a standardized, uniform and transparent methodology to fix unresolved Derivative Claims and Derivative Guarantee Claims of the Big Bank Counterparties. Over a period of several months, the Debtors engaged in negotiations and participated in settlement discussions with several of the Big Bank Counterparties regarding the Framework Methodology. The Debtors have incorporated certain changes and made certain adjustments to the Framework Methodology based upon their discussions with and comments received from certain of the Big Bank Counterparties. This Framework Methodology document represents the final principles and methodology that the Debtors propose to apply to fix and determine the allowed amounts of Derivative Claims and Derivative Guarantee Claims of the Big Bank Counterparties.

On May 27, 2011, in addition to a copy of this Framework Methodology, each of the Big Bank Counterparties received a proposal from the Debtors to allow such party's Derivative Claims and Derivative Guarantee Claims in amounts calculated pursuant to the principles set forth in this Framework Methodology.² The Debtors have also provided each Big Bank Counterparty a form of the termination and settlement agreement. If at least ten (10) Big Bank Counterparties (with all affiliated Big Bank Counterparties constituting one single Big Bank Counterparty) accept the Debtors' proposal for the allowance of their claims in the amount of their respective Framework Value and execute settlement agreements with the Debtors on or before June 30, 2011, then the settlement agreements with such settling Big Bank Counterparties will become effective and binding on the Debtors and the claims of such settling counterparties will be allowed in the amount of their respective Framework Values. The Debtors reserve their rights, in their sole discretion, to waive any condition or modify any proposed settlement agreement, including, without limitation, extending the June 30, 2011 deadline or reducing the minimum number of

² The Framework Methodology does not apply to Derivative Guarantee Claims asserted by Big Bank Counterparties for which the Primary Obligor is not a Lehman Entity, such as a foreign affiliate of the Debtors. The resolution of such Derivative Guarantee Claims has been deferred.

Big Bank Counterparties required for the Framework Methodology to become effective. In addition, if the settlement agreements become effective, each of the settling Big Bank Counterparties will be entitled to "Most Favored Treatment" protection from the Debtors in the event the Debtors later settle with one of the non-settling Big Bank Counterparties under certain circumstances that deviate from the Framework Methodology in a manner more favorable to the non-settling Big Bank Counterparty. Big Bank Counterparties that do not enter into settlement agreements with the Debtors for allowance of their claims in the amount of the Framework Value on or before June 30, 2011 will not be eligible for "Most Favored Treatment" protection.

1.2 Reservation of Rights

The rights, claims and defenses of the Debtors and all Counterparties with respect to all aspects of Derivative Claims and Derivative Guarantee Claims whether addressed herein or not, including, without limitation, reconciliation of unpaid amounts and Collateral in the form of cash, rights, claims or defenses to expenses or interest claimed under a Derivative Contract, or rights and claims of reduction, subordination, set-off or disallowance by a Debtor, remain subject to reconciliation and, if necessary, dispute resolution, and are fully preserved, including in connection with any litigation or alternative dispute resolution process that has already been commenced. Counterparties' rights to verify the application of the Framework Methodology by the Debtors are also preserved.

1.3 Framework Methodology Concepts

In calculating the Framework Value for a Derivative Claim or a Derivative Guarantee Claim, the Debtors will:

- Establish the date and time for calculation of Mid Market Values;
- Calculate Mid Market Values;
- Apply the Portfolio Aggregation Methodology to derive groups of netted exposures;
- Calculate Allowable Additional Charges; and
- Account for Collateral and Expected and Actual Cash Payments.

The detailed valuation approach is described in "Section 2: Framework Valuation Approach" and the allowances from mid market are provided in Appendix 3.1 (the "Grids").

1.4 Definitions

The following capitalized terms used in this Framework Methodology document shall have the following meaning:

Actual Cash Payments means the amounts that have been paid to or by a Lehman Entity on or after the Trade Valuation Date under a Derivative Contract.

Adjusted Value means for each Derivative Contract, the sum of (a) the Mid Market Values for all trades and (b) the Allowable Additional Charges calculated after applying the Portfolio Aggregation Methodology.

Allowable Additional Charges means the permitted charges as calculated based on the prescribed Grids contained in Appendix 3.1 and that shall be applied to each group of netted exposures.

Bankruptcy Code means title 11 of the United States Code.

Big Bank Counterparty means each of the institutions that are set forth on Appendix 3.3.

Collateral means any asset, interest in property or other credit support transferred or posted by or to a Counterparty to secure payment of debt or performance of an obligation arising under a Derivative Contract.

Counterparty means a party to a Derivative Contract with a Lehman Entity.

Debtors means LBHI, LBSF, LBCS, LBCC, LOTC, LBFP, LBDP and LCPI (each as defined in Appendix 3.4).

Derivative Claim means a valid and enforceable claim arising out of the termination or rejection of a Derivative Contract with a Lehman Entity but excluding a Derivative Guarantee Claim.

Derivative Contract means any valid and enforceable contract that is (a) a "swap agreement" as such term is defined in section 101(53B) of the Bankruptcy Code, or (b) a "forward contract" as such term is defined in section 101(25) of the Bankruptcy Code; provided, however, that a cash market purchase or sale of a security or loan (i.e. any purchase or sale of a security or loan for

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settlement within the standard settlement cycle for the relevant market), exchange-traded future or option, securities loan transaction, or repurchase agreement in respect of securities or loans, or any guarantee or reimbursement obligations in respect of any of the foregoing transactions that would otherwise be included in the definition of "swap agreement" or "forward contract" pursuant to the definition of such terms in the Bankruptcy Code shall not be considered a Derivative Contract for the purposes of this definition; provided, further, that any notes, bonds, or other securities issued by the Debtors or their affiliates (including, without limitation, Lehman Brothers Treasury Co. B.V., Lehman Brothers Bankhaus AG (in Insolvenz), Lehman Brothers Holdings plc, Lehman Brothers Securities N.V. and Lehman Brothers (Luxembourg) Equity Finance S.A.), or any guarantee thereof, shall not be considered "Derivative Contracts."

Derivative Guarantee Claim means any valid and enforceable claim against LBHI asserting a guarantee, promise or pledge by LBHI to satisfy the liabilities or obligations of a Lehman Entity (other than LBHI) with respect to a Derivative Contract.

Expected Cash Payments means the amounts due to be paid to or by a Lehman Entity under a Derivative Contract but not paid.

Framework Value means the proposed amount to be allowed for a Derivative Claim or Derivative Guarantee Claim after the application of the Framework Methodology, or, to the extent that the application of the Framework Methodology results in an amount payable to a Lehman Entity, then such amount inclusive of interest payable thereon.

Lehman Entity means each of the entities identified on Appendix 3.4, including the Debtors.

Mid Market Value means the mid-point value for a trade as determined by the Debtors in accordance with Section 2.2.a.

Portfolio Aggregation Methodology means the aggregation rules described in Section 2.3 that shall be applied to all trades under a Derivative Contract in order to derive groups of netted exposures.

Preponderance means, with respect to the determination of the Trade Valuation Date, the greatest percentage of the applicable terminated trades within a Derivative Contract for which

adequate documentation or information to support the valuation of such trades on a specified date has been provided to the Debtors; *provided, however*, that terminated trades for which adequate documentation or information to support valuation of such trades on a specified date has not been provided to the Debtors shall not be included for purposes of determination of "Preponderance".

Replacement Trade means a transaction that is entered into after the termination of a Derivative Contract to reestablish any hedge or related trading position that has been terminated on identical material and economic terms as the terminated transaction.

Termination Date means the earlier of the date upon which a Debtor rejected a Derivative Contract or a Counterparty validly liquidated, terminated or accelerated a Derivative Contract.

Trade Valuation Date means the date determined in accordance with Section 2.2.b.1 as the relevant valuation date for a specific trade under a Derivative Contract.

Section 2: Framework Valuation Approach

2.1 Calculation of Settlement Framework Values – General Overview

Outlined below is a summary of the steps that will be applied by the Debtors to calculate a Framework Value for each Derivative Contract.

1. **Identify Trade Population** - The Debtors will identify the appropriate trade population within each Derivative Contract and categorize each trade under such Derivative Contract into sub categories as described in Section 2.3. In identifying the relevant trade population, the Debtors will use the trade population for each Derivative Contract, as reconciled with a Big Bank Counterparty as of May 25, 2011. If a Big Bank Counterparty has not provided requisite information for the reconciliation of trades with Lehman Entities, or the Debtors are unable to complete reconciliation with a Big Bank Counterparty by May 25, 2011, the Debtors will use the trade population in their booking systems as of May 25, 2011 for all Derivative Contracts that have not been reconciled. The distribution of Framework Value reports will not preclude the Debtors from continuing trade and cash reconciliation efforts with Big Bank Counterparties.
2. **Calculate Adjusted Value** – The Debtors will calculate an Adjusted Value for each Derivative Contract as follows:
 - a) Subject to certain exceptions described in Section 2.2.a and Section 2.2.b, the Debtors will determine the Mid Market Values for each trade on the Trade Valuation Date.
 - b) The Debtors will apply the Portfolio Aggregation Methodology as described in Section 2.3.
 - c) After the Portfolio Aggregation Methodology has been applied, the Debtors will calculate Allowable Additional Charges based on the prescribed Grid contained in Appendix 3.1 and described in Section 2.4.

