

**As of September 19, 2008**  
**Federal Reserve Bank of New York**  
**33 Liberty Street**  
**New York, NY 10045**

**Ladies and Gentlemen:**

This letter, together with the attached Exhibits (collectively, this "Agreement"), sets forth the terms and conditions on which Ernst & Young LLP ("E&Y") will perform certain due diligence services as described in Exhibit A (collectively, the "Services") for the Federal Reserve Bank of New York (the "FRBNY") in connection with certain transactions related to American International Group, Inc. or its affiliates or subsidiaries (collectively, "AIG") (the performance of such Services in connection with such transactions hereinafter referred to as the "Project").

The Services are advisory in nature. E&Y will perform the Services in accordance with applicable standards established by the American Institute of Certified Public Accountants ("AICPA").

The Services and the information, records, data, advice or recommendations contained in any reports, materials, presentations or other communications, written or otherwise, in draft or final form, provided by E&Y (collectively, "Reports") are intended solely for the information and use of the FRBNY's management. The FRBNY may not rely on any verbal Reports (that are not confirmed by E&Y in writing) or draft written Reports. Except (1) where compelled by legal process (of which the FRBNY shall promptly inform E&Y so that E&Y may seek appropriate protection) or by regulators or regulatory bodies having jurisdiction over the operations of FRBNY or over the consummation of the Project, or (2) upon request by a governmental or regulatory body, agency or official with a basis to legitimately expect information about the Project, including, but not limited to, the Board of Governors of the Federal Reserve System, the Securities and Exchange Commission, any United States Senate or Congressional Committee, or the United States Department of the Treasury, or (3) to its outside legal counsel assisting FRBNY with regard to the Project, or to its independent auditors solely for informational purposes, in each case who are advised of, and agree in writing not to rely on any Report for any purpose and to be bound by the restrictions on distribution of any Report contained herein, the FRBNY may not disclose, orally or in writing, any Report or any portion, abstract or summary thereof, or make any reference to E&Y in connection therewith, to any third party without obtaining the prior written consent of E&Y and, where applicable, an access letter substantially in the form attached hereto as Exhibit F. Notwithstanding the foregoing, it is understood that E&Y at the request of FRBNY may participate in meetings, discussions and other communications with other FRBNY advisors, including disclosures of factual information, records and data provided to or obtained by E&Y relating to AIG (collectively, the "AIG Data"). E&Y's participation in such meetings, discussions or other communications will not constitute a violation by the FRBNY of the restriction on use and distribution of Reports contained in this paragraph nor will the AIG Data disclosed by E&Y or other participants in such meetings, discussions or other communications be included within the definition of Reports for purposes of this paragraph.

### Fees and Expenses

The FRBNY shall pay E&Y's fees for the Services, which are based on the number of hours worked on the project by members of our firm at the discounted standard hourly rates for each individual plus expenses. The estimated fees, excluding expenses, for the Services as currently contemplated are between \$10 million and \$40 million. E&Y will notify the FRBNY as soon as practicable if this estimate will be significantly exceeded. In any case, E&Y's professional fees in the performance of the Services will not exceed \$40 million without the prior written consent of the FRBNY.

The following table presents the discounted standard hourly rate by professional level of the individuals that may participate in the work of this project.

<u>Level</u>	<u>Rate</u>
Partner/Principal/Executive Director	\$775
Senior Manager	675
Manager	575
Senior	450
Staff	275

Charges under this Agreement shall be exclusive of Federal, State, county or local sales, use, excise or other taxes, however designated, from which the FRBNY, as a Federal Reserve Bank, is exempt pursuant to the third paragraph of Section 7 of the Federal Reserve Act (12 U.S.C. § 531).

In addition, the FRBNY shall reimburse E&Y for allocated and direct expenses incurred in connection with the performance of the Services. Such allocated and direct expenses shall be invoiced on an itemized basis to the satisfaction of the FRBNY. Allocated expenses include the costs of administrative items such as telephone, research material, facsimile, overnight mail, messenger, administrative support, among others. Direct expenses include reasonable and customary out-of-pocket expenses for items such as travel, meals, accommodations and other expenses specifically related to this engagement. E&Y may receive rebates in connection with certain purchases, which are used to reduce overhead charges that E&Y would otherwise pass on to its clients. Without your prior approval, allocated and direct expenses incurred shall not exceed 10% of the above-mentioned professional fees. Travel expenses will comply with E&Y's and the FRBNY's travel policies, including using company discounts and preferred providers.

E&Y shall bill the FRBNY for its fees and expenses at the completion of each calendar month during the engagement. Payment is due within 15 days of receipt of E&Y's invoice. E&Y will, on a weekly basis, provide a progress report by area of work, including hours incurred by level and other expenses.

### Other Matters

The FRBNY shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions; (ii) assign a competent employee to oversee the Services and evaluate their adequacy and results; (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services; and (iv) establish and maintain internal controls over related FRBNY processes.

The FRBNY represents and warrants to E&Y that it has all necessary authorization to enter into this Agreement, and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the FRBNY.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in Exhibit B.

Any dispute or claim arising out of or relating to the Services, this Agreement or any other services provided by or on behalf of E&Y or any of its subcontractors or agents to the FRBNY or at the FRBNY's request (including any matter involving any third party for whose benefit any such services are provided), shall be resolved as set forth in Exhibit C. Judgment on any arbitration award may be entered in the U.S. District Court for the Southern District of New York.

E&Y appreciates the opportunity to be of assistance to the FRBNY. If this Agreement accurately reflects the terms on which the FRBNY has agreed to engage E&Y, please sign the enclosed copy on behalf of the FRBNY and return it to ; Ernst & Young LLP, 5 Times Square, New York, NY 10036 .

