

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

IN RE AMERICAN INTERNATIONAL GROUP,
INC. 2008 SECURITIES LITIGATION

Master File No.:
08-CV-4772-LTS-DCF

This Document Relates To: All Actions

STIPULATION AND AGREEMENT OF SETTLEMENT

This Stipulation and Agreement of Settlement (the “Stipulation”) is made and entered into by and between Lead Plaintiff¹ and Named Plaintiffs, on behalf of themselves and the proposed Settlement Class, and American International Group, Inc. (“AIG”), the Individual Defendants, the Underwriter Defendants, and PricewaterhouseCoopers LLP (“PwC”).

WHEREAS:

A. Beginning on May 21, 2008, a series of proposed class actions alleging violations of the federal securities laws by some or all of the Defendants were filed in this Court: *Jacksonville Police and Fire Pension Fund v. AIG, et al.*, Case No. 08 Civ. 4772; *James Connolly v. AIG, et al.*, No. 08 Civ. 5072; *Maine Public Employees Retirement System v. AIG, et al.*, No. 08 Civ. 5464; *Ontario Teachers’ Pension Plan Board v. AIG, et al.*, No. 08 Civ. 5560; *Margaret Carroll v. AIG, et al.*, No. 08 Civ. 8659; *Harriet Bernstein and Janet Levine Cotter v. AIG, et al.*, No. 08 Civ. 9162; *Fire and Police Pension Association of Colorado, et al. v. AIG et al.*, No. 08 Civ. 10586; and *Epstein Real Estate Advisory v. Bank of America Corporation, et al.*, No. 09 Civ. 428.

¹ All capitalized words or terms not otherwise defined herein have the meaning set forth in Paragraph 1 of this Stipulation, entitled “Definitions.”

B. On March 20, 2009, the Court entered an order to consolidate the actions and refer to them collectively as *In re American International Group 2008 Securities Litigation*, Master File No. 08 Civ. 4772. The order also appointed SMRS as Lead Plaintiff and Barrack, Rodos & Bacine and the Miller Law Firm, P.C., as Co-Lead Counsel.

C. On May 19, 2009, Lead Plaintiff filed the Consolidated Class Action Complaint (the “Complaint”), which alleges that some or all of the Defendants violated Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 and/or Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and asserts claims on behalf of all persons or entities, other than Defendants and their affiliates, who (a) purchased AIG Securities traded on a U.S. public exchange from March 16, 2006 through September 16, 2008 (the “Settlement Class Period”) or (b) purchased or acquired AIG Securities in or traceable to a public offering by AIG during that period, and suffered damages as a result.

D. On August 5, 2009, Defendants moved to dismiss the Complaint. On October 2, 2009, Lead Plaintiff filed opposition papers and, on December 3, 2009, Defendants filed reply papers. On September 27, 2010, the Court issued an Opinion and Order denying Defendants’ motions to dismiss.

E. On November 24, 2010 and December 10, 2010, Defendants filed their respective answers to the Complaint. Defendants denied the claims and asserted a number of affirmative defenses.

F. Fact discovery in the Action commenced in November 2010 and was substantially completed in June 2012. During this period, the Parties conducted approximately 45 fact depositions and produced and reviewed over 36 million pages of documents.

G. On April 1, 2011, Lead Plaintiff moved for certification of a class of all persons or entities, other than Defendants and their affiliates, who purchased AIG Securities traded on a U.S. public exchange during the Settlement Class Period, including all persons or entities who purchased AIG Securities in or traceable to a public offering by AIG during that period, and suffered damages as a result. On May 6, 2011, in light of the Supreme Court's grant of certiorari in *Erica P. John Fund, Inc. v. Halliburton*, No. 09-1403 (U.S. Jan. 7, 2011) (*Halliburton I*), the Court terminated the motion without prejudice to renewal following the Supreme Court's decision in that case. On July 6, 2011, Lead Plaintiff filed a renewed motion for class certification. Defendants filed their opposition to the motion on August 17, 2011. On November 2, 2011, the Court terminated the motion without prejudice pending the completion of class certification-related discovery. On March 30, 2012, Lead Plaintiff again filed its motion for class certification, supported by a brief and exhibits. Defendants filed their opposition to the motion on May 24, 2012, and Lead Plaintiff filed its reply on June 22, 2012.