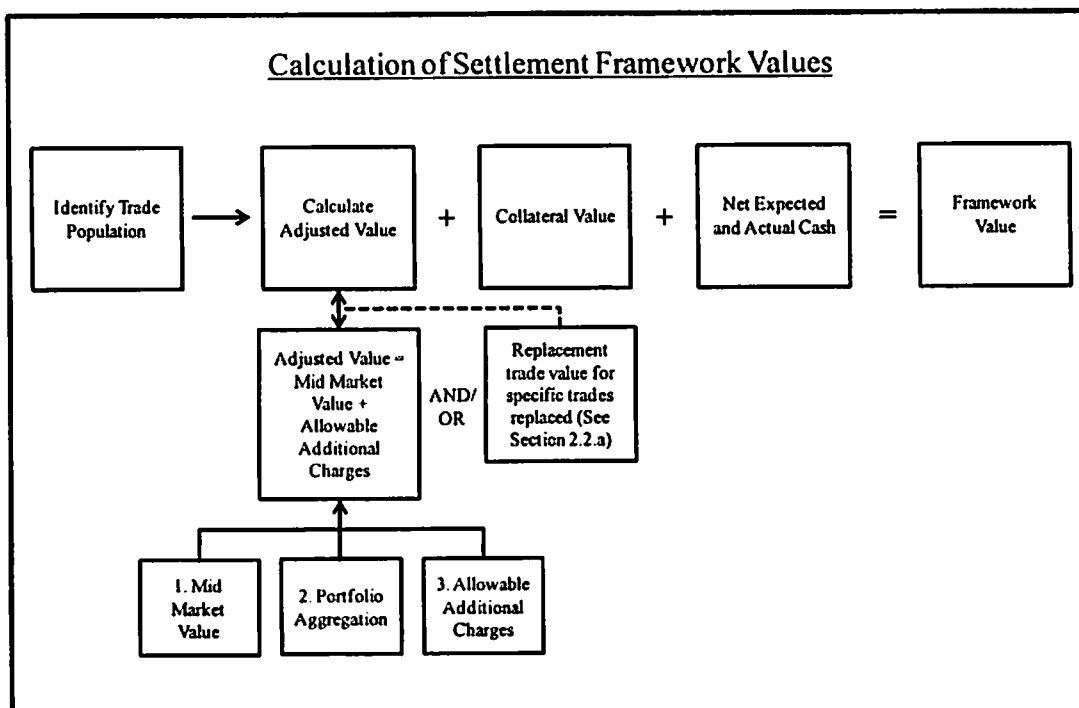
Exception: If the Replacement Trade exception set forth in Section 2.2.a applies, then that replacement value shall be the Adjusted Value for such trades. The Portfolio Aggregation Methodology will not apply to those trades that satisfy the Replacement Trade exception and there will be no Allowable Additional Charge calculated with respect to such trades.

3. **Determine Collateral Value** - The Debtors will determine the value of Collateral under a Derivative Contract as of the end of day on the Termination Date (as described in Section 2.5).
4. **Determine Net Expected Cash Payments and Actual Payments** - The Debtors will determine for each Derivative Contract (a) net Expected Cash Payments as of the close of business on the Trade Valuation Date and (b) Actual Cash Payments (as described in Section 2.6).
5. **Framework Value** - The Debtors will calculate a Framework Value for each Derivative Contract, which will equal the sum of (a) Adjusted Value, (b) Collateral Value and (c) net Expected Cash Payments and Actual Cash Payments. If the Framework Value is greater than the amount asserted in a timely filed proof of claim by a Big Bank Counterparty against the Debtors in respect of a Derivative Contract (the "Asserted Amount"), the Asserted Amount shall constitute the Framework Value; *provided, however*, that the foregoing shall not preclude upward adjustments due to application of the Framework Methodology with respect to a particular trade governed by a Derivative Contract as long as the aggregate claim amount under the Derivative Contract does not exceed the Asserted Amount.
6. **No Cross-Affiliate Setoff** - Pursuant to the Framework Methodology, the Lehman Entities are not permitting any purported rights of "cross-affiliate setoff" - *i.e.*, the set off of a Derivative Claim or Derivative Guarantee Claim that is proposed to be allowed in the amount of the Framework Value against (i) any amount payable to any chapter 11 debtor by an entity other than the holder of such Derivative Claim or Derivative Guarantee Claim or (ii) any amount payable by the holder of such Derivative Claim or

Derivative Guarantee Claim to any chapter 11 debtor other than the debtor against which the Derivative Claim or Derivative Guarantee Claim is allowed – whether the purported bases for such cross-affiliate setoff arise under contract or law. Accordingly, Framework Values will not incorporate cross-affiliate setoffs. As a condition to entry into a settlement agreement for the resolution of all issues between the parties, including the allowance of Derivative Claims or Derivative Guarantee Claims in Framework Values, Big Bank Counterparties must, among other things, waive all purported rights to effectuate cross-affiliate setoffs.

7. Interest on amounts due to a Lehman Entity – Interest on amounts payable to a Lehman Entity has not yet been calculated and, notwithstanding that interest is included in the definition of “Framework Value,” is not yet reflected in Framework Values produced to date.

The concepts above are illustrated in the chart below.



On May 27, 2011, the Debtors will provide to each Big Bank Counterparty a report, outlining the Framework Value for each Derivative Contract broken down into the above components, as well as a finalized version of this Framework Methodology. A template of the report can be found in Appendix 3.5.

2.2 Mid Market Values

2.2.a Mid Market Values to be used

Subject to the exception for Replacement Trades specified below, the Debtors will use their own systems and methodologies to derive Mid Market Values for every trade. The Debtors will rely on internal legacy data and industry-standard market data acquired from reputable third-party market data vendors, such as Bloomberg, MarkIt, ICAP and New Oak, and will consider information provided by Big Bank Counterparties, in the development of these values. Trades that matured on or prior to the relevant Trade Valuation Date(s) will not be included in the calculation of Mid Market Values, and are addressed in the calculation of Expected Cash Payments, described in Section 2.6.

Exception:

- **Replacement Trades** – If a Big Bank Counterparty provides sufficient evidence to the Debtors to demonstrate that it replaced specific trades with new trades on the Trade Valuation Date, such Replacement Trade value shall constitute the Adjusted Value for such trades as long as (i) the Replacement Trades are on identical material and economic terms, (ii) the replacement approach and the replacement value with respect to such Replacement Trades were on commercially reasonable terms and (iii) adequate documentation or information supporting the Replacement Trades has been provided to the Debtors by May 25, 2011.

This exception does not apply to any Replacement Trades executed after September 15, 2008 or macro-hedges or replacements for multiple trades in the same security.

2.2.b Date and Time

2.2.b.1 Date

All trades of the Big Bank Counterparties will be assigned a Mid Market Value as of the Termination Date, except as specified below.

In the event that (a) the Termination Date for a Derivative Contract is September 15, 2008 and (b) a Big Bank Counterparty establishes that it valued the Preponderance of Asian currency rates trades in its portfolio under a Derivative Contract on September 16, 2008, then all such trades will be assigned a Mid Market Value as of September 16, 2008 (provided that the Debtors have received by May 25, 2011 adequate documentation supporting use of September 16, 2008). For these purposes, "Asian currency rates trades" includes (i) single currency rates trades denominated in an Asian currency and (ii) cross-currency rates trades in which both components are denominated in Asian currencies. If, however, a Big Bank Counterparty valued a Preponderance of Asian currency rates trades under a Derivative Contract on any day other than September 16, 2008, all such trades will be assigned Mid Market Values as of the Termination Date.

For each Derivative Contract of a Big Bank Counterparty that has a Termination Date on or prior to September 19, 2008, all credit trades under such Derivative Contract will be assigned a Mid Market Value as of (i) September 15, 2008, (ii) September 16, 2008, (iii) September 17, 2008, (iv) September 18, 2008 or (v) September 19, 2008 as follows. The Debtors will determine a single valuation date for such Big Bank Counterparty's portfolio of credit trades under such Derivative Contract based upon the date on which the Preponderance of all of such Big Bank Counterparty's credit trades under that Derivative Contract were valued (the "Credit Preponderance Date"). If the Credit Preponderance Date is September 15, 2008, September 16, 2008, September 17, 2008, September 18, 2008 or September 19, 2008, then such date, as applicable, shall constitute the Trade Valuation Date for all credit trades of such Big Bank Counterparty under such Derivative Contract. If the Credit Preponderance Date is a date after September 19, 2008, the Trade Valuation Date for all credit trades of such Big Bank Counterparty under such Derivative Contract will be the Termination Date.

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For each Derivative Contract of a Big Bank Counterparty that has a Termination Date on or prior to September 19, 2008, all commodities trades under such Derivative Contract will be assigned a Mid Market Value as of (i) September 15, 2008, (ii) September 16, 2008 or (iii) September 17, 2008 as follows. The Debtors will determine a single valuation date for such Big Bank Counterparty's portfolio of commodities trades under such Derivative Contract based upon the date on which the Preponderance of all of such Big Bank Counterparty's commodities trades under that Derivative Contract were valued (the "Commodities Preponderance Date"). If the Commodities Preponderance Date is September 15, 2008, September 16, 2008 or September 17, 2008, then such date, as applicable, shall constitute the Trade Valuation Date for all commodities trades of such Big Bank Counterparty under such Derivative Contract. If the Commodities Preponderance Date is a date after September 17, 2008, the Trade Valuation Date for all commodities trades of such Big Bank Counterparty under such Derivative Contract will be the Termination Date.

The Trade Valuation Date for any Derivative Contract not terminated by a Big Bank Counterparty or rejected by a Debtor shall be the latest maturity or expiry date of any trade under the Derivative Contract.

2.2.b.2 Time

Mid Market Values will be calculated on the Trade Valuation Date as of end of day as defined in Appendix 3.2, except as specified below.

In the event that (a) the Termination Date for a Derivative Contract is September 15, 2008 and (b) a Big Bank Counterparty establishes that it valued the Preponderance of the US dollar single-currency rates trades in its portfolio under the Derivative Contract at or prior to 4:00 PM London/11:00 AM New York time on September 15, 2008, then all such trades will be assigned a Mid Market Value as of September 15, 2008 at 4:00 PM London/11:00 AM New York time (provided that the Debtors have received by May 25, 2011 adequate documentation supporting use of that time on September 15, 2008). If, however, a Big Bank Counterparty valued a Preponderance of US dollar single-currency rates trades under a Derivative Contract after that

time on September 15, 2008, all such trades will be assigned Mid Market Values as of end of day in New York on September 15, 2008.

2.3 Portfolio Aggregation Methodology

Selected risk metrics associated with trades under a Derivative Contract will be aggregated based on portfolio aggregation concepts set forth below in order to derive groups of netted risk metrics. The netted risk metrics will then be used in calculating Allowable Additional Charges for each Derivative Contract (as described in Section 2.4).

As an initial step, the trade portfolio under a Derivative Contract will be separated into five key product groups: rates, credit, foreign exchange (or "FX"), commodities and securitized products.

2.3.a Definitions

The following terms used in this Section 2.3 and in the Grids shall have the following meaning:

delta means, for any product type, the change in the mark-to-market of a trade for a 1 unit increase in the respective curve, rate or commodity price associated with the trade. For example, inflation delta ("Inflation01" in the Grids) is the change in value of the mark-to-market of an inflation swap for a 1 basis point increase in the inflation rate. Terms used to express delta in the Grids also include "CR01" and "DV01".

vega means, for any product type, the change in the mark-to-market of a trade for a 1 unit increase in the volatility (Lognormal volatility). For example, commodity vega for a NYMEX natural gas – Henry Hub option is the change in the mark-to-market for a 1 unit increase in the volatility curve.