Yours very truly,

Agreed and accepted:

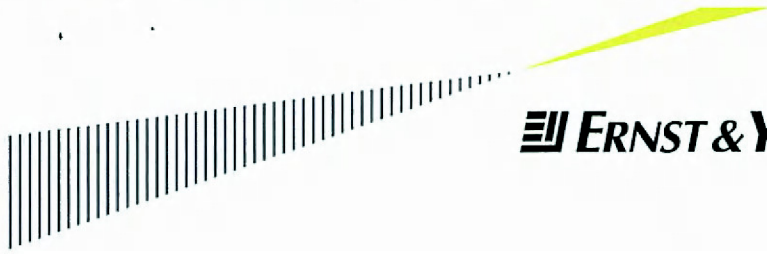
**FEDERAL RESERVE BANK OF NEW YORK**

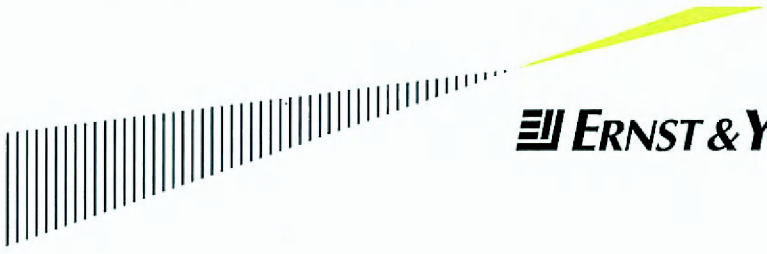
Exhibits:

- A – Scope of Services, Limitations, Specific Additional Understandings
- B – Terms & Conditions
- C – Dispute Resolution Procedures
- D – Confidentiality Agreement
- E – Secure E-mail instructions
- F – Form of Access Letter
- G – Working Paper Storage Agreement

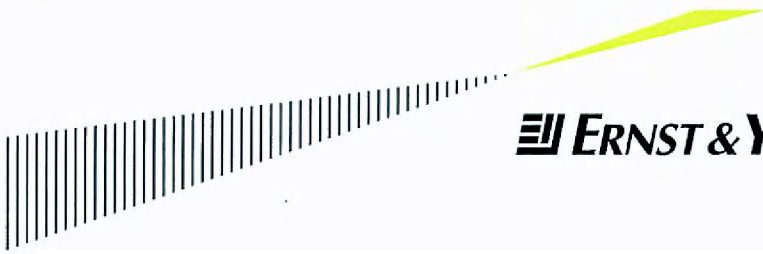
**EXHIBIT A**  
**SCOPE OF SERVICES, LIMITATIONS, SPECIFIC ADDITIONAL UNDERSTANDINGS**

E&Y will provide to the FRBNY the Services described in the attached document entitled "Scope Document Between Ernst & Young (E&Y) and the Federal Reserve Bank of New York (FRBNY) Regarding the Engagement in Connection with the Credit Agreement between FRBNY, as Lender, and American International Group, Inc. (the Company), as Borrower (the Project)" (the "Scope"). E&Y and the FRBNY agree that, as the Project (as defined in the Scope) progresses, certain of the descriptions, components and details of the Scope may change. In order to maintain appropriate communications with regard to the status and progress of the Project, representatives of the FRBNY and E&Y will meet not less than weekly ("Status Meetings"). At each of the Status Meetings, the parties will agree whether and, if so, what changes are required to the Services to be performed by E&Y and such changes will be documented and executed by the parties as consecutively numbered addenda to the Scope. The FRBNY, in its sole discretion, will determine when the Services have been completed. The Services will conclude with a final Report by E&Y to the FRBNY. Subsequent to the final Report, E&Y will provide, as agreed in writing in an amendment to this Exhibit A Scope, in the form of appendices to the final Report, any mutually agreed post-closing Services.

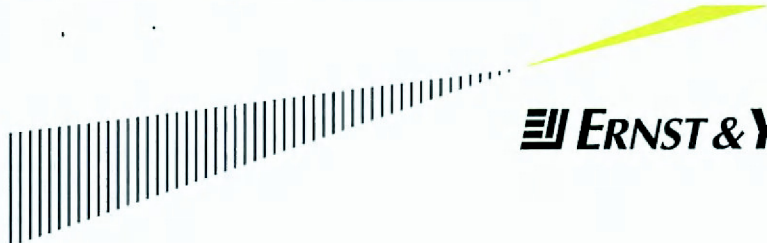


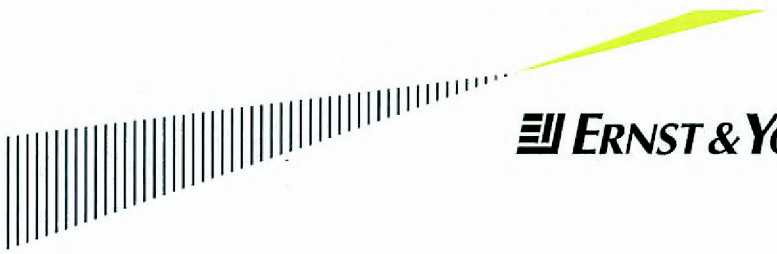












**EXHIBIT B**  
**SERVICES TERMS & CONDITIONS****I. Independent Contractor; Certain Services.**

A. E&Y will provide the Services to the FRBNY as an independent contractor. Nothing contained in this Agreement shall create an employment or principal-agent relationship or joint venture between E&Y and the FRBNY. Neither party shall have the right, power or authority to obligate or bind the other in any manner whatsoever. From time to time, and depending on the circumstances, personnel (including non-certified public accountants) from E&Y Entities (as hereinafter defined) other than E&Y and from independent third party service providers (including individual contractors) may participate in the performance of the Services.

B. E&Y will not render an attestation or assurance report or opinion under this Agreement, nor will the Services constitute: (1) an audit, review or examination of financial statements in accordance with generally accepted auditing standards, (2) an examination of prospective financial statements in accordance with applicable professional standards or (3) a review to detect fraud or illegal acts. The Services will not include preparation of Reports relating to the effectiveness of internal controls over financial reporting under Section 404 of the Sarbanes-Oxley Act. The Services will not include any procedures to test compliance with the laws or regulations of any jurisdiction. None of the Services or any Reports will constitute any legal opinion or advice.

II. Changes and Delays. If the FRBNY requests changes to the scope of the Services or if such changes are required by then applicable law, regulation or professional requirements, schedule delays or other events beyond E&Y's reasonable control, but without its fault or negligence (collectively, "Change Events"), the parties shall adjust E&Y's fees and/or timing of performance for the Services. A party shall be excused from default or delay in the performance of its obligations under this Agreement (other than the FRBNY's payment obligations) to the extent caused by one or more Change Events.