H. In connection with the motion for class certification, Lead Plaintiff and Defendants retained a total of six experts, each of whom submitted a declaration. Certain of the experts also submitted reply declarations. Each of the experts was deposed, as were 11 other non-expert witnesses.

I. On June 21, 2012, AIG filed a motion to preclude the declarations, testimony and opinions of Lead Plaintiff's expert, Dr. Steven P. Feinstein. Lead Plaintiff filed its opposition to the motion on June 29, 2012, and AIG filed its reply on July 20, 2012.

J. From March 1 through March 14, 2013, the Parties submitted letters to the Court concerning Lead Plaintiff's motion for class certification and AIG's motion to preclude the declarations, testimony and opinions of Lead Plaintiff's expert in light of the U.S. Supreme

Court's decision in *Amgen Inc. v. Connecticut Retirement Plans & Trust Funds*, 133 S. Ct. 1184 (U.S. Feb. 27, 2013).

K. From April 29, 2013 through May 1, 2013, the Court held an evidentiary hearing in connection with Lead Plaintiff's motion for class certification and AIG's motion to preclude the declarations, testimony and opinions of Lead Plaintiff's expert. At the hearing, Lead Plaintiff presented the testimony of Dr. Feinstein and AIG presented the testimony of Dr. Vinita Juneja and Dr. Mukesh Bajaj. On May 1, 2013, the Court also held oral argument on the motions.

L. On October 12, 2011, PwC, the Underwriter Defendants, and the Director Defendants moved for judgment on the pleadings pursuant to Rule 12(c) of the Federal Rules of Civil Procedure, seeking dismissal of certain claims relating to alleged false and misleading statements in AIG's financial statements under the Second Circuit's decision in *Fait v. Regions Financial Corp.*, 655 F.3d 105 (2d Cir. 2011). Lead Plaintiff filed its opposition to the motion on December 2, 2011, the moving Defendants filed their reply on December 16, 2011, and Lead Plaintiff filed a sur-reply on December 30, 2011. On September 10, 2012, AIG and the Executive Defendants filed a joinder to the motion. On April 2, 2013, the Court held oral argument on the motion. On April 26, 2013, Court issued a Memorandum Opinion and Order ("April 26, 2013 Order") granting the motion. In its April 26, 2013 Order, the Court dismissed all claims against PwC. The Court also dismissed Lead Plaintiff's Securities Act claims against AIG, its outside directors, the Underwriter Defendants and certain of the Individual Defendants to the extent those claims were based on statements of opinion. On May 14, 2013, the Court entered a Stipulation and Conforming Order that, among other things: specified the particular allegations subject to dismissal as a result of the Court's April 26, 2013 Order; provided that the Stipulation did not dismiss any claims under the Securities Exchange Act of 1934; reserved all arguments,

claims or defenses as to the applicability of the April 26, 2013 Order to Lead Plaintiff's claims under the Securities Exchange Act of 1934; and preserved Lead Plaintiff's appeal rights with respect to the April 26, 2013 Order and the May 14, 2013 Stipulation and Conforming Order.

M. All claims against PwC were dismissed from this action in the April 26, 2013 Order. As of the date of this Stipulation, the time to appeal from that dismissal has not yet run, and Lead Plaintiff has the right to appeal the dismissal of those claims.