2.3.b Rates

Within each Derivative Contract, the Debtors will aggregate the selected risk metrics (for example, delta and/or vega) for all rates trades in the following manner:

2.3.b.1 Swaps, Swaptions, Caps and Floors: For each of swaps, swaptions, caps and floors (including the nominal risk of inflation products), the Debtors will allocate the delta by currency, then by maturity date within the buckets in the table below. For purposes of all rates trades, **ALL CONFIDENTIALITY RESTRICTIONS IN THIS DOCUMENT WERE REMOVED AS OF 8:00 A.M. EDT ON MAY 31, 2011.**

the maturity date of a trade shall be determined solely based on the trade's final stated maturity date without regard to the effective date, amortization, cancellation features or other features.

Maturity Date

0 – 9 months
>9 – 18 months
>1.5 – 2.5 years
>2.5 – 4 years
>4 – 6 years
>6 – 8.5 years
>8.5 – 11 years
>11 – 13.5 years
>13.5 – 17.5 years
>17.5 – 22.5 years
>22.5 – 27.5 years
>27.5 – 35 years
>35 – 45 years
>45 years

Once allocated by maturity within currency, delta for these sub products will be netted with each other.

The Debtors will calculate Allowable Additional Charges for selected basis risks contained in the Grids. The Debtors will aggregate basis delta by basis type, then maturity date, within the buckets in the table below, then net within each bucket.

Maturity Date

0 – 3 months
>3 – 6 months
>6 – 9 months
>9 – 12 months
>12 – 15 months
>15 – 18 months

>18 – 21 months
>21 months – 2 years
>2 – 2.5 years
>2.5 – 4 years
>4 – 6 years
>6 – 8.5 years
>8.5 – 11 years
>11 – 13.5 years
>13.5 – 17.5 years
>17.5 – 22.5 years
>22.5 – 27.5 years
>27.5 – 35 years
>35 – 45 years
>45 years

For overnight index swaps, OIS rate exposure will be the only risk metric that is aggregated and netted within the maturity buckets in the table below.

Maturity Date

0 – 3 months
>3 – 6 months
>6 – 9 months
>9 – 12 months
>12 – 15 months
>15 – 18 months
>18 – 21 months
>21 months – 2 years
>2 – 5 years
>5 years

In addition, for each of the sub products that include optionality, the Debtors will separately segregate vega by currency, and by cap/floor vega and swaption vega.

Swaption vega will be bucketed further by expiry date (or date by which the swaption must be exercised) and underlying maturity date (or tenor of the underlying swap) within the following buckets:

Expiry Date

- 0 – 3 months
- >3 – 6 months
- >6 – 18 months
- >1.5 – 3 years
- >3 – 5 years
- >5 – 7 years
- >7 – 10 years
- >10 – 20 years
- >20 – 30 years
- >30 years

Underlying Maturity Date

- 0 – 9 months
- >9 – 18 months
- >1.5 – 2.5 years
- >2.5 – 4 years
- >4 – 6 years
- >6 – 8.5 years
- >8.5 – 11 years
- >11 – 13.5 years
- >13.5 – 17.5 years
- >17.5 – 22.5 years
- >22.5 – 27.5 years
- >27.5 – 35 years
- >35 – 45 years
- >45 years

Cap/floor vega will be bucketed further by expiry date within the following buckets:

Expiry Date

- 0 – 1 year
- >1 – 2 years
- >2 – 3 years
- >3 – 5 years
- >5 – 7 years
- >7 – 10 years
- >10 – 15 years
- >15 years

Once allocated by expiry date and, if applicable, underlying maturity date within sub product, vega for these sub product types will be netted.

2.3.b.2 Inflation Products: For inflation products, the Debtors will aggregate inflation delta by underlying inflation index, then by maturity date, using the following buckets:

Maturity Date

- 0 – 9 months
- >9 – 18 months
- >1.5 – 2.5 years
- >2.5 – 4 years
- >4 – 6 years
- >6 – 8.5 years
- >8.5 – 11 years
- >11 – 13.5 years
- >13.5 – 17.5 years
- >17.5 – 22.5 years
- >22.5 – 27.5 years
- >27.5 – 35 years
- >35 – 45 years
- >45 years

Once allocated by maturity date, inflation delta will be netted.

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2.3.b.3 Cross-currency Swaps: For fixed-to-floating cross-currency swaps, the Debtors will calculate Allowable Additional Charges based on two separate risk measures, rates delta and cross-currency exposure. Each of the risk metrics for these swaps will be segregated first by currency pair, then by maturity date, within the following buckets:

Maturity Date

0 – 9 months
>9 – 18 months
>1.5 – 2.5 years
>2.5 – 4 years
>4 – 6 years
>6 – 8.5 years
>8.5 – 11 years
>11 – 13.5 years
>13.5 – 17.5 years
>17.5 – 22.5 years
>22.5 – 27.5 years
>27.5 – 35 years
>35 – 45 years
>45 years

Once allocated by maturity date, rates delta will be netted together with the bucketed delta for swaps, swaptions, caps and floors. The cross-currency exposure will be netted with that calculated for floating-to-floating cross-currency swaps.

For floating-to-floating cross-currency swaps, cross-currency exposure will be segregated by currency pair then by maturity date, within the same buckets as above.

2.3.b.4 CMS and Exotics: For derivatives based on constant maturity swaps, including CMS options, CMS caps and floors, CMS spread options and CMS swaps, and exotic rates trades, the Debtors will not aggregate nor net risk metrics. An Allowable Additional Charge will be calculated for each individual transaction.

2.3.c Credit

Within each Derivative Contract, the Debtors will aggregate selected risk metrics (delta and/or vega) in the following manner:

2.3.c.1 CDS: In the case of single name CDS and options on single name CDS, transactions will be grouped by reference entity, seniority, and restructuring provisions. In addition, for transactions referencing sovereign entities, contracts specifying domestic currency and other currencies will be separated.

Within each such group, the delta will be further segregated within the following maturity buckets, then netted within each bucket.

Maturity Date

0 – 2 years

>2 – 4 years

>4 – 6 years

>6 - 8.5 years

>8.5 years

In addition to netting delta, the Debtors will separately net vega by reference entity for options on single name CDS and index CDS, using the same maturity buckets as those used to net delta.

The Debtors will also calculate a liquidity allowance for each single name CDS reference entity bucket for which the net notional amount is in excess of \$25 million. See Appendix 3.1.

2.3.c.2 Index CDS: For index CDS, including options on index CDS, reference entity will be a given index series.

Within each index reference entity, the delta will be further segregated within the following maturity buckets, then netted within each bucket.

Maturity Date

0 – 2 years

>2 – 4 years

>4 – 6 years

>6 - 8.5 years
>8.5 years

The Debtors will also calculate a liquidity allowance for each index reference entity bucket for which the net notional amount is in excess of \$250 million. See Appendix 3.1.

2.3.c.3 Index Tranches: For index tranches, reference entity will be defined by a given tranche (defined by attachment point and detachment point, index series and termination date) of a specific index series. Delta will be duration-based and defined as tranche Notional multiplied by the Duration in the relevant grid.

Within each such group, the delta will be further segregated within the following maturity buckets, then netted within each bucket.

Maturity Date

0 – 2 years
>2 – 4 years
>4 – 6 years
>6 - 8.5 years
>8.5 years

2.3.d Commodities

The Debtors will first aggregate risk metrics (both delta and vega) based on the underlying commodity sub product.

Within underlying commodity, risk will be further aggregated within the following maturity buckets, then netted within each bucket:

Maturity Date

0 – 3 months
>3 – 6 months
>6 – 9 months
>9 – 12 months
>12 – 15 months

>15 – 18 months
>18 – 21 months
>21 months – 2 years
>2 – 3 years
>3 years

2.3.e FX

The Debtors will aggregate delta for FX forwards and options by currency pair (i.e., EUR/USD; GBP/USD; EUR/JPY). Vega for FX options and volatility swaps will also be aggregated by currency pair. Within currency pair, the netted risk metrics will be further aggregated within the following maturity buckets:

Maturity Date
0 – 3 months
>3 – 6 months
>6 – 12 months
>1 – 2 years
>2 – 10 years
>10 years

2.3.f Securitized Products

Within each Derivative Contract, the Debtors will aggregate notional for securitized products across 4 sub-product types (index trades, single name CDS, synthetic ABS/RMBS bespoke trades and swaps) in the following manner:

2.3.f.1 Index Trades: For index trades, the Debtors will further aggregate trades by reference obligation, defined by collateral type (ABX, TABX and CMBX). Within each such index, the trades will be aggregated by vintage year and rating, and then will be netted.

2.3.f.2 Single Name CDS: For single name CDS, the Debtors will further aggregate trades by reference obligation, defined by product or industry type.

- **RMBS:** RMBS trades will be aggregated by underlying asset category then further aggregated as follows:

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- US ALT-A and US subprime mortgage CDS trades will be aggregated by vintage year, price bucket, tranche loss expectation calculation (based upon the collateral pool 60+ delinquency percentage), tranche credit enhancement and tranche thickness, and then will be netted.
- European Non-Conforming Mortgage CDS trades will be aggregated by country of origination, currency, deal originator, and price bucket, and then will be netted.
- European Prime Mortgage CDS trades will be aggregated by country of origination, currency, deal originator (only in the case of Northern Rock), and price bucket, and then will be netted.
- Second Lien Mortgage CDS trades will be netted.
- **CMBS:** CMBS trades will be aggregated by country, currency, vintage, price bucket and rating, and then will be netted.
- **CDO:** CDO trades will be aggregated by underlying asset category, then by price bucket, and then will be netted.
- **CLO:** CLO trades will be aggregated by currency, vintage, price bucket and rating, and then will be netted.
- **Miscellaneous ABS:** All other single name CDS trades will be aggregated by underlying asset category type, and then will be netted.

2.3.f.3 Synthetic ABS/RMBS Bespoke Trades: For bespoke trades, the Debtors will aggregate trades by the type of assets within the reference portfolio, then by attachment and detachment point, and then will net the notionals.