III. Information. The FRBNY will timely provide, or cause to be provided timely, to E&Y all data, information and resources reasonably required by E&Y to perform the Services. Except as otherwise specifically provided in Exhibit A, the Reports shall be based solely upon such data and information furnished by or on behalf of the FRBNY, which E&Y may rely on, and E&Y will not evaluate, nor will it have any responsibility to verify independently, the accuracy or completeness thereof or the sufficiency of such data and information for the FRBNY's purposes except to the extent specified in the procedures identified in Exhibit A.

**IV. Limitation of Liability.**

A. With the exception of damages resulting from gross negligence, fraud, or willful misconduct by E&Y in the performance of the Services, a breach by E&Y of the confidentiality obligations provided in Section VII and Appendix D hereof, or claims involving required indemnification resulting from personal injuries or property damage as provided in Section V.B. (1)(a), the total aggregate liability of E&Y and its subcontractors to the FRBNY and all of its affiliates (and their respective successors and permitted assigns), regardless of whether such liability is based on contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, in connection with the performance of the Services or otherwise under this Agreement, shall be limited to \$10 million.

B. With the exception of damages resulting from gross negligence, fraud, or willful misconduct, breach of confidentiality obligations as provided in Section VII and Appendix D, and claims covered by the indemnification in Section V below, in no event will either party or its subcontractors be liable to the other party or any of its affiliates (or their respective successors or permitted assigns) for any consequential, incidental, indirect, or special damages (including loss of profits, data, business or good will) in connection with the performance of the Services or otherwise under this Agreement, whether or not liability is based on contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, and even if such party is advised of the likelihood of such damages. In no event will either party be liable for punitive damages.

C. E&Y shall be solely responsible for all of the liabilities and obligations of E&Y under this Agreement or relating to the Services, whether or not performed, in whole or part, by E&Y, any affiliate of E&Y, any other member of the global Ernst & Young network or any of their respective affiliates (collectively, the "E&Y Entities," and any of them, an "E&Y Entity"), or any subcontractor or personnel of any E&Y Entity. The FRBNY and its affiliates shall have no recourse, and shall bring no claim, against any E&Y Entity other than E&Y, or against any subcontractors, members, shareholders, directors, officers, managers, partners, agents, representatives or employees of any E&Y Entity (or any of their respective successors or permitted assigns), or any of their respective assets, with respect to the Services or otherwise under this Agreement.

D. The FRBNY shall bring any claim relating to the Services or this Agreement within one year after the date on which the FRBNY became aware, or ought reasonably to have become aware, of the facts giving rise to any alleged liability of E&Y and, in any event, no later than two years after (1) the completion of the Services or (2) the earlier termination of this Agreement for any reason.

E. Except as expressly set forth in Exhibit A, E&Y will not identify, address or correct any errors or defects in the FRBNY's or AIG's computer systems, other devices or components thereof ("Systems"), whether or not due to imprecise or ambiguous entry, storage, interpretation or processing or reporting of data. E&Y shall have no responsibility or liability for any defect or problem arising out of or related to data processing in any Systems.

#### V. Indemnity.

A. To the fullest extent permitted by applicable law, the FRBNY shall indemnify and hold harmless the E&Y Entities and their respective assignees, subcontractors, members, shareholders, directors, officers, managers, partners, employees, agents and consultants (collectively, "E&Y Indemnitees"), from and against all:

- (1) claims and causes of action, pending or threatened, of any kind (whether based on contract, tort or otherwise) by third parties, including any affiliate of the FRBNY, related to or arising out of:
  - (a) the disclosure of any Report or any portion, abstract or summary thereof (other than any contents of the Report relating to any tax advice, including the tax treatment and tax structure of any transaction) by, through or at the request of the FRBNY or the use or reliance on any Report or any portion, abstract or summary thereof by any person or entity that obtains access to it, directly or indirectly, from, through or at the request of the FRBNY, other than (1) a disclosure specifically permitted under this Agreement where the recipient of the disclosure is advised in writing that the disclosed material is confidential and FRBNY obtains, to the extent reasonably possible, assurance that no further disclosure or distribution will be made, or (2) the disclosure of the full final

Report to a third party with the prior written consent of E&Y and receipt by E&Y of an access letter substantially in the form of Exhibit F to this Agreement, or

- (b) the FRBNY's failure to provide timely, accurate and complete information and resources as necessary for E&Y to perform the Services in accordance herewith (collectively, "FRBNY Indemnified Claims") and
- (2) liabilities, losses, damages, costs and expenses (including, without limitation, reasonable outside attorneys' fees and the allocable costs of in-house counsel) ("Losses") suffered or incurred by any of the E&Y Indemnitees in connection with any FRBNY Indemnified Claims.

B. To the fullest extent permitted by applicable law, E&Y shall indemnify and hold harmless the FRBNY and its agents and employees (the "FRBNY Indemnitees") from and against all:

- (1) claims and causes of action, pending or threatened, of any kind (whether based on contract, tort or otherwise), by third parties, including any E&Y Entities, related to or arising out of:
  - (a) bodily injury, sickness or disease or death, or injury or destruction of tangible personal property or real estate, including the loss of use resulting therefrom, caused by a negligent act or omission of E&Y, any consultant, any subcontractor, anyone directly or indirectly employed by them in the performance of the Services; or
  - (b) the infringement by any Report upon any copyright, trademark, trade secret or U.S. patent of a third party. Notwithstanding the foregoing, E&Y shall have no indemnification obligation under this clause (B)(1)(b) to the extent that the alleged infringement arises out of or results from (w) data, materials or other content provided by, from, through or at the request of, FRBNY, (x) FRBNY's use of the Reports, other than as permitted by this Agreement, (y) any modification or alteration to, or of, the Reports by anyone other than E&Y or not at E&Y's direction, or (z) E&Y's compliance with FRBNY's designs, specifications, requests or instructions in the creation of the Reports (collectively, "E&Y Indemnified Claims") and
- (2) Losses suffered or incurred by any of the FRBNY Indemnitees in connection with any E&Y Indemnified Claims.