N. In April 2012, Lead Plaintiff and AIG agreed to a mediation of the Action before the Honorable Layn R. Phillips, a former federal district court judge in the United States District Court for the Western District of Oklahoma. In advance of the mediation, Lead Plaintiff and AIG made several detailed submissions to Judge Phillips. In addition, on July 13, 2012, each side made an extensive ex parte presentation to Judge Phillips, outlining their respective views of the relative merits of the claims and defenses and setting forth their respective positions as to settlement. Then, on July 25 and 26, 2012, Judge Phillips conducted a mediation session in New York City attended by representatives of Lead Plaintiff, AIG and their respective counsel. This mediation did not result in an agreement to resolve the Action. Another mediation before Judge Phillips was held on September 3-4, 2013. In advance of this mediation, Lead Plaintiff and AIG made further written submissions to Judge Phillips. This mediation also did not result in an agreement to resolve the Action.

O. On November 15, 2013, the Supreme Court granted certiorari in *Halliburton Co. v. Erica P. John Fund, Inc.* ("*Halliburton II*"), in which the Supreme Court agreed to consider the viability of the fraud-on-the-market presumption of reliance necessary to certify a class of putative securities fraud plaintiffs under Section 10(b) of the Securities Exchange Act of 1934 and alternatively what is needed to invoke and rebut the presumption. On December 19, 2013,

after letter submissions from the Parties, the Court ordered Lead Plaintiff to show cause why the Action should not be stayed pending the issuance of a decision in *Halliburton II*. On January 6, 2014, Lead Plaintiff submitted its response to the December 19, 2013 order. AIG filed its reply to Lead Plaintiff's response on January 10, 2014, and Lead Plaintiff filed a further response on January 14, 2014. On January 30, 2014, the Court stayed the Action pending a decision in *Halliburton II*.

P. On June 23, 2014, the Supreme Court decided *Halliburton II*, sustaining the fraud-on-the-market presumption, affirming what a plaintiff must demonstrate to invoke the presumption, and providing that defendants may rebut the presumption at the class certification stage with evidence that the alleged misstatements had no impact on the price of the security at issue. On July 14, 2014, the parties submitted letters to the Court regarding the impact of *Halliburton II* on the Action.

Q. Following the Supreme Court's decision, the Parties reached out to Judge Phillips to explore the potential of renewed settlement discussions. On July 15, 2014, counsel for AIG and Lead Counsel, on behalf of their respective clients, accepted a mediator's proposal from Judge Phillips to settle and release all claims asserted in the Action against the Settling Defendants other than PwC in return for a cash payment of \$960,000,000 for the benefit of the Class, subject to the execution of this Stipulation and related papers.

R. Following this settlement, Lead Plaintiff and PwC agreed to a mediation of the claims that Lead Plaintiff had asserted against PwC on behalf of the Class. Judge Phillips conducted a mediation session in New York City on July 30, 2014, at which no agreement was reached. However, on August 1, 2014, counsel for PwC and Lead Counsel, on behalf of their respective clients, accepted a mediator's proposal from Judge Phillips to settle and release all

claims asserted in the Action against PwC in return for a cash payment of \$10,500,000 for the benefit of the Class, subject to the execution of this Stipulation and related papers.

NOW THEREFORE, without any concession as to the merits of any Released Claim or any defenses thereto, it is hereby **STIPULATED AND AGREED** by and between the Settling Parties, through their undersigned counsel, subject to approval by the Court pursuant to Rule 23 of the Federal Rules of Civil Procedure, that in consideration of the benefits flowing to the Settling Parties, all Released Claims as against all Released Parties shall be fully, finally, and forever settled, released, discharged, and dismissed with prejudice, and without costs, as follows:

DEFINITIONS

1. As used in this Stipulation and its exhibits, the following terms shall have the meanings set forth below. In the event of any inconsistency between any definition set forth below and any definition in any other document related to the Settlement, the definition set forth below shall control.

(a) “Action” means the civil action captioned *In re American International Group, Inc. 2008 Securities Litigation*, No. 08 Civ. 4772, pending in the United States District Court for the Southern District of New York before the Honorable Laura T. Swain.