2.3.f.4 Swaps: For swaps trades, the Debtors will further aggregate trades into categories. CMBS Duration Neutral Swaps will be categorized as swaps on CMBS AAA 8.5+ or SD 8.5+.

2.4 Allowable Additional Charges

After the Portfolio Aggregation Methodology has been applied, an Allowable Additional Charge will be calculated for each Derivative Contract. The allowances from mid market are presented

in Grids (Appendix 3.1). Within each Grid are formulas used to calculate Allowable Additional Charges.

2.5 Collateral

Collateral values will be calculated in accordance with the terms of the schedule (Credit Support Annex, "CSA") or other applicable agreements associated with each Derivative Contract.

All Collateral shall be valued for each Derivative Contract as of the close of business on the Termination Date. For each Derivative Contract, interest on cash Collateral positions will be calculated through the day before the Termination Date.

2.6 'Expected' and 'Actual' Cash Payments

2.6.a Expected Cash Payments

The Debtors will calculate Expected Cash Payments in accordance with the terms of the individual trades, and will use the Expected Cash Payments produced automatically by their risk and settlement systems to arrive at these amounts. Expected Cash Payments are separate from the Mid Market Values of trades. Expected Cash Payments due after the Trade Valuation Date are reflected in the Debtors' Mid Market Values.

To the extent that Expected Cash Payments are due in a non-U.S. Dollar currency, the Debtors will convert such payments at a standardized FX conversion rate based on a 3:00 PM NY Bloomberg snapshot on the Trade Valuation Date.

If a Big Bank Counterparty has provided information for the reconciliation of expected cash payments with Lehman Entities by May 25, 2011, the Debtors will consider such information for calculating Expected Cash Payments. Otherwise, the Debtors will use information in their booking systems as of May 25, 2011 for calculating Expected Cash Payments.

2.6.b Actual Cash Payments

The Debtors will credit or debit each Big Bank Counterparty with Actual Cash Payments made and received with respect to a Derivative Contract. All such payments have been recorded by the Debtors on the date of receipt.

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Counterparties will be credited in U.S. Dollars for payments made in foreign currency. The Debtors will convert foreign currency payments to U.S. Dollars at the rate that was used by the Debtors upon receipt of each payment. Documentation related to the exchange rates used will be made available upon request.

2.6.c Exceptions

Continuous linked settlement (CLS) settled trades and FX trades, where final Actual Cash Payments have been made that satisfied the contractual obligations for those trades, will be considered "settled" by the Debtors and omitted from relevant "reconciled" trade populations.

Section 3: Appendices

3.1 Grids for 'Allowable Additional Charges' by Product Type

Guide to the Appendix - Tables below list allowances per product type, segmented by five core products: rates, credit, commodities, FX and securitized products.

Table Component	Definition
Currency	Currency indicates the currency or currencies in which the trade is denominated. Standardized currency abbreviations are used.
Maturity	Segmentation of trades by their maturity date into units of time.
Allowance	Factor or percentage, expressed in basis points, volatility points or a percentage, applicable to the relevant risk metric for purposes of calculating the total dollar amount of Allowable Additional Charges.
Risk Metric	Primary metric upon which the Allowable Additional Charge formula is based.
Allowable Additional Charge Formula	The absolute value of the product of the Allowance, the Risk Metric and, if applicable, other factors, as noted in a grid, to arrive at the total dollar amount of the Allowable Additional Charge.

Derivatives Claims Settlement Framework
 Confidential Settlement Communications under Settlement Negotiations Agreements
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 Subject to FRE 408 and Other Rules of Similar Import

Grid 1: Rates – Delta

Currency	Allowance (basis points)															Risk Metric	Allowable Additional Charge Formula
	Maturity																
	0-9 Months	9-18 Months	1.5-2.5 Years	2.5-4 Years	4-6 Years	6-8.5 Years	8.5-11 Years	11-13.5 Years	13.5-17.5 Years	17.5-22.5 Years	22.5-27.5 Years	27.5-35 Years	35-45 Years	>45 Years			
USD	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	DV01	ABS(Allowance * DV01)	
EUR	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75			
GBP	0.63	0.63	0.63	0.63	0.63	0.63	0.63	0.75	0.75	0.75	0.75	0.75	0.75	0.75			
JPY	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00			
AUD	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00			
CHF	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50			
OTHER	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50			

Grid 2: Rates – Tenor Basis - Delta

Currency-Tenor	Allowance (basis points)																				Risk Metric	Allowable Additional Charge Formula
	Maturity																					
	0-3 Months	3-6 Months	6-9 Months	9-12 Months	12-15 Months	15-18 Months	18-21 Months	21-24 Months	2-2.5 Years	2.5-4 Years	4-6 Years	6-8.5 Years	8.5-11 Years	11-13.5 Years	13.5-17.5 Years	17.5-22.5 Years	22.5-27.5 Years	27.5-35 Years	35-45 Years	>45 Years		
USD-1M	1.00	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	SCCYBasis2	ABS(Allowance * SCCYBasis2)
USD-6M	1.00	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
USD-1Y	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
EUR-1M	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
EUR-3M	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
EUR-1Y	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
GBP-1M	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
GBP-3M	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
GBP-1Y	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
JPY-1M	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
JPY-3M	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
JPY-1Y	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
JPY-TIBOR	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
AUD-1M	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
AUD-3M	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		
AUD-1Y	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
CHF-1M	1.00	1.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75		
CHF-3M	1.00	1.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75		
CHF-1Y	1.50	1.50	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25		

Derivatives Claims Settlement Framework
Confidential Settlement Communications under Settlement Negotiations Agreements
All Statements Herein or in Attachments are Made in Compromise Negotiations
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Grid 3: Rates – USD Basis - Delta

Index/Ticker	Allowance (basis points) AAA risk																				Risk Metric	Allowable Additional Charge Formula
	Maturity																					
	0-3 Months	3-6 Months	6-9 Months	9-12 Months	12-15 Months	15-18 Months	18-21 Months	21-24 Months	2-2.5 Years	2.5-4 Years	4-6 Years	6-8.5 Years	8.5-11 Years	11-13.5 Years	13.5-17.5 Years	17.5-22.5 Years	22.5-27.5 Years	27.5-35 Years	35-45 Years	>45 Years		
FF	2.0	2.0	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	SCCYBasis2	ABS(Allowance * SCCYBasis2)
BMA	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5		
CMM	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0		
PRIME	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5		
CP	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0		
TBILL	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5		

Grid 4: Rates – Overnight Index Swap - Delta

Index/Ticker	Allowance (basis points)										Risk Metric	Allowable Additional Charge Formula
	Maturity											
	0 - 3 Months	3 - 6 Months	6 - 9 Months	9 - 12 Months	12 - 15 Months	15 - 18 Months	18 - 21 Months	21 - 24 Months	2-5 Years	>5 Years		
FFOIS	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0	SCCYBasis2	ABS(Allowance * SCCYBasis2)
EONIA	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0		
SONIA	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0		
TONA	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5		

Grid 5: Rates – Cross-Currency Exposure

Currency Pair	Allowance (basis points)														Risk Metric	Allowable Additional Charge Formula
	Maturity															
	0 - 9 Months	9 - 18 Months	1.5 - 2.5 Years	2.5 - 4 Years	4 - 6 Years	6 - 8.5 Years	8.5 - 11 Years	11 - 13.5 Years	13.5 - 17.5 Years	17.5 - 22.5 Years	22.5 - 27.5 Years	27.5 - 35 Years	35 - 45 Years	>45 Years		
USD/JPY	2.00	1.75	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.50	1.50	1.50	XCCYBasis	ABS(Allowance * XCCYBasis)
EUR/USD	1.00	1.00	1.00	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00		
GBP/USD	2.00	1.75	1.50	0.75	0.75	0.75	0.75	0.75	0.75	0.75	1.00	1.25	1.25	1.25		
OTHER	2.00	1.75	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.25	1.50	1.50	1.50		

Derivatives Claims Settlement Framework

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Grid 6: Rates – Inflation - Delta

Index/Ticker	Allowance (basis points)															Risk Metric	Allowable Additional Charge Formula
	Maturity																
	0-9 Months	9-18 Months	1.5-2.5 Years	2.5-4 Years	4-6 Years	6-8.5 Years	8.5-11 Years	11-13.5 Years	13.5-17.5 Years	17.5-22.5 Years	22.5-27.5 Years	27.5-35 Years	35-45 Years	>45 Years			
GBP UKRPI	5.0	5.0	5.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	Inflation01	ABS (Allowance * Inflation01)	
EUR CPIXT	3.0	3.0	3.0	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5			
EUR CPIFR	5.0	5.0	5.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0			
EUR CITXT	5.0	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0			
JPY CPIJP	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	3.0	4.0	5.0	5.0	5.0			
USD CPIUS	4.0	4.0	4.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0			
EUR CPIEU	5.0	5.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0			
GBP UKLPI	7.0	7.0	7.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			
EUR DNCPI	7.0	7.0	7.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			
EUR CPIBE	7.0	7.0	7.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			
ILS ILCPI	7.0	7.0	7.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			
PLN PLCPI	7.0	7.0	7.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			
EUR SPIPC	7.0	7.0	7.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			
AUD AUCPI	7.0	7.0	7.0	6.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			
HKU-ARPI	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0			
HKU-REIS	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0			

Grid 7: Rates – Cap/Floor- Vega

Currency	Allowance (volatility points)								Risk Metric	Allowable Additional Charge Formula
	Maturity (Years)									
	0-1	1-2	2-3	3-5	5-7	7-10	10-15	>15		
USD	0.500	0.500	0.375	0.375	0.375	0.375	0.375	0.375	Vega	ABS(Allowance * Vega)
EUR	0.750	0.750	0.375	0.375	0.375	0.375	0.375	0.375		
GBP	0.750	0.750	0.375	0.375	0.375	0.375	0.375	0.375		
JPY	3.000	3.000	1.500	1.500	1.500	1.500	1.500	1.500		
OTHER	1.500	1.500	0.750	0.750	0.750	0.750	0.750	0.750		

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AS OF 8:00 A.M. EDT ON MAY 31, 2011.