C. Each indemnitee shall give prompt notice of its receipt of any threat, indication or other notice of any claim, investigation or demand that might give rise to any Losses required to be indemnified hereunder. The indemnifying party shall have the right to conduct defense of such action at its sole expense. Each indemnifying party shall reimburse the respective indemnitees for such Losses as they are incurred by such indemnitees.

VI. Technical Elements; Working Papers.

A. In performing the Services, E&Y may use certain data, modules, components, designs, utilities, subsets, objects, program listings, tools, models, methodologies, programs, systems, analysis frameworks, leading practices, and specifications developed or used by E&Y or its licensors, or to which E&Y otherwise has rights, including enhancements and improvements developed in the course of performing the Services (collectively, "Technical Elements"). The FRBNY shall have no rights in or to the Technical Elements, except with respect to Technical Elements owned by E&Y solely to the extent necessary for the FRBNY to use the Reports as permitted by this Agreement. E&Y retains all right to use its knowledge, experience and know-how, including the Technical Elements, in providing services to other clients.

B. E&Y shall own all working papers prepared by it to document, in accordance with professional obligations, performance of the Services. E&Y agrees that certain working papers and other documents related to the engagement described herein shall be stored and maintained by the FRBNY, as more fully described in, and subject to the provisions of, the Working Paper Storage Agreement attached hereto as Exhibit G.

VII. Confidentiality.

The Confidentiality Agreement between E&Y and the FRBNY that was duly executed on September 18, 2008, with an effective date of September 18, 2008, as set forth in Exhibit D, is hereby incorporated in full as part of this Agreement provided that:

A. For purposes of this Agreement it is acknowledged and agreed that the exceptions to disclosure contained in subclause (5) of the Exceptions paragraph to that Confidentiality Agreement include disclosures required under ET Section 301 of the AICPA Rules.

B. Notwithstanding anything contained herein to the contrary, E&Y may disclose the FRBNY's confidential information, including tax return information, to E&Y Entities for the purpose of rendering the Services and any other services heretofore or hereafter requested by the FRBNY.

C. In addition, E&Y agrees to promptly notify the FRBNY of any breach of confidentiality or misappropriation by E&Y that comes to the attention of an E&Y partner, principal or Executive Director concerning any information protected under this Agreement, and to take all reasonable measures to cure any such breach by E&Y of E&Y's confidentiality obligations hereunder and to recover any data or information wrongfully disclosed.

D. To the extent that information obtained from the FRBNY is protected health information pursuant to the Health Insurance Portability and Accountability Act (as amended from time to time, "HIPAA"), this Agreement shall be deemed to incorporate all terms that HIPAA requires to be included in a business associate contract relating to such information.

E. E&Y will only transmit confidential information to the FRBNY via e-mail or over the internet using secure e-mail, according to the instructions from the FRBNY attached hereto as Exhibit E; E&Y will not otherwise transmit any confidential information to the FRBNY via e-mail or over the internet.



F. The FRBNY will not, and will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to E&Y, in any document filed or distributed in connection with (1) a purchase or sale of securities to which the United States or state securities laws ("Securities Laws") are applicable or (2) periodic reporting obligations under Securities Laws. The FRBNY will not contend that any provisions of Securities Laws could invalidate any provision of this Agreement.

G. It shall not be a violation of the Limited Access provision of the Confidentiality Agreement set forth in Exhibit D for E&Y to conduct a single internal review of the engagement described in this Agreement pursuant to E&Y's internal Quality Review Program.

VIII. Term; Termination; Survival. This Agreement will commence on the date hereof and shall terminate upon completion of the Services, unless earlier terminated as set forth below. Either party may terminate this Agreement upon written notice if the other party breaches any of its material obligations hereunder and such breach is not cured within 15 days following receipt of written notice thereof. E&Y may terminate this Agreement upon written notice to the FRBNY if (A) delays due to Change Events aggregate more than 30 days or (B) E&Y reasonably determines that it can no longer provide the Services in accordance with applicable professional obligations. The FRBNY may terminate this Agreement upon written notice to E&Y, in the FRBNY's sole discretion. The FRBNY shall pay for work-in-progress, completed Services and expenses incurred by E&Y through the effective date of any termination. The provisions of this Agreement that give the parties rights or impose obligations beyond termination hereof will survive any such termination.

IX. Payment.

A. The FRBNY's obligation to pay E&Y's fees and expenses is not contingent upon the results of the Services. In any event, E&Y will not issue any final Report until the FRBNY has paid all of E&Y's fees and expenses incurred to date. If E&Y is required by government regulation, subpoena, or other legal process to produce documents or personnel as witnesses with respect to the Services or this Agreement, the FRBNY shall, so long as E&Y is not a party to the proceeding in which the information is sought, reimburse E&Y for its professional time and expenses, as well as reasonable attorneys' fees and expenses, including the allocable cost of in-house counsel, incurred in responding to such requests.

B. All payments properly due from the FRBNY to E&Y pursuant to this Agreement will be made by electronic funds transfer into a deposit account specified in writing by E&Y to the FRBNY. E&Y's written account notice to the FRBNY (the "Account Notice") shall include the Authorization Agreement for ACH Payment form to be provided to E&Y by the FRBNY, and shall include the name of E&Y's bank, the ABA routing number for that bank, and E&Y's account number. The FRBNY shall not be required to make any payments pursuant to this Agreement until E&Y provides a proper Account Notice to the FRBNY. E&Y agrees that the FRBNY shall have no liability for payments which are misdirected as a result of inaccuracies in the Account Notice. E&Y also agrees to give the FRBNY immediate telephone notification whenever there is a change in the written account notice information contained in the Account Notice, followed by written notification within three (3) business days in the form of a new Account Notice. Upon receipt of the new Account Notice, the FRBNY will cause future payments to be made pursuant to the Account Notice, effective no later than five (5) business days after receipt of such Account Notice. Provided that FRBNY has received a proper Account Notice from E&Y, any amounts due from the FRBNY to E&Y under this Agreement will be due and payable within 15 days of the FRBNY's receipt of a proper invoice from E&Y.