(b) “AIG” means American International Group, Inc.

(c) “AIG Securities” means any and all securities issued by AIG, whether debt or equity securities, including, without limitation, common stock, preferred stock, bonds, notes and debentures; and including, without limitation, each of the securities referenced in paragraphs 591 and 592 of the Complaint.

(d) “AIG Settlement Amount” means the total principal amount of nine hundred sixty million dollars (\$960,000,000) in cash. Under no circumstances shall the total that AIG pays under this Stipulation exceed the AIG Settlement Amount.

(e) “Authorized Claimant” means a Settlement Class Member that timely submits a valid Proof of Claim and Release form to the Claims Administrator under the terms of this Stipulation that is accepted for payment by the Court.

(f) “Claims Administrator” means the firm designated by Lead Counsel, following consultation with and agreement by Lead Plaintiff, subject to Court approval, to provide all notices approved by the Court to Settlement Class Members, to process Proofs of Claim, and to administer the Settlement.

(g) “Court” means the United States District Court for the Southern District of New York.

(h) “Defendants” means Settling Defendants.

(i) “Defense Counsel” means the law firms of Weil, Gotshal & Manges LLP; Paul, Weiss, Rifkind, Wharton & Garrison LLP; Simpson Thacher & Bartlett LLP; Gibson, Dunn & Crutcher LLP; Akin Gump Strauss Hauer & Feld LLP; Mayer Brown LLP; Latham & Watkins LLP; Milbank, Tweed, Hadley & McCloy LLP; Willkie Farr & Gallagher LLP; Debevoise & Plimpton LLP; and Cravath, Swaine & Moore LLP.

(j) “Director” means any member of the board of directors of any of the Parties.

(k) “Director Defendants” means Stephen F. Bollenbach, Pei-yuan Chia, Marshall A. Cohen, Martin S. Feldstein, Ellen V. Futter, Stephen L. Hammerman, Richard C. Holbrooke, Fred H. Langhammer, George L. Miles, Jr., Morris W. Offit, James F. Orr III,

Virginia M. Rometty, Michael H. Sutton, Edmund S.W. Tse, Robert B. Willumstad, and Frank G. Zarb.

(l) “Distribution Order” means an order of the Court approving the Claims Administrator’s determinations concerning the acceptance and rejection of submitted claims and approving any fees and expenses not previously paid, including the fees and expenses of the Claims Administrator and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

(m) “Effective Date” means the date upon which the Settlement shall become effective, as set forth in Paragraph 48 below.

(n) “Escrow Account” means one or more separate interest-bearing escrow account(s) maintained by the Escrow Agent(s) into which the Settlement Amount will be deposited for the benefit of the Settlement Class.

(o) “Escrow Agent” means the financial institution(s) designated by Lead Counsel to receive, hold, invest, and disburse the Settlement Amount under the terms of this Stipulation.

(p) “Executive Defendants” means Martin J. Sullivan, Steven J. Bensinger, Joseph Cassano, Andrew Forster, Alan Frost, David L. Herzog, Robert Lewis, and Thomas Athan.

(q) “Fee and Expense Application” means Lead Counsel’s application for an award from the Settlement Fund of attorneys’ fees and reimbursement of litigation expenses incurred in prosecuting the Action in an amount not to exceed the attorneys’ fees and expense reimbursement disclosure contained in the Notice.

(r) “Final,” with respect to a court order, means the latest of (i) if there is an appeal from that court order, the date of final affirmance on appeal and the expiration of the time (including on a showing of excusable neglect or good cause) for any further judicial review whether by appeal, reconsideration, or a petition for a writ of certiorari and, if certiorari is granted, the date of final affirmance of the order following review under the grant; (ii) the date of final dismissal of any appeal from the order or the final dismissal of any proceeding on certiorari to review the order; or (iii) the expiration of the time for the filing or noticing of any appeal or petition for certiorari from the order (or, if the date for taking an appeal or seeking review of the order shall be extended beyond this time by order of the issuing court, by operation of law or otherwise, or if such extension is requested, the date of expiration of any extension if any appeal or review is not sought). No appeal or proceeding seeking subsequent judicial review pertaining solely to the Plan of Allocation of the Net Settlement Fund, or to the Court’s award of attorneys’ fees and expenses, shall in any way delay or affect the time set forth above for the Judgment to become Final, or otherwise preclude the Judgment from becoming Final.