Grid 8: Rates – Swaption - Vega

Currency	Expiration		Underlying Maturity (Years)															Risk Metric	Allowable Additional Charge Formula
	from	to																	
	0 - 9 Months	9 - 18 Months	1.5 - 2.5 Years	2.5 - 4 Years	4 - 6 Years	6 - 8.5 Years	8.5 - 11 Years	11 - 13.5 Years	13.5 - 17.5 Years	17.5 - 22.5 Years	22.5 - 27.5 Years	27.5 - 35 Years	35 - 45 Years	> 45 Years					
USD	0	3m	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	Vega	ABS (Allowance * Vega)	
	3m	6m	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750			
	9m	1.5y	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500				
	1.5y	3y	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500				
	3y	5y	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375				
	5y	7y	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375				
	7y	10y	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375				
	10y	20y	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375				
	20y	30y	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375				
	30y	100y	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.375				
EUR	0	3m	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	Vega	ABS (Allowance * Vega)	
	3m	6m	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250				
	9m	1.5y	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750				
	1.5y	3y	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750				
	3y	5y	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750				
	5y	7y	0.625	0.625	0.625	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500				
	7y	10y	0.625	0.625	0.625	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500				
	10y	20y	0.625	0.625	0.625	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500				
	20y	30y	0.625	0.625	0.625	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500				
	30y	100y	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625				
GBP	0	3m	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	Vega	ABS (Allowance * Vega)	
	3m	6m	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250				
	9m	1.5y	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750				
	1.5y	3y	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750				
	3y	5y	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750				
	5y	7y	0.625	0.625	0.625	0.500	0.500	0.500	0.500	0.625	0.625	0.625	0.625	0.625	0.625				
	7y	10y	0.625	0.625	0.625	0.500	0.500	0.500	0.625	0.625	0.625	0.625	0.625	0.625	0.625				
	10y	20y	0.625	0.625	0.625	0.500	0.500	0.500	0.625	0.625	0.625	0.625	0.625	0.625	0.625				
	20y	30y	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625				
	30y	100y	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625	0.625				
JPY	0	3m	5.000	5.000	5.000	5.000	5.000	4.500	4.500	3.000	3.000	3.000	3.000	3.000	3.000	3.000	Vega	ABS (Allowance * Vega)	
	3m	6m	5.250	5.250	5.250	5.250	5.250	4.750	4.750	3.250	3.250	3.250	3.250	3.250	3.250	3.250			
	9m	1.5y	3.250	3.250	3.250	3.250	3.250	3.250	3.250	2.250	2.250	2.250	2.250	2.250	2.250				
	1.5y	3y	3.250	3.250	3.250	3.250	3.250	2.750	2.750	2.250	2.250	2.250	2.250	2.250	2.250				
	3y	5y	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.250	2.250	2.250	2.250	2.250	2.250				
	5y	7y	2.250	2.250	2.250	2.250	2.250	2.250	2.250	1.750	1.750	1.750	1.750	1.750	1.750				
	7y	10y	2.250	2.250	2.250	2.250	2.250	2.250	2.250	1.750	1.750	1.750	1.750	1.750	1.750				
	10y	20y	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750				
	20y	30y	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750				
	30y	100y	1.750	1.750	1.750	2.250	2.250	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750				
OTHER	0	3m	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	2.500	Vega	ABS (Allowance * Vega)	
	3m	6m	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750	1.750			
	9m	1.5y	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250				
	1.5y	3y	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250				
	3y	5y	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250	1.250				
	5y	7y	1.125	1.125	1.125	1.000	1.000	1.000	1.125	1.125	1.125	1.125	1.125	1.125	1.125				
	7y	10y	1.125	1.125	1.125	1.000	1.000	1.000	1.125	1.125	1.125	1.125	1.125	1.125	1.125				
	10y	20y	1.125	1.125	1.125	1.000	1.000	1.000	1.125	1.125	1.125	1.125	1.125	1.125	1.125				
	20y	30y	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125				
	10y	100y	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125	1.125				

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Derivatives Claims Settlement Framework
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Grid 9: Rates – CMS Derivatives - Vega

Index/Ticker	Allowance/Volatility (points)	Risk Metric	Allowable Additional Charge Formula
USD	0.75	Vega	ABS(Allowance * Vega)
EUR	0.75		
GBP	1.50		
JPY	3.00		
OTHER	1.50		

Grid 10: Rates – Exotics - Notional

Index/Ticker	Exotic Category	Allowance/Volatility (points)	Risk Metric	Allowable Additional Charge Formula
EXOTIC1	Moderately Exotic	1.0	Notional	ABS(Allowance * Notional * MaturityYears)
EXOTIC2	Range Accrual Swap, Single Index	1.5		
EXOTIC3	Range Accrual Swap, Dual Index	3.0		
EXOTIC4	Embedded FX payoff	2.0		
EXOTIC5	Index Swaps	1.0		
EXOTIC6	Significantly Exotic	15.0		

Grid 11: Credit – Delta

Product Type	Index/Ticker	Maturity (years)					Risk Metric	Allowable Additional Charge Formula
		0-2	2-4	4-6	6-15	>15		
SNAME_CDS, SNAME_LCDS, CVA, SPDOPTION	No Default, No Distress	4.000%	4.000%	4.000%	4.000%	4.000%	CR01	ABS (Allowance * ParSpread * CR01 * 10,000)
IDX_CDS, SPDOPTION	CDX_JG	0.750%	0.750%	0.750%	0.750%	0.750%		
IDX_CDS, SPDOPTION	CDX_HY	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	CDX_HVOL	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	CDX_XO	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	CDX_EM	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	ITRAXX_EUROPE_MAIN	0.750%	0.750%	0.750%	0.750%	0.750%		
IDX_CDS, SPDOPTION	ITRAXX_EUROPE_HVOL	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	ITRAXX_EUROPE_FIN	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	ITRAXX_EUROPE_XOVER	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	ITRAXX_JAPAN	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	ITRAXX_JAPAN_HY	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	ITRAXX_JAPAN_JG	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	ITRAXX_AUSTRALIA	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	LCDS	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_CDS, SPDOPTION	OTHER	1.000%	1.000%	1.000%	1.000%	1.000%		
IDX_TRAN	CDX_JG	2.125%	2.125%	2.125%	2.125%	2.125%	Notional	ABS(Allowance * ParSpread * Duration * Notional)
IDX_TRAN	CDX_HY	2.125%	2.125%	2.125%	2.125%	2.125%		
IDX_TRAN	CDX_ITRAXX	2.125%	2.125%	2.125%	2.125%	2.125%		
IDX_TRAN	CDX_TRAC_X	2.125%	2.125%	2.125%	2.125%	2.125%		
IDX_TRAN	LCDS	2.125%	2.125%	2.125%	2.125%	2.125%		
IDX_TRAN	OTHER	2.125%	2.125%	2.125%	2.125%	2.125%		
SNAME_CDS, SNAME_LCDS, SPDOPTION	distressed	0.8500%	0.8500%	0.8500%	0.8500%	0.8500%	Notional	ABS((Allowance * Minimum((ParSpread - .1)/100, .005)) * Notional)

ALL CONFIDENTIALITY RESTRICTIONS IN THIS DOCUMENT WERE REMOVED
AS OF 8:00 A.M. EDT ON MAY 31, 2011.

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Grid 12: Credit – Vega

Product Type	Index/Ticker	Maturity (years)					Risk Measure	Allowable Additional Charge Formula
		0 - 2	2 - 4	4 - 6	6 - 8.5	>8.5		
SPDOPTION	CDX	7.75	7.75	7.75	7.75	7.75	Vega	ABS (Allowance * Vega)
SPDOPTION	ITRAXX	7.75	7.75	7.75	7.75	7.75		
SPDOPTION	LCDX	7.75	7.75	7.75	7.75	7.75		
SPDOPTION	OTHER	7.75	7.75	7.75	7.75	7.75		

Grid 13: Credit – Notional

Product Type	Maturity (years)					Risk Measure	Allowable Additional Charge Formula
	0 - 2	2 - 4	4 - 6	6 - 8.5	>8.5		
IDX_TRAN_IO	2.375%	2.375%	2.375%	2.375%	2.375%	Notional	ABS (Allowance * Notional)
IDX_TRAN_PO	2.375%	2.375%	2.375%	2.375%	2.375%		
CDO	3.125%	3.125%	3.125%	3.125%	3.125%		
CDO SQRD	3.125%	3.125%	3.125%	3.125%	3.125%		
BASKET	2.375%	2.375%	2.375%	2.375%	2.375%		

Grid 14: Credit – Recovery Lock – Recovery01

Product Type	Currency	Maturity (years)					Risk Measure	Allowable Additional Charge Formula
		0 - 2	2 - 4	4 - 6	6 - 8.5	>8.5		
RECOVLOCK	USD	2.125%	2.125%	2.125%	2.125%	2.125%	Recovery01	ABS (Allowance * Recovery01)
RECOVLOCK	EUR	2.125%	2.125%	2.125%	2.125%	2.125%		

Grid 15: Credit – Distressed

Product Type	Category	Pairs/Spread	Allowance	Risk Measure	Allowable Additional Charge Formula
SNAME_CDS, SNAME_LCDS	Defaulted	TEM/EC	1.25%	Notional	ABS (Allowance * Notional)
SNAME_CDS, SNAME_LCDS		FNMA	1.25%		
SNAME_CDS, SNAME_LCDS		FHLMC	1.25%		
SNAME_CDS, SNAME_LCDS		IEH	1.25%		
SNAME_CDS	Defaulted Liquidity	TEM/EC	1.25%	Notional	If (ABS(Notional) - 250,000,000) > 0: If (ABS(Notional)/25,000,000) > 50 then (50 * (50 - 1)/2) / (ABS(Notional)/25,000,000) else ((ABS(Notional)/25,000,000 - 1)/2) end) * .5 * Notional
SNAME_CDS		FNMA	1.25%		
SNAME_CDS		FHLMC	1.25%		
SNAME_CDS		IEH	1.25%		

Grid 16: Credit – Exotic

Product Type	Allowance (%)	Risk Measure	Allowable Additional Charge Formula
EXOTIC	3.125%	Notional	ABS (Allowance * Notional)

