

2011 Derivatives Incentive Plan v 2012 Derivatives Incentive Plan

	2011 Derivatives Incentive Plan	2012 Derivatives Incentive Plan
<i>Maximum Derivatives Incentive Pool</i>	<ul style="list-style-type: none"> ▪ \$15 million 	<ul style="list-style-type: none"> ▪ \$12 million
<i>Eligible Employees</i>	<ul style="list-style-type: none"> ▪ Employees that start before October 1, 2011 and remaining through December 31, 2011. ▪ Employees working partially on derivatives project also eligible (in discretion of Derivatives Co-Heads) 	<ul style="list-style-type: none"> ▪ Employees that start before October 1, 2012 and remaining through December 31, 2012. ▪ Employees terminated without cause after September 30, 2012 eligible to earn pro rated portion of 2012 incentive payment
<i>Claims Mitigation Definition</i>	<ul style="list-style-type: none"> ▪ Claims actually mitigated plus claims mitigation settlement offers 	<ul style="list-style-type: none"> ▪ Same as 2011 Derivatives Incentive Plan – Claims actually mitigated plus claims mitigation settlement offers
<i>Contributions to Incentive Pool</i>	<ul style="list-style-type: none"> ▪ 100 bps for Asset Recovery exceeding greater of \$15 billion and total Asset Recovery Value determined for the 2010 Derivatives Incentive Plan as of December 31, 2010 ▪ 30 bps for claims mitigated or claims settlement offers exceeding \$10 billion 	<ul style="list-style-type: none"> ▪ 100 basis points for Asset Recovery Value exceeding \$16.1 billion ▪ 40 basis points for claims mitigation or claims settlement offers in excess of \$12.6 billion for all derivatives claims other than guarantee claims for which the primary obligor is a Non-Controlled Affiliate ▪ 12.5 basis points for first \$2 billion of claims mitigation or claims settlement offers for derivatives guarantee claims for which the primary obligor is a Non-Controlled Affiliate ▪ 25 basis points for claims mitigation or claims settlement offers in excess of \$2 billion for derivatives guarantee claims for which the primary obligor is a Non-Controlled Affiliated ▪ Incentive pool can begin monetizing in 2011 if the minimum amounts are reached

<i>Individual Payout Maximum Calculations</i>	<ul style="list-style-type: none"> ▪ 100% of maximum and actual payout determined in discretion of Derivatives Co-Heads (based on performance, function, seniority, historical compensation, etc.) ▪ Maximum and actual payout subject to Creditors' Committee Consent, such consent not to be unreasonably withheld 	<ul style="list-style-type: none"> ▪ 100% of maximum payout equal to attributable share of aggregate incentive pool (based on performance, function, seniority, historical compensation, etc.) ▪ Maximum payout subject to Creditors' Committee consent, such consent not to be unreasonably withheld
<i>Extension / Holdback</i>	<ul style="list-style-type: none"> ▪ If extension for 2012 is offered, estate has option to hold back 25% of total 2011 incentive payment (only for employees earning greater than \$150,000) ▪ If an employee accepts an extension offer, such individual's (i) 2012 base salary will be at least equal to his or her 2011 earned base salary and (ii) 2012 Contractual Bonus will be at least equal to his or her earned 2011 Contractual Bonus 	<ul style="list-style-type: none"> ▪ If extension for 2013 is offered, estate has option to hold back 15% of total 2012 Contractual Bonus and 2012 incentive payment (only for employees earning total base salary and Contractual Bonus in 2012 greater than \$200,000) ▪ If an employee accepts an extension offer, such individual's (i) 2013 base salary will be at least equal to his or her 2012 earned base salary and (ii) 2013 Contractual Bonus will be at least equal to his or her earned 2012 Contractual Bonus
<i>Termination</i>	<p>Employees terminated without cause prior to December 31, 2011 receive:</p> <ul style="list-style-type: none"> ▪ balance of base salary for commitment period ▪ pro rata share of 2011 Contractual Bonus ▪ any severance entitlements ▪ 2011 incentive payment only if terminated after September 30, 2011 and mandatory distribution pool not distributed to employees remaining on payroll as of December 31, 2011 	<p>Employees terminated without cause prior to December 31, 2012 receive:</p> <ul style="list-style-type: none"> ▪ balance of base salary for commitment period ▪ pro rata share of 2012 Contractual Bonus ▪ any severance entitlements ▪ 50% of pro rated Contractual Bonus for balance of commitment period <p>Not entitled to receive Derivatives Incentive Payment unless terminated without cause after September 30, 2012 (pro rated)</p>