(s) “Immediate Family” or “Immediate Families” means, as set forth in 17 C.F.R. § 229.404, children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law. “Spouse” as used in this definition also means a husband, a wife, or a partner in a state-recognized domestic partnership, civil union, or marriage.

(t) “Individual Defendants” means Executive Defendants and Director Defendants.

(u) “Investment Vehicle” means any investment company or pooled investment fund, including, but not limited to, mutual fund families, exchange-traded funds, fund

of funds and hedge funds, in which Defendants, or any of them, have, has or may have a direct or indirect interest, or as to which its affiliates may act as an investment advisor but of which any Defendant or any of its respective affiliates is not a majority owner or does not hold a majority beneficial interest.

(v) “Judgment” means the proposed judgment and order (i) finally approving the Settlement; and (ii) dismissing the Action with prejudice, substantially in the form attached as Exhibit 5.

(w) “Lead Counsel” means the law firms of Barrack, Rodos & Bacine and the Miller Law Firm, P.C.

(x) “Lead Plaintiff” means the State of Michigan Retirement Systems, as custodian of the Michigan Public School Employees’ Retirement System, the State Employees’ Retirement System, the Michigan State Police Retirement System, and the Michigan Judges Retirement System.

(y) “Named Plaintiffs” means Lead Plaintiff, Maine Public Employees Retirement System, Port Authority of Allegheny County Retirement and Disability Allowance Plan for Employees Represented by Local 85 of the Amalgamated Transit Union, Epstein Real Estate Advisory, Lynette J. Yee, Michael Conte, Roger Wilson, and Randy Lewis Decker.

(z) “Net Settlement Fund” means the Settlement Fund less: (i) Court-awarded attorneys’ fees and expenses; (ii) Notice and Administration Expenses; (iii) Taxes; and (iv) any other fees or expenses approved by the Court, including any award to Lead Plaintiff for reasonable costs and expenses (including lost wages) pursuant to the PSLRA.

(aa) “Notice” means the Notice of Class Action, Proposed Settlement, Motion for Attorneys’ Fees and Expenses, and Settlement Hearing, which, subject to approval of the

Court, will be sent to Settlement Class Members substantially in the form attached hereto as Exhibit 1.

(bb) “Notice and Administration Expenses” means all costs, fees, and expenses incurred in connection with providing notice to the Settlement Class and the administration of the Settlement, including but not limited to: (i) providing notice of the proposed Settlement by mail, publication, or other means to Settlement Class Members; (ii) receiving and reviewing claims; (iii) applying the Plan of Allocation; (iv) communicating with Persons regarding the proposed Settlement and claims administration process; (v) distributing the proceeds of the Settlement; and (vi) fees related to the Escrow Account and investment of the Settlement Fund.

(cc) “Officer” means any officer of any Defendant as the term Officer is defined in 17 C.F.R. § 240.16a-1(f).

(dd) “Parties” means Settling Parties.

(ee) “Person” or “Persons” means any individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity, as well as each of their spouses, heirs, predecessors, successors, representatives, agents, trustees, estates, administrators, executors, or assignees.

(ff) “Plan of Allocation” means the proposed Plan of Allocation of Net Settlement Fund, which, subject to the approval of the Court, shall be substantially in the form described in the Notice.