Grid 17: Credit – Liquidity

Reference / ParSpread	Liquidity Allowance (%)					Risk Metric	Liquidity Allowance Formula
	Maturity (years)						
	0-2	2-4	4-6	6-8.5	8.5-100		
SNAME_CDS no default, no distress	4.000%	4.000%	4.000%	4.000%	4.000%	Notional	If {ABS(Notional) - 25,000,000} > 0 : if {ABS(Notional)/25,000,000} > 50 then (50*(50 - 1)/2)/{ABS(Notional)/25,000,000} else ((ABS(Notional)/25,000,000 - 1)/2 end) * .5 * ParSpread * CR01 * 10,000
SNAME_CDS distressed	0.850%	0.850%	0.850%	0.850%	0.850%		
CDX_IG	0.750%	0.750%	0.750%	0.750%	0.750%	Notional	If {ABS(Notional) - 250,000,000} > 0 : if {ABS(Notional)/250,000,000} > 50 then (50*(50 - 1)/2)/{ABS(Notional)/250,000,000} else ((ABS(Notional)/250,000,000 - 1)/2 end) * .5 * ParSpread * CR01 * 10,000
CDX_HY	1.000%	1.000%	1.000%	1.000%	1.000%		
CDX_HVOL	1.000%	1.000%	1.000%	1.000%	1.000%		
CDX_XO	1.000%	1.000%	1.000%	1.000%	1.000%		
CDX_EM	1.000%	1.000%	1.000%	1.000%	1.000%		
ITRAXX_EUROPE_MAIN	0.750%	0.750%	0.750%	0.750%	0.750%		
ITRAXX_EUROPE_HVOL	1.000%	1.000%	1.000%	1.000%	1.000%		
ITRAXX_EUROPE_FIN	1.000%	1.000%	1.000%	1.000%	1.000%		
ITRAXX_EUROPE_XOVER	1.000%	1.000%	1.000%	1.000%	1.000%		
ITRAXX_JAPAN	1.000%	1.000%	1.000%	1.000%	1.000%		
ITRAXX_EXJAPAN_HY	1.000%	1.000%	1.000%	1.000%	1.000%		
ITRAXX_EXJAPAN_IG	1.000%	1.000%	1.000%	1.000%	1.000%		
ITRAXX_AUSTRALIA	1.000%	1.000%	1.000%	1.000%	1.000%		
LCDX	1.000%	1.000%	1.000%	1.000%	1.000%		
OTHER	1.000%	1.000%	1.000%	1.000%	1.000%		

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Grid 18: FX – Delta

Product Type	Currency Pair	Maturity						Delta	Allowable Additional Charge Formula
		0-3 Months	3-6 Months	6 Months - 1 Year	1-2 Years	2-10 Years	>10 Years		
FX	EUR/JPY	0.0527	0.0589	0.0711	0.1633	0.6051		DV01	$ABS(Allowance * DV01 * Spot USD\$/EUR / Spot USD\$/JPY)$
	EUR/USD	0.0002	0.0003	0.0004	0.0007	0.0022	0.0050	DV01	$ABS(Allowance * DV01 * Spot USD\$/EUR / Spot USD\$/USD)$
	USD/JPY	0.0203	0.0212	0.0262	0.0664	0.2885	0.4000	DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/JPY)$
	AUD/JPY	0.0408	0.0444	0.0574	0.1443	0.6425	0.7500	DV01	$ABS(Allowance * DV01 * Spot USD\$/AUD / Spot USD\$/JPY)$
	AUD/USD	0.0002	0.0003	0.0004	0.0009	0.0046		DV01	$ABS(Allowance * DV01 * Spot USD\$/AUD / Spot USD\$/USD)$
	EUR/CHF	0.0009	0.0010	0.0012	0.0023	0.0080		DV01	$ABS(Allowance * DV01 * Spot USD\$/EUR / Spot USD\$/CHF)$
	EUR/GBP	0.0003	0.0003	0.0004	0.0008	0.0033		DV01	$ABS(Allowance * DV01 * Spot USD\$/EUR / Spot USD\$/GBP)$
	GBP/CHF	0.0011	0.0013	0.0015	0.0028	0.0112		DV01	$ABS(Allowance * DV01 * Spot USD\$/GBP / Spot USD\$/CHF)$
	GBP/JPY	0.0711	0.0784	0.0966	0.1945	0.8666		DV01	$ABS(Allowance * DV01 * Spot USD\$/GBP / Spot USD\$/JPY)$
	GBP/USD	0.0003	0.0004	0.0005	0.0008	0.0041		DV01	$ABS(Allowance * DV01 * Spot USD\$/GBP / Spot USD\$/USD)$
	NZD/JPY	0.0425	0.0476	0.0587	0.1471	0.5445		DV01	$ABS(Allowance * DV01 * Spot USD\$/NZD / Spot USD\$/JPY)$
	NZD/USD	0.0003	0.0003	0.0004	0.0010	0.0040		DV01	$ABS(Allowance * DV01 * Spot USD\$/NZD / Spot USD\$/USD)$
	USD/CAD	0.0003	0.0004	0.0005	0.0008	0.0029		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/CAD)$
	USD/CHF	0.0004	0.0005	0.0006	0.0011	0.0041	0.0075	DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/CHF)$
	USD/NOK	0.0042	0.0045	0.0056	0.0115	0.0373		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/NOK)$
	USD/SEK	0.0030	0.0032	0.0039	0.0084	0.0283		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/SEK)$
	CHF/TRY	0.0010	0.0013	0.0020	0.0045	0.0150		DV01	$ABS(Allowance * DV01 * Spot USD\$/CHF / Spot USD\$/TRY)$
	EUR/HUF	0.5905	0.7405	1.2022	1.9000	2.5000		DV01	$ABS(Allowance * DV01 * Spot USD\$/EUR / Spot USD\$/HUF)$
	EUR/PLN	0.0040	0.0050	0.0065	0.0150	0.0375		DV01	$ABS(Allowance * DV01 * Spot USD\$/EUR / Spot USD\$/PLN)$
	EUR/TRY	0.0024	0.0028	0.0038	0.0067	0.0150		DV01	$ABS(Allowance * DV01 * Spot USD\$/EUR / Spot USD\$/TRY)$
	TRY/JPY	0.0700	0.0800	0.1100	0.1750	0.6000		DV01	$ABS(Allowance * DV01 * Spot USD\$/TRY / Spot USD\$/JPY)$
	USD/BRL	0.0018	0.0026	0.0037	0.0053	0.0075		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/BRL)$
	USD/CZK	0.0173	0.0203	0.0250	0.0400	0.1100		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/CZK)$
	USD/HUF	0.3000	0.3750	0.5000	0.7500	1.7500		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/HUF)$
	USD/ILS	0.0051	0.0062	0.0076	0.0125	0.0400		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/ILS)$
	USD/MXN	0.0058	0.0069	0.0077	0.0151	0.0300		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/MXN)$
	USD/PLN	0.0035	0.0038	0.0048	0.0110	0.0275		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/PLN)$
	USD/SGD	0.0009	0.0011	0.0015	0.0030	0.0100		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/SGD)$
	USD/TRY	0.0015	0.0018	0.0024	0.0041	0.0125		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/TRY)$
	USD/ZAR	0.0040	0.0055	0.0085	0.0175	0.0400		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/ZAR)$
	USD/CLP	0.5000	0.7500	1.3000	2.0000	6.0000		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/CLP)$
	USD/CNY	0.0026	0.0037	0.0050	0.0150	0.0475		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/CNY)$
	USD/COP	3.4210	4.4910	6.3490	10.0000	30.0000		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/COP)$
	USD/INR	0.0420	0.0519	0.0550	0.2500	0.4000		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/INR)$
	USD/KRW	1.0000	1.5000	2.2500	3.5000	10.0000		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/KRW)$
	USD/PHP	0.0578	0.0800	0.1000	0.2500	0.7500		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/PHP)$
	USD/RUB	0.0149	0.0169	0.0231	0.0255	0.0850		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/RUB)$
	USD/TWD	0.0300	0.0350	0.0400	0.0600	0.1500		DV01	$ABS(Allowance * DV01 * Spot USD\$/USD / Spot USD\$/TWD)$
	XAU/USD	0.8304	1.0445	1.1495	1.5938	3.1626		DV01	$ABS(Allowance * DV01 * Spot USD\$/XAU / Spot USD\$/USD)$
	Other	0.0015	0.0023	0.0035	0.0060	0.0150		DV01	$ABS(Allowance * DV01)$

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Grid 19: FX – Vega

Product Type	Currency Pair	Allowance (Notional Points)						Risk Metric	Allowable Additional Charge Formula
		Maturity							
		0-3 Months	3-6 Months	6 Months - 1 Year	1-2 Years	2-10 Years	>10 Years		
FX	EUR/JPY	0.156	0.140	0.139	0.136	0.258		Vega	ABS(Allowance * Vega)
	EUR/USD	0.100	0.087	0.076	0.090	0.139	0.300		
	USD/JPY	0.143	0.131	0.110	0.109	0.183	0.400		
	AUD/JPY	0.282	0.264	0.225	0.293	0.482	0.650		
	AUD/USD	0.125	0.120	0.115	0.131	0.209			
	EUR/CHF	0.094	0.083	0.102	0.100	0.177			
	EUR/GBP	0.105	0.095	0.102	0.097	0.179			
	GBP/CHF	0.300	0.225	0.200	0.250	0.400			
	GBP/JPY	0.249	0.236	0.240	0.314	0.462			
	GBP/USD	0.111	0.088	0.090	0.095	0.179			
	NZD/JPY	0.271	0.268	0.254	0.300	0.550			
	NZD/USD	0.183	0.175	0.148	0.170	0.355			
	USD/CAD	0.105	0.105	0.077	0.105	0.181			
	USD/CHF	0.101	0.087	0.084	0.093	0.209	0.400		
	USD/NOK	0.175	0.168	0.163	0.145	0.484			
	USD/SEK	0.165	0.147	0.140	0.143	0.584			
	CHF/TRY	0.350	0.325	0.300	0.340	0.600			
	EUR/HUF	0.265	0.246	0.244	0.269	0.400			
	EUR/PLN	0.195	0.182	0.161	0.179	0.258			
	EUR/TRY	0.325	0.313	0.286	0.313	0.500			
	TRY/JPY	0.500	0.450	0.400	0.450	1.000			
	USD/BRL	0.300	0.251	0.246	0.259	0.500			
	USD/CZK	0.700	0.600	0.500	0.600	1.000			
	USD/HUF	0.417	0.335	0.332	0.252	1.123			
	USD/ILS	0.215	0.215	0.230	0.243	0.326			
	USD/MXN	0.151	0.143	0.124	0.180	0.219			
	USD/PLN	0.332	0.312	0.290	0.416	1.418			
	USD/SGD	0.244	0.240	0.228	0.268	0.351			
	USD/TRY	0.250	0.266	0.256	0.357	0.493			
	USD/ZAR	0.275	0.258	0.273	0.350	0.683			
	USD/CLP	0.400	0.331	0.320	0.350	0.500			
	USD/CNY	0.223	0.209	0.213	0.270	0.650			
	USD/COP	1.250	1.200	1.188	1.300	1.750			
	USD/INR	0.450	0.378	0.335	0.363	0.750			
	USD/KRW	0.400	0.245	0.240	0.327	0.750			
	USD/PHP	0.500	0.451	0.450	0.626	1.000			
	USD/RUB	0.400	0.300	0.250	0.300	0.700			
	USD/TWD	0.300	0.234	0.214	0.230	0.500			
	XAU/USD	0.494	0.495	0.495	0.500	0.500			
	Other	0.500	0.350	0.300	0.400	1.000			