X. Non-Solicitation of Personnel. Neither the FRBNY nor E&Y shall, during the term of this Agreement and for 12 months following its termination for any reason, solicit for employment, or hire, any of the other's personnel involved in the performance of the Services, except as otherwise agreed in writing by the FRBNY and E&Y; provided that the FRBNY shall not breach its obligation hereunder by generally advertising available positions or hiring E&Y personnel who either respond to such advertisements or come to the FRBNY on their own initiative without direct or indirect encouragement from the FRBNY.

XI. Use of Names. Except as expressly permitted by this Agreement, neither party shall use publicly the other party's name, trademark, service mark or logo in connection with the Services or any of the Reports without the prior written consent of such other party. Either party may use the other party's name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from one party to the other.

XII. Miscellaneous.

A. This Agreement constitutes the entire agreement between the FRBNY and E&Y, and merges all prior and contemporaneous communications, with respect to the Services and the other matters contemplated by this Agreement. This Agreement may not be modified except in a writing signed by both parties. If any provision of this Agreement is held to be void, invalid or otherwise unenforceable, in whole or part, the other provisions shall remain in full force and effect. This Agreement may be executed in counterparts, any one of which need not contain the signature of more than one party, but all of which, together, shall comprise one and the same agreement.

B. None of a party's rights, obligations or claims under or with respect to this Agreement or the Services may be assigned, in whole or in part, by such party without the prior written consent of the other party, provided that E&Y may assign any of its rights or obligations under this Agreement to, and may perform the Services together with, an affiliate of E&Y or any other E&Y Entity. The provisions of this Agreement shall operate for the benefit of, and may be enforced by, any assignee or subcontractor that is providing any of the Services as permitted hereby.

C. Notwithstanding the parties' agreement to arbitrate as set forth in this Agreement, either party may bring a claim limited solely to injunctive relief to enforce its rights with respect to the use or protection of (1) its confidential or proprietary information or material, (2) its names, trademarks, service marks or logos, or (3) the Reports, as applicable.

D. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made, and fully to be performed, therein by residents thereof.

E. In the event of any conflict, ambiguity or inconsistency between this Exhibit B and any other provision of this Agreement, the terms and conditions of this Exhibit B shall govern.

F. E&Y, its agents and employees shall abide by all of the FRBNY's security arrangements. E&Y hereby agrees that the FRBNY may at any time perform background checks on any employee or agent of E&Y that has been granted physical access to the FRBNY or access to the FRBNY's computer systems (including, but not limited to, criminal background checks, drug testing, fingerprinting, credit history checks and prior-employer reference checks) and that the employee or agent hereby consents to and will cooperate fully in such matters. E&Y also agrees that any security related question concerning any employee or agent of E&Y may constitute grounds for removal from the FRBNY at any time. E&Y further agrees that any employees or agents of E&Y



will immediately terminate all electronic and/or physical means of accessing the FRBNY, and will return all property and data belonging to the FRBNY, upon termination of this Agreement.

## **EXHIBIT C DISPUTE RESOLUTION PROCEDURES**

### ***Mediation***

A party shall submit a dispute to mediation by written notice to the other party or parties. The mediator shall be selected by the parties. If the parties cannot agree on a mediator, the International Institute for Conflict Prevention & Resolution ("CPR") shall designate a mediator at the request of a party. Any mediator must be acceptable to all parties.

The mediator shall conduct the mediation as he/she determines, with the agreement of the parties. The parties shall discuss their differences in good faith and attempt, with the mediator's assistance, to reach an amicable resolution of the dispute. The mediation shall be treated as a settlement discussion and shall therefore be confidential. The mediator may not testify for either party in any later proceeding relating to the dispute. The mediation proceedings shall not be recorded or transcribed.

Each party shall bear its own costs in the mediation. The parties shall share equally the fees and expenses of the mediator.

If the parties have not resolved a dispute within 90 days after written notice beginning mediation (or a longer period, if the parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by arbitration. In addition, if a party initiates litigation, arbitration, or other binding dispute resolution process without initiating mediation, or before the mediation process has terminated, an opposing party may deem the mediation requirement to have been waived and may proceed with arbitration.

### ***Arbitration***

The arbitration will be conducted in accordance with the procedures in this document and the CPR Rules for Non-Administered Arbitration ("Rules") as in effect on the date of the Agreement, or such other rules and procedures as the parties may agree. In the event of a conflict, the provisions of this document will control.

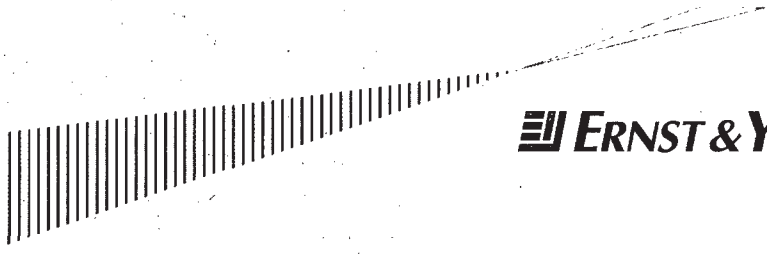
The arbitration will be conducted before a panel of three arbitrators, to be selected in accordance with the screened selection process provided in the Rules. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation, or enforceability of any of these procedures, shall be governed by the Federal Arbitration Act and resolved by the arbitrators. No potential arbitrator may be appointed unless he or she has agreed in writing to these procedures.

The arbitration panel shall have no power to award non-monetary or equitable relief of any sort. Damages that are inconsistent with any applicable agreement, that are punitive in nature, or that are not measured by the prevailing party's actual damages, shall be unavailable in arbitration or any other forum. The parties expressly waive the right to such damages, and the arbitrators shall have no power to award them unless the foregoing waiver is invalid or unenforceable. The arbitration panel shall have no power to make an award or impose a remedy that could not be made or imposed by a court deciding the matter in the same jurisdiction.

Discovery shall be permitted in connection with the arbitration only to the extent, if any, expressly authorized by the arbitration panel upon a showing of substantial need by the party seeking discovery.

All aspects of the arbitration shall be treated as confidential. The parties and the arbitration panel may disclose the existence, content or results of the arbitration only in accordance with the Rules or applicable professional standards. Before making any such disclosure, a party shall give written notice to all other parties and shall afford them a reasonable opportunity to protect their interests, except to the extent such disclosure is necessary to comply with applicable law, regulatory requirements or professional standards.