(gg) “Preliminary Approval Order” means the proposed order to be entered by the Court for settlement purposes only, preliminarily certifying a Settlement Class, preliminarily

approving the Settlement, scheduling a Settlement hearing date, and directing notice thereof to the Settlement Class, which, subject to the approval of the Court, shall be substantially in the form attached hereto as Exhibit 4.

(hh) “Proof of Claim” means the Proof of Claim and Release form for submitting a claim, which, subject to approval of the Court, shall be substantially in the form attached as Exhibit 3.

(ii) “PSLRA” means the Private Securities Litigation Reform Act of 1995, as amended.

(jj) “PwC” means PricewaterhouseCoopers LLP.

(kk) “PwC Settlement Amount” means the total principal amount of ten million and five hundred thousand dollars (\$10,500,000) in cash. Under no circumstances shall the total that PwC pays under this Stipulation exceed the PwC Settlement Amount.

(ll) “Released Claims” means Released Plaintiff Claims and Released Defendant Claims.

(mm) “Released Defendants” means any of the following: (a) Defendants; (b) the Defendants’ respective present and former parents, affiliates, subsidiaries, divisions, general partners, limited partners, limited liability partners, and any Person in which any Defendant has or had a controlling interest; and (c) the present and former Immediate Family, heirs, principals, owners, trustees, trusts, executors, administrators, predecessors, successors, assigns, members, agents, subsidiaries, employees, associates, Officers, managers, Directors, general partners, limited partners, bankers, attorneys, accountants, auditors, representatives, estates, divisions, advisors, estate managers, indemnifiers, insurers, and reinsurers of each of the Persons listed in subpart (a) or (b) of this definition. “Released Defendants” shall also include any entity or

partnership (whether or not incorporated) which carries on business under a name which includes all or part of the PricewaterhouseCoopers name or is otherwise (directly or indirectly) within the worldwide network of PricewaterhouseCoopers firms, including PricewaterhouseCoopers International Limited and any member firm, network firm, specified subsidiary or connected firm of PricewaterhouseCoopers International Limited.

(nn) “Releasing Defendants” means Defendants.

(oo) “Released Defendant Claims” means all claims, including both known claims and Unknown Claims (as defined below), whether arising under federal, state, common, or administrative law, or any other law, that the Released Defendants could have asserted against any of the Released Plaintiffs that arise out of or relate to the commencement, prosecution, or settlement of the Action (other than claims to enforce the Settlement or the Judgment).

(pp) “Released Parties” means Released Defendants and Released Plaintiffs.

(qq) “Released Plaintiffs” or “Releasing Plaintiffs” means each and all of the following: (a) Lead Plaintiff, Lead Counsel, and each and every Settlement Class Member (regardless of whether that Person actually submits a Proof of Claim, seeks or obtains a distribution from the Net Settlement Fund, is entitled to receive a distribution under the Plan of Allocation approved by the Court, or has objected to the Settlement, the Plan of Allocation, or the Fee and Expense Application); (b) the foregoing Persons’ respective present and former parents, affiliates, subsidiaries, divisions, general partners, limited partners, and any Person in which any of the foregoing Persons listed in subpart (a) has or had a controlling interest; (c) the present and former Immediate Family, heirs, principals, trustees, trusts, executors, administrators, predecessors, successors, assigns, members, agents, subsidiaries, employees, Officers, managers, Directors, general partners, limited partners, bankers, attorneys, accountants,

auditors, representatives, estates, divisions, advisors, estate managers, insurers, and reinsurers of each of the Persons listed in subpart (a) or (b) of this definition; and (d) any other Person who has the right, ability, standing, or capacity to assert, prosecute, or maintain on behalf of any Settlement Class Member any of the Released Plaintiff Claims (or to obtain the proceeds of any recovery therefrom), whether in whole or in part.