Grid 20: FX – Notional

Product Type	Allowance (Percentage of Notional)						Risk Metric	Allowable Additional Charge Formula
	Maturity							
	0-3 Months	3-6 Months	6 Months - 1 Year	1-2 Years	2-10 Years	>10 Years		
FLEX OPTION - AVRATEDK7	0.5	0.5	0.5	0.5	0.5	0.5	Notional	ABS((Allowance/100) * Notional)
FLEX OPTION - AVRATEDK9	0.5	0.5	0.5	0.5	0.5	0.5		
FLEX OPTION - CORRISWAP	0.5	0.5	0.5	0.5	0.5	0.5		
FLEX OPTION - FORMULAP7	0.5	0.5	0.5	0.5	0.5	0.5		
FLEX OPTION - FORWARDVOL	0.5	0.5	0.5	0.5	0.5	0.5		
FLEX OPTION - GENFLX4	0.5	0.5	0.5	0.5	0.5	0.5		
FLEX OPTION - MCFE	0.5	0.5	0.5	0.5	0.5	0.5		
FLEX OPTION - PARTDKQ2	0.5	0.5	0.5	0.5	0.5	0.5		
FLEX OPTION - QBASKET	0.5	0.5	0.5	0.5	0.5	0.5		
FLEX OPTION - QDIGEST	0.5	0.5	0.5	0.5	0.5	0.5		
FLEX OPTION - RANGEACCR	0.5	0.5	0.5	0.5	0.5	0.5		

Derivatives Claims Settlement Framework
Confidential Settlement Communications under Settlement Negotiations Agreements
All Statements Herein or in Attachments are Made in Compromise Negotiations
Subject to FRE 408 and Other Rules of Similar Import

Grid 21: Commodities – Delta

Commodity Subgroup	Units	Maturity											DVO1	Allowable Additional Charge Formula
		Maturity												
		0-3 Months	3-6 Months	6-9 Months	9-12 Months	12-15 Months	15-18 Months	18-21 Months	21-24 Months	2-3 Years	>3 Years			
Corn	Bu	0.0300	0.0300	0.0300	0.0300	0.0500	0.0500	0.0500	0.0500	0.0500	0.0800			
Soybeans	Bu	0.0300	0.0300	0.0300	0.0300	0.0500	0.0500	0.0500	0.0500	0.0500	0.0800			
Sugar	Lb	0.0001	0.0001	0.0001	0.0001	0.0002	0.0002	0.0002	0.0002	0.0002	0.0005			
Wheat	Bu	0.0150	0.0150	0.0150	0.0150	0.0300	0.0300	0.0300	0.0300	0.0300	0.0500			
Coal	MT	0.1000	0.1000	0.1000	0.1000	0.2000	0.2000	0.2000	0.2000	0.2000	0.5000			
Electricity_East	MWh	0.0500	0.0500	0.0500	0.0500	0.2000	0.2000	0.2000	0.2000	0.2000	0.3000			
Electricity_Europe	MWh	0.0500	0.0500	0.0500	0.0500	0.2000	0.2000	0.2000	0.2000	0.2000	0.4000			
Electricity_Nordic	MWh	0.0500	0.0500	0.0500	0.0500	0.2000	0.2000	0.2000	0.2000	0.2000	0.4000			
Electricity_Texas	MWh	0.0500	0.0500	0.0500	0.0500	0.2000	0.2000	0.2000	0.2000	0.2000	0.3000			
Electricity_Unknown	MWh	0.0500	0.0500	0.0500	0.0500	0.2000	0.2000	0.2000	0.2000	0.2000	0.4000			
Electricity_UK	MWh	0.0500	0.0500	0.0500	0.0500	0.2000	0.2000	0.2000	0.2000	0.2000	0.4000			
Electricity_West	MWh	0.0500	0.0500	0.0500	0.0500	0.2000	0.2000	0.2000	0.2000	0.2000	0.3000			
Heat Rate	MWh	0.1000	0.1000	0.1000	0.1000	0.2500	0.2500	0.2500	0.2500	0.2500	0.5000			
Emissions	MT	0.0400	0.0400	0.0400	0.0400	0.0800	0.0800	0.0800	0.0800	0.0800	0.1000			
Gas_Canada	Mmbtu	0.0400	0.0400	0.0400	0.0400	0.0600	0.0600	0.0600	0.0600	0.0600	0.0800			
Gas_China	Mmbtu	0.0400	0.0400	0.0400	0.0400	0.0600	0.0600	0.0600	0.0600	0.0600	0.0800			
Gas_Europe	Mmbtu	0.0200	0.0200	0.0200	0.0200	0.0350	0.0350	0.0350	0.0350	0.0350	0.0500			
Gas_UK	Mmbtu	0.0400	0.0400	0.0400	0.0400	0.0600	0.0600	0.0600	0.0600	0.0600	0.0800			
Gas_Japan	Mmbtu	0.0200	0.0200	0.0200	0.0200	0.0350	0.0350	0.0350	0.0350	0.0350	0.0500			
Gas_USA	Mmbtu	0.0200	0.0200	0.0200	0.0200	0.0350	0.0350	0.0350	0.0350	0.0350	0.0500			
DIAG	\$	0.5000	0.5000	0.5000	0.5000	1.0000	1.0000	1.0000	1.0000	1.0000	1.2500			
GSAG	\$	0.7500	0.7500	0.7500	0.7500	2.0000	2.0000	2.0000	2.0000	2.0000	2.5000			
GSCI	\$	0.5000	0.5000	0.5000	0.5000	1.0000	1.0000	1.0000	1.0000	1.0000	1.2500			
GSCL	\$	0.7500	0.7500	0.7500	0.7500	2.0000	2.0000	2.0000	2.0000	2.0000	2.5000			
GSGD	\$	0.7500	0.7500	0.7500	0.7500	2.0000	2.0000	2.0000	2.0000	2.0000	2.5000			
GSHH	\$	0.7500	0.7500	0.7500	0.7500	2.0000	2.0000	2.0000	2.0000	2.0000	2.5000			
RICI	\$	0.7500	0.7500	0.7500	0.7500	2.0000	2.0000	2.0000	2.0000	2.0000	2.5000			
Aluminum	MT	5.0000	5.0000	5.0000	5.0000	10.0000	10.0000	10.0000	10.0000	10.0000	15.0000			
Copper	MT	5.0000	5.0000	5.0000	5.0000	10.0000	10.0000	10.0000	10.0000	10.0000	15.0000			
Lead	MT	5.0000	5.0000	5.0000	5.0000	10.0000	10.0000	10.0000	10.0000	10.0000	15.0000			
Nickel	MT	10.0000	10.0000	10.0000	10.0000	20.0000	20.0000	20.0000	20.0000	20.0000	25.0000			
Palladium	Oz	1.0000	1.0000	1.0000	1.0000	2.0000	2.0000	2.0000	2.0000	2.0000	5.0000			
Zinc	MT	5.0000	5.0000	5.0000	5.0000	10.0000	10.0000	10.0000	10.0000	10.0000	20.0000			
Gold	Oz	0.5000	0.5000	0.5000	0.5000	1.0000	1.0000	1.0000	1.0000	1.0000	2.0000			
Platinum	Oz	1.0000	1.0000	1.0000	1.0000	2.0000	2.0000	2.0000	2.0000	2.0000	5.0000			
Silver	Oz	0.7500	0.7500	0.7500	0.7500	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000			
Brent	BBL	0.0250	0.0250	0.0250	0.0250	0.0500	0.0500	0.0500	0.0500	0.0500	0.0700			
Dubai	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000			
Oil Basis	BBL	0.0500	0.0500	0.0500	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.1000			
WTI	BBL	0.0250	0.0250	0.0250	0.0250	0.0500	0.0500	0.0500	0.0500	0.0500	0.0700			
But_1th_Propane	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1500			
Diesel	BBL	0.0200	0.0200	0.0200	0.0200	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600			
Ethanol	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200			
FUEL OIL	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200			
Gasoil	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200			
Gasoline	BBL	0.0200	0.0200	0.0200	0.0200	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600			
Heating Oil	BBL	0.0200	0.0200	0.0200	0.0200	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600			
HO	BBL	0.0200	0.0200	0.0200	0.0200	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600			
HU	BBL	0.0200	0.0200	0.0200	0.0200	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600			
JCC Crude	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1500			
Jet Fuel	BBL	0.0200	0.0200	0.0200	0.0200	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600			
LLS	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200			
MARS	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200			
Naphtha	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200			
Naphtha Japan	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1500			
Natural Gasoline	BBL	0.0200	0.0200	0.0200	0.0200	0.0400	0.0400	0.0400	0.0400	0.0400	0.0600			
RSOB	BBL	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000			
Plex	N/A	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000			
Metal Basket	N/A	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000			
Mixed Basket	N/A	0.0500	0.0500	0.0500	0.0500	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000			

ALL CONFIDENTIALITY RESTRICTIONS IN THIS DOCUMENT WERE REMOVED
AS OF 8:00 A.M. EDT ON MAY 31, 2011.