The result of the arbitration shall be binding on the parties, and judgment on the arbitration award may be entered in any court having jurisdiction.



**EXHIBIT D  
CONFIDENTIALITY AGREEMENT**

CONFIDENTIALITY AGREEMENT BETWEEN

ERNST & YOUNG, LLP ("E&Y")

AND

THE FEDERAL RESERVE BANK OF NEW YORK ("FRBNY")

REGARDING

THE ENGAGEMENT IN CONNECTION WITH CERTAIN COLLATERAL  
RELATED TO AMERICAN INTERNATIONAL GROUP ("THE PROJECT")

APPLICABILITY: This Confidentiality Agreement governs the entire engagement of Ernst & Young, its agents, and employees ("E&Y") in connection with the Project. The terms of this Confidentiality Agreement will be incorporated by reference into any future agreements or letters of engagement executed between the named parties on this subject, and may be augmented and amended as necessary.

**TERMS OF CONFIDENTIALITY**

ENGAGEMENT: E&Y shall keep the existence, terms, and subject of this engagement strictly confidential, except to the extent required by law, governmental or administrative rule, or regulation including, for these purposes, Rule ET 301 of the American Institute of Certified Public Accountants.

CONFIDENTIAL INFORMATION: E&Y acknowledges that all information and material that has or will come into the possession or knowledge of E&Y in connection with the Project including, but not limited to:

1. briefing material, information, and data, both written and oral, related to the proposed transaction;
2. financial information, condition, processes, and procedures of the FRBNY, American International Group and any of their subsidiaries or affiliated entities;
3. material related to the FRBNY's data processing systems, applications, procedures, policies and standards;
4. the physical security of the FRBNY;
5. economic data, including but not limited to open market operations or information regarding the Federal Open Market Committee;

6. financial, statistical and personnel data pertaining to the FRBNY, other member banks of the Federal Reserve System, Foreign Central Banks and International Organizations, and other financial institutions; and
7. financial, statistical, strategic planning and other similar information relating to the past, present, or future activities of the FRBNY, which has or will come into the possession or knowledge of E&Y in connection with this engagement or its performance hereunder,

shall be considered to be confidential and proprietary, the disclosure of which to third parties, or use by third parties will be damaging to the FRBNY. Accordingly, E&Y agrees to maintain the strict confidentiality of this information and shall notify the FRBNY promptly if disclosure is requested pursuant to any law, governmental or administrative rule, or regulation.

E&Y further agrees that in the event that disclosure is requested under any such law, governmental or administrative rule, or regulation, it will take all steps reasonably required to protect the confidentiality of the Confidential Information being disclosed including, but not limited to: (i) entertaining and considering any argument that the FRBNY wishes to make that disclosure is not required and/or that such disclosure is in violation of the terms and conditions of this Confidentiality Agreement; (ii) providing the FRBNY, at the expense of the FRBNY, with all reasonable assistance in resisting or limiting disclosure ; (iii) advising the recipient that the Confidential Information is subject to this Confidentiality Agreement; and (iv) using reasonable efforts to obtain an appropriate stipulation or order of confidentiality.

LIMITED ACCESS: E&Y agrees to limit the access to information that is the subject of this engagement to only those of its partners, principals and employees that are necessary to its performance under this engagement.

PUBLIC STATEMENTS: E&Y agrees not to originate, participate in, or encourage any written or oral statement, news release, or other public announcement or publication, relating to any matter arising during this engagement, and/or any related matter concerning the FRBNY, without the express prior consent of the President, First Vice President, or an Executive Vice President of FRBNY.

EXCEPTIONS: E&Y shall have no obligation under this agreement with respect to any information that: (1) is, at the time of disclosure, or thereafter becomes, part of the public domain through a source other than E&Y in violation of this Confidentiality Agreement; (2) is subsequently learned from a third party that, to the knowledge of E&Y, is not under an obligation of confidentiality to the FRBNY; (3) was known to E&Y at the time of disclosure, as can be demonstrated by contemporaneous written evidence; (4) is generated independently by E&Y without reference to the Confidential Information of the FRBNY, as can be demonstrated by

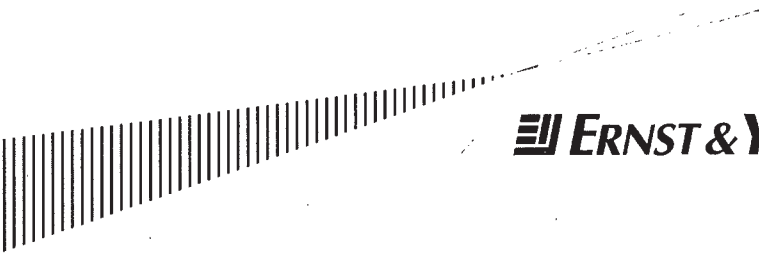
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contemporaneous written evidence; or (5) is disclosed pursuant to applicable law, regulation, subpoena, other legal process, or in connection with the enforcement of E&Y's rights under this Confidentiality Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Confidentiality Agreement to be duly executed as of September 18, 2008, and to be effective as of September 18, 2008.

FEDERAL RESERVE BANK OF NEW YORK

ERNST & YOUNG, LLP



**EXHIBIT E**  
**SECURE E-MAIL INSTRUCTIONS**







**EXHIBIT F  
FORM OF ACCESS LETTER**

[Letterhead of EY]

[Date]

[Addressee (e.g., third party seeking access to EY Report)]

Dear [Addressee]:

The Federal Reserve Bank of New York (the "Client") has informed Ernst & Young LLP ("EY") that it wishes to disclose to [party seeking access] (the "Recipient") EY's [report(s)] and supporting schedules and analyses dated [dates(s)] (the "Report(s)"), relating to [one or more of the Client's financing transactions involving American International Group, Inc. (the "Company")]. EY has not placed any limitations on the Client's ability to disclose any contents of the Report(s) relating to the tax aspects or structure of the proposed transaction.

EY performed advisory services only for the Client. The services were not undertaken on behalf of, or to serve the needs of, the Recipient or any other third party. EY did not audit the Company's financial statements, nor did it perform any procedures with respect to the Company's financial information or otherwise for or relating to any period subsequent to the date(s) of the Report(s).