Derivatives Claims Settlement Framework
Confidential Settlement Communications under Settlement Negotiations Agreements
All Statements Herein or in Attachments are Made in Compromise Negotiations
Subject to FRE 408 and Other Rules of Similar Import

Grid 22: Commodities – Vega

Commodity Subgroup	Maturity											Risk Factor	Allowable Additional Charge Formula
	0-3	3-6	6-9	9-12	12-15	15-18	18-21	21-24	2-3	>3 Years			
	Months	Months	Months	Months	Months	Months	Months	Months	Years				
Corn	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0	Vega	ABS (Allowance * Vega)	
Soybeans	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Sugar	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Wheat	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Coal	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Electricity_East	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Electricity_Europe	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Electricity_Nordic	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Electricity_Texas	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Electricity_Unknown	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Electricity_UK	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Electricity_West	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Heat Rate	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Emissions	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Gas_Canada	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Gas_China	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Gas_Europe	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Gas_UK	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Gas_Japan	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Gas_USA	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
DIAG	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
GSAG	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
GSCI	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
GSCL	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
GSGD	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
GSIN	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
RUCI	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Aluminium	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Copper	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Lead	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Nickel	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Palladium	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Zinc	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Gold	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Platinum	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Silver	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Brent	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Dubai	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Oil Basis	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
WTI	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
But_Eth_Propane	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Diesel	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Ethanol	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
FUEL OIL	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Gasoil	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Gasoline	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Heating Oil	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
HO	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
HU	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
JCC Crude	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Jet Fuel	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
LIS	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
MARS	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Naphtha	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Naphtha Japan	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Natural Gasoline	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
RBOB	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Flex	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Metal Basket	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			
Mixed Basket	0.2	0.2	0.2	0.2	0.5	0.5	0.5	0.5	0.5	1.0			

Grid 23: Commodities – Notional

Commodity Subgroup	Allowance (Vega Based, not notional)	Risk Factor	Allowable Additional Charge Formula
Flex_Deal	4	Vega	ABS (Allowance * Vega)
Basket Option	4		

ALL CONFIDENTIALITY RESTRICTIONS IN THIS DOCUMENT WERE REMOVED
AS OF 8:00 A.M. EDT ON MAY 31, 2011.

Derivatives Claims Settlement Framework
Confidential Settlement Communications under Settlement Negotiations Agreements
All Statements Herein or In Attachments are Made in Compromise Negotiations
Subject to FRE 408 and Other Rules of Similar Import

Grid 24: Securitized Products – Indices

Product Type	Category	Allowance (%)						Risk Metric	Allowable Additional Charge Formula
		Vintage							
		2004	2005	2006	2007	2008	OTHER		
Indices	ABX	0.7500%	0.7500%	0.7500%	0.7500%	0.7500%	0.7500%	Notional	ABS (Allowance * Notional)
	CMBX	0.7500%	0.7500%	0.7500%	0.7500%	0.7500%	0.7500%		
	Lehman CMBS Indices	0.2250%	0.2250%	0.2250%	0.2250%	0.2250%	0.2250%		
	Residential Property Index Composite	0.0300%	0.0300%	0.0300%	0.0300%	0.0300%	0.0300%		
	Miami Residential Property Index	0.0225%	0.0225%	0.0225%	0.0225%	0.0225%	0.0225%		
	U.S. MBS Index	0.0225%	0.0225%	0.0225%	0.0225%	0.0225%	0.0225%		
	Global Aggregate Ex TSY Ex USMBS	0.0225%	0.0225%	0.0225%	0.0225%	0.0225%	0.0225%		
	Home Eq - Subprime	0.7500%	0.7500%	0.7500%	0.7500%	0.7500%	0.7500%		
	TABX-HE	0.7500%	0.7500%	0.7500%	0.7500%	0.7500%	0.7500%		

Grid 25: Securitized Products – Custom / Bespoke and Exotics

Product Type	Category	Allowance (%)						Risk Metric	Allowable Additional Charge Formula
		Vintage							
		2004	2005	2006	2007	2008	OTHER		
Bespoke	SO HEL Bonds	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	Notional	ABS (Allowance * Notional)
	BARCAP SIV	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
	TMEZ07143	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		

Grid 26: Securitized Products – ABS

Product Type	Category	Allowance (%)						Risk Metric	Allowable Additional Charge Formula
		Vintage							
		2004	2005	2006	2007	2008	OTHER		
ABS	Auto	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	Notional	ABS (Allowance * Notional)
	Credit Card	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	Pooled Aircraft	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		

Grid 27: Securitized Products – CDO

Product Type	Category	Allowance (%)						Risk Metric	Allowable Additional Charge Formula
		Vintage							
		2004	2005	2006	2007	2008	OTHER		
CDO	SF CDO	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	Notional	ABS (Allowance * Notional)
	CRE CDO	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	REIT CDO	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	CLO	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		

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Grid 28: Securitized Products – CMBS

Product Type	Category	Vintage						Notional	Allowable Additional Charge Formula
		Vintage							
		2004	2005	2006	2007	2008	OTHER		
CMBS	(FR, EUR), [AAA]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	Notional	ABS (Allowance * Notional)
	(GB, EUR), [BBB]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(GB, GBP), [AAA]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(GB, GBP), [BBB]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(IE, EUR), [AAA]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(IE, GBP), [BBB-]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(IE, GBP), [BBB+]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(IT, EUR), [BBB]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(IE, GBP), [AAA]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(LU, EUR), [Unrated]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(NL, EUR), [AAA]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(US, USD), [A]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(US, USD), [A+]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(US, USD), [AA]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(US, USD), [AAA]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(US, USD), [BB]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(US, USD), [BB+]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(US, USD), [BBB]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		
	(US, USD), [BBB-]	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%		

Grid 29: Securitized Products – RMBS

Product Type	Category	Vintage							Notional	Allowable Additional Charge Formula
		Vintage								
		2004	2005	2006	2007	2008	OTHER			
RMBS	ALT_A	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	Notional	ABS (Allowance * Notional)	
	NON-CONFORMING	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%			
	SUBPRIME	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%			
	SECOND LIEN	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%			
	PRIME	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%			

3.2 End of day based on relevant trading currency

3.2.a Rates

The Debtors will use closing prices at the following times for rates trades.

Currency	Time
USD	3:00 PM New York time **
EUR	6:00 PM London time
JPY	6:00 PM London time
GBP	6:00 PM London time
AUD	6:00 PM London time
CHF	6:00 PM London time

** For USD single-currency rates trades valued on September 15, 2008, the Debtors will use either closing prices at 3:00 PM New York time or 4:00 PM London time, as described in Section 2.2.b.2.

3.2.b Credit

The Debtors will use closing prices at 5:00 PM New York time for credit trades.

3.2.c. FX

The Debtors will use closing prices at 5:00 PM New York time for FX trades.

3.2.d Commodities

The Debtors will use closing prices at 2:30 PM New York time for commodities trades.

3.2.e Securitized Products

The Debtors will use closing prices at 5:00 PM New York time for securitized products.

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3.3 Big Bank Counterparties

Big Bank	Big Bank Counterparty
Bank of America Corporation	Bank of America, N.A.
Barclays PLC	Barclays Bank PLC Barclays Bank SA
BNP Paribas	BNP Paribas
Citigroup Inc.	Citi Canyon Limited Citibank, N.A. Citigroup Energy Inc. Citigroup Financial Products Inc. Citigroup Global Markets Limited Salomon Swapco Inc. TOB Capital LP
Credit Suisse Group	Credit Suisse Credit Suisse Energy LLC Credit Suisse International Credit Suisse Securities (Europe) Limited
Deutsche Bank AG	DB Energy Trading LLC Deutsche Bank AG
Goldman Sachs Group Inc.	Goldman Sachs & Co. Goldman Sachs Capital Markets, LLP Goldman Sachs International J Aron & Company
JP Morgan Chase & Co.	Bear Stearns Bank plc Bear Stearns Credit Products Inc. Bear Stearns Forex Inc. Bear Stearns International Limited JP Morgan Chase & Co. J.P. Morgan Securities Ltd. J.P. Morgan Ventures Energy Corporation JPMorgan Chase Bank, N.A. Washington Mutual Bank
Merrill Lynch & Co. Inc.	Merrill Lynch Bank & Trust Co. FSB Merrill Lynch Bank USA Merrill Lynch Capital Services, Inc. Merrill Lynch Commodities (Europe) Limited Merrill Lynch Commodities Inc. Merrill Lynch International Merrill Lynch International Bank Limited
Morgan Stanley	Morgan Stanley & Co. Inc. Morgan Stanley & Co. International Limited Morgan Stanley Capital Group Inc. Morgan Stanley Capital Services Inc.
The Royal Bank of Scotland Group PLC	ABN AMRO Bank NV The Royal Bank of Scotland PLC
Societe Generale	Societe Generale Societe Generale Asset Mgmt Banque SA Societe Generale Bank & Trust
UBS AG	UBS AG UBS AG, London

ALL CONFIDENTIALITY RESTRICTIONS IN THIS DOCUMENT WERE REMOVED
AS OF 8:00 A.M. EDT ON MAY 31, 2011.

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3.4 Lehman Entities

Legal Entity Abbreviation	Legal Entity Name
LBHI	Lehman Brothers Holdings Inc.
LBSE	Lehman Brothers Special Financing Inc.
LBGS	Lehman Brothers Commodities Services Inc.
LBCC	Lehman Brothers Commercial Corporation
LOTC	Lehman Brothers OTC Derivatives Inc.
LBFP	Lehman Brothers Financial Products Inc.
LBDP	Lehman Brothers Derivative Products Inc.
LCPI	Lehman Commercial Paper Inc.

3.5 Framework Value Report Example

Framework Value as Determined by Debtors as of May 27, 2011												
Big Bank												
All Amounts in Millions												
				(A)	(B)	(C)	(A) + (B) + (C) = (D)	(E)	(F)	(D) + (E) + (F) Framework Value		
Contract	Debtor Legal Entity	Contract Date	Counterparty	Mid Market Value	Allowable Additional Charges	Replacement Trades Value	Adjusted Value	Collateral Value	Net Expected and Actual Cash	Amounts Due to Debtor	Claims Against the Debtor	
1 000000AAAAALBSF	LBSF	10/15/1999	Big Bank Counterparty 1	(234.6)	(13.3)	-	(247.9)	145.4	2.3	-	(100.2)	
2 111111BBBBLBCS	LBCS	6/21/2003	Big Bank Counterparty 2	(220.2)	(6.2)	-	(226.4)	175.0	7.3	-	(44.1)	
3 222222CCCLBCC	LBCC	7/8/2006	Big Bank Counterparty 3	5.0	(3.5)	-	1.5	10.0	2.0	13.5	-	
										13.5	(144.3)	
NB: All values are displayed from the Debtors' perspective. Negative values represent amounts owed by the Debtors.												