EY prepared the Report(s) solely for the Client. The Report(s) address[es] only the issues identified by the Client, and [is/are] based solely on information obtained by the procedures specified for EY by the Client or otherwise provided by or on behalf of the Client. The Report(s) [is/are] subject to many limitations and [do/does] not provide any form of assurance with respect to any of the information discussed or referred to therein. The Recipient understands and accepts the scope and limitations of the Report(s). The Recipient has performed, or will perform, its own due diligence inquiries and procedures for all purposes, including satisfying itself as to the financial condition and control environment of the Company.

Except (1) where compelled by legal process (of which the Recipient will immediately notify EY and tender to EY, if it so elects, the defense thereof), (2) with respect to any contents of the Report relating to the tax treatment and tax structure of the proposed transaction (including any facts that may be relevant to understanding the proposed tax treatment of the proposed transaction), or (3) with EY's prior written consent, the Recipient will not, circulate, quote, disclose or distribute any of the Report(s) or any information contained therein, or any summary or abstract thereof, or make any reference thereto, to anyone other than the Recipient's directors, officers or employees or legal advisors who, in each case, need to know its contents in order to evaluate the proposed transaction for the Recipient, and who have agreed to be bound by the terms and conditions of this agreement to the same extent as Recipient.

The Recipient further agrees that it will not, and will not permit others to, quote or refer to the Report(s), any portion, summary or abstract thereof, or to EY, in any document filed or distributed in connection with (a) a purchase or sale of securities to which the United States or state securities laws ("Securities Laws") are applicable or (b) periodic reporting obligations under Securities Laws. The Recipient will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

In further consideration of EY allowing the Recipient access to the Report(s) and the information contained therein, the Recipient agrees that:

1. It does not acquire any rights against EY, and EY does not assume any duties or obligations to the Recipient or otherwise, as a result of, such access.
2. It will not rely on the Report(s) and will make no claim that it has done so.
3. It will make no claim against EY, its partners, employees or affiliates, or other members of the global Ernst & Young network (collectively, the "EY Parties") that relates in any way to the Report(s), any information contained therein, or the Recipient's access to the Report(s).
4. To the fullest extent permitted by applicable law, it will indemnify, defend and hold harmless the EY Parties from and against any claim or expense, including reasonable attorneys' fees, suffered or incurred by any EY Party relating to any breach by the Recipient of any of its representations or agreements contained herein or the use or disclosure of the Report(s) or any portion thereof by anyone who received it directly or indirectly from or at the request of the Recipient.

Please confirm your agreement with the foregoing by signing and dating a copy of this letter and returning it to [\_\_\_\_\_].

Very truly yours,

Ernst & Young LLP

Accepted by:

[Addressee]

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT G  
WORKING PAPER STORAGE AGREEMENT**

October [ ], 2008

Federal Reserve Bank of New York  
33 Liberty Street  
New York, NY 10045Re: Working Paper Storage Agreement

Ladies and Gentlemen:

Reference is made to the agreement dated as of September 19, 2008 (the "Agreement") between Ernst & Young LLP ("E&Y") and the Federal Reserve Bank of New York (the "FRBNY") covering certain professional advisory services rendered by E&Y in connection with certain transactions related to American International Group, Inc. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

Pursuant to Section VI.B of Exhibit B of the Agreement, E&Y owns all working papers prepared by it to document, in accordance with professional obligations, performance of the Services (collectively, "E&Y Working Papers"). The FRBNY has requested that, in the interests of maximizing the security of documents related to the Project, all files related to the engagement described in the Agreement, including the E&Y Working Papers, be maintained by the FRBNY at facilities owned or controlled by the FRBNY. E&Y has agreed to permit FRBNY to store and maintain the E&Y Working Papers for and on behalf of E&Y under the terms and conditions contained in this Working Paper Storage Agreement.

1. Delivery of E&Y Working Papers. Within 30 days of the completion or termination of the engagement described in the Agreement, E&Y will deliver to FRBNY the E&Y Working Papers, which shall include all working papers of E&Y relating to the Project that have been created as of the date of delivery, as well as all copies in E&Y's possession of any other documents related to the engagement described in the Agreement that E&Y wishes to maintain rather than immediately destroy. No other working papers will be held by E&Y as of such date other than (i) copies of the legal agreements between FRBNY and E&Y relating to the engagement of E&Y on the Project, including this Working Paper Storage Agreement, (ii) copies of any final Reports issued by E&Y, and (iii) E&Y's internal time records, engagement management and similar administrative forms and data. E&Y agrees that, within 30 days of the receipt or creation of any additional E&Y Working Papers and other documents relating to the Project, E&Y will deliver such documents to FRBNY for storage hereunder and will not maintain any copies of such additional documents unless specifically permitted in writing by the FRBNY. All documents delivered by E&Y pursuant to this paragraph shall be stored in standard-sized storage boxes measuring 10 x 12 x 15 inches.

2. Facilities. The E&Y Working Papers will be held and maintained in a records center located at 33 Liberty Street, New York, NY 10045 (the "Facility"). FRBNY represents and warrants that the Facility:

(a) has up-to-date fire detection and suppression systems that are monitored, maintained and inspected in accordance with pertinent requirements of the New York State and City fire authorities and applicable National Fire Protection Association (NFPA) standards; and

(b) utilizes modern electronic access controls and personal recognition methodologies for controlling access, including a system of positive employee and visitor identification and logging, intrusion detection systems, and alarm technology.

3. Restricted Access. FRBNY shall segregate the E&Y Working Papers from all files and documents of FRBNY or any other third parties in a separate area or room (the "E&Y Area"), and shall maintain the E&Y Working Papers and the related documents delivered by E&Y in sealed boxes or containers. FRBNY shall create arrangements ensuring that access to the E&Y Area shall be restricted to personnel of the FRBNY or E&Y, and that only E&Y personnel may open the sealed boxes or containers in which the E&Y Working Papers are stored. FRBNY shall be responsible for ensuring that no personnel of FRBNY and no third parties shall access the E&Y Working Papers in any manner except as specifically permitted in writing in each instance by E&Y or with E&Y personnel present.

4. Ownership. FRBNY acknowledges and agrees that the E&Y Working Papers are and shall remain the exclusive property of E&Y, and that E&Y has sole and exclusive rights to the E&Y Working Papers.

5. Retrieval of Documents. E&Y and the FRBNY shall agree to reasonable protocols and procedures to be followed by E&Y to access the E&Y Working Papers (the "Access Procedures"). Such Access Procedures will be procedural and administrative only and will not contain any unreasonable limitations on the frequency of such access or require any justification to the FRBNY of the purpose of any such access. When agreed, the Access Procedures shall be initialed by the parties and attached hereto as Attachment 1. The FRBNY agrees that, within two business days of any request by E&Y made in accordance with the Access Procedures, FRBNY will provide E&Y full access to the E&Y Area and the E&Y Working Papers. When deemed reasonably necessary by E&Y in order to fulfill regulatory, legal or professional requirements, the FRBNY will make reasonable efforts to permit E&Y to access the E&Y Working Papers and to make copies of the E&Y Working Papers on a same-day basis.

6. Indemnification. The FRBNY shall indemnify and hold harmless any E&Y Entities and their respective assignees, subcontractors, members, shareholders, directors, officers, managers, partners, employees, agents and consultants (collectively, "Indemnitees"), from and against all:

- (a) claims and causes of action, pending or threatened, of any kind (whether based on contract, tort or otherwise) related to or arising out of (i) the breach by the FRBNY of any of the representations, warranties and covenants of the FRBNY contained herein; and (ii) the loss of or damage to any of the E&Y Working Papers stored and maintained by the FRBNY (collectively, the "Claims"); and
- (b) liabilities, losses, damages, costs and expenses (including, without limitation, reasonable outside attorneys' fees and the allocable costs of in-house counsel) suffered or incurred by any of the Indemnitees in connection with any Claims.

7. Records Retention. The FRBNY agrees that, regardless of any document retention or destruction policies of or applicable to the FRBNY, the FRBNY will not destroy or discard any of the E&Y Working Papers unless specifically directed to do so in writing by E&Y.

8. Term; Termination; Survival. This Working Paper Storage Agreement will commence on the date hereof and shall terminate 10 years from the date hereof unless earlier terminated as specified herein. Either party may terminate this Working Paper Storage Agreement upon written notice if the other party breaches any of its material obligations hereunder and such breach is not cured within 15 days following receipt of written notice thereof. E&Y may terminate this Working Paper Storage Agreement upon written notice to FRBNY if E&Y reasonably determines that legal, regulatory or professional requirements applicable to E&Y no longer permit storage of working papers outside of E&Y facilities. Upon expiration or termination of this Working Paper Storage Agreement for any reason, FRBNY will return the E&Y Working Papers to E&Y for retention or destruction in accordance with E&Y's normal policies.

9. Miscellaneous.

(a). This Working Paper Storage Agreement may not be modified except in a writing signed by both parties. If any provision of this Working Paper Storage Agreement is held to be void, invalid or otherwise unenforceable, in whole or part, the other provisions shall remain in full force and effect. This Working Paper Storage Agreement may be executed in counterparts, any one of which need not contain the signature of more than one party, but all of which, together, shall comprise one and the same agreement.

(b). None of a party's rights, obligations or claims under or with respect to this Working Paper Storage Agreement may be assigned, in whole or in part, by such party without the prior written consent of the other party. The provisions of this Working Paper Storage Agreement shall operate for the benefit of, and may be enforced by, any assignee or subcontractor that is providing any of the Services as permitted hereby.

(c). Any dispute or claim arising out of this Working Paper Storage Agreement shall be resolved in accordance with the procedures set forth in the Agreement, including Exhibit C thereto.

(d). This Working Paper Storage Agreement shall be governed by, and construed in accordance with, the laws of the State of New York applicable to agreements made, and fully to be performed, therein by residents thereof.

(e) In the event of any conflict, ambiguity or inconsistency between this Working Paper Storage Agreement and any provision of the Agreement, the terms and conditions of this Working Paper Storage Agreement shall govern.

If this Agreement accurately reflects the agreement between us with respect to the storage of the E&Y Working Papers, please sign the enclosed copy on behalf of the FRBNY and return it to Ernst & Young LLP, 5 Times Square, New York, NY 10036.

Yours very truly,

Agreed and accepted:

**FEDERAL RESERVE BANK OF NEW YORK**

By \_\_\_\_\_

Name:

Title:

May 11, 2009

**Federal Reserve Bank of New York**  
**33 Liberty Street**  
**New York, NY 10045**

Re: Amendment No. 1

Ladies and Gentlemen:

This letter will constitute Amendment No. 1 to the agreement dated as of September 19, 2008 (the "Agreement") between Ernst & Young LLP ("E&Y") and the Federal Reserve Bank of New York ("FRBNY") in connection with certain transactions related to American International Group, Inc. or its affiliates or subsidiaries (collectively, "AIG"). All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

E&Y and FRBNY have agreed that the scope of work to be performed under the Agreement has expanded in light of recent restructuring and other efforts undertaken in connection with the FRBNY's assistance to AIG and other FRBNY initiatives. Accordingly, the parties hereby agree as follows:

1. Exhibit A
  
  
  
  
  
  
  
  
  
  
2. The initial paragraph of the Agreement is hereby amended to add in the fifth line after "(collectively, "AIG")" the phrase "and other FRBNY initiatives."
  
  
3. The last sentence of the first paragraph of the **Fees and Expenses** section of the Agreement is hereby amended to read as follows:

"In any case, E&Y's professional fees in the performance of the Services will not exceed \$60,000,000 without the prior written consent of the FRBNY."

Except as set forth above, the Agreement remains unchanged and in full force and effect.

If the foregoing accurately reflects our understanding with respect to amendment of the Agreement, please sign the enclosed copy on behalf of the FRBNY and return it to \_\_\_\_\_, Partner, Ernst & Young LLP, 5 Times Square, New York, NY 10036.



Yours very truly,

**ERNST & YOUNG LLP**

Agreed and accepted:

**FEDERAL RESERVE BANK OF NEW YORK**

ATTACHMENT 1

ATTACHMENT 1

ATTACHMENT 1

ATTACHMENT 1

ATTACHMENT 1

ATTACHMENT 1

ATTACHMENT 1





ATTACHMENT 1

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