(rr) “Released Plaintiff Claims” means any and all claims, rights, actions, issues, controversies, causes of action, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, and liabilities of every kind, nature, and description, including both known claims and Unknown Claims (defined in Paragraph 5 below), whether arising under federal, state, or foreign law, or statutory, common, or administrative law, or any other law, rule, or regulation, whether asserted as claims, cross-claims, counterclaims, or third-party claims, whether fixed or contingent, choate or inchoate, accrued or not accrued, matured or unmatured, liquidated or un-liquidated, perfected or unperfected, whether class or individual in nature, that previously existed, currently exist, or that exist as of the date of the Court approval of the Settlement or that may arise in the future, that Lead Plaintiff or any other Settlement Class Member asserted or could have asserted in the Action or any other action or in any forum (including, without limitation, any federal or state court, or in any other court, arbitration proceeding, administrative agency, or other forum in the United States or elsewhere), that in any way arise out of, are based upon, relate to, or concern the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations, or omissions or failures to act alleged, set forth, referred to, involved in, or which could have been raised in the Action or any of the complaints filed or proposed to be filed therein, and that in any way arise out of, are based upon, relate to, or concern the holding, ownership, purchase, acquisition, disposition, or

sale of, or other transaction in AIG Securities during the Settlement Class Period, or the purchase or acquisition of AIG Securities in or traceable to an offering during the Settlement Class Period, including, without limitation, claims that arise out of or relate to any disclosures, SEC filings, press releases, investor calls, registration statements, offering memoranda, web postings, presentations or any other statements by AIG or any other of the Defendants during the Settlement Class Period. Released Plaintiff Claims do not include claims to enforce the Settlement. For the avoidance of doubt, Released Claims do not include claims asserted in *In re American International Group, Inc. ERISA Litigation II*, No. 08 civ. 5722 (LTS)(DCF) or *Starr Int'l Co., et al. v. The United States*, No. 11 civ. 779 (TCW) (Fed. Cl.).

(ss) “Releasing Parties” means Releasing Defendants and Releasing Plaintiffs.

(tt) “Settlement” means the resolution of the Action in accordance with the terms and provisions of this Stipulation.

(uu) “Settlement Amount” means the AIG Settlement Amount and the PwC Settlement Amount. Under no circumstances shall the total that the Settling Defendants pay under this Stipulation exceed the Settlement Amount.

(vv) “Settlement Class” or “Settlement Class Member” means all Persons (a) who purchased AIG Securities on a U.S. public exchange during the Settlement Class Period or (b) who purchased or acquired AIG Securities in or traceable to a public offering during the Settlement Class Period. Excluded from the Settlement Class are: (i) any Person, to the extent such Person’s claims are based on transactions made outside the United States involving securities not listed on a U.S. public exchange; (ii) the Defendants; the Officers and Directors of AIG during the Settlement Class Period; the members of the Immediate Families of the Individual Defendants; any firm, trust, partnership, corporation, or entity in which any Defendant

has a majority interest (except that the Settlement Class shall not exclude any Investment Vehicle as defined herein), the legal representatives, heirs, successors-in-interest, or assigns of any such excluded Person; (iii) Maurice R. Greenberg; Howard I. Smith; C.V. Starr & Co., Inc. and Starr International Co., Inc. and their current and former officers, directors, partners, members, affiliates, subsidiaries, employees, agents, attorneys, insurers, representatives, heirs, successors in interest and assigns, pursuant to the Memorandum of Understanding dated November 25, 2009 relating to *Starr Int'l Co. v. AIG*, No. 4021-09 (Juzgado 16 del Primer Circuito Judicial de Panamá) and *Greenberg v. AIG, Inc., et al.*, No. 09 civ. 1885 (LTS) (S.D.N.Y.); and (iv) any Person that would otherwise be a Settlement Class Member, but properly excludes himself, herself, or itself by submitting a valid and timely request for exclusion from the Settlement Class in accordance with the requirements set forth herein and in the Notice.

(ww) “Settlement Class Period” means the period from March 16, 2006 through September 16, 2008, inclusive.

(xx) “Settlement Fund” means the Settlement Amount deposited in the Escrow Account under the terms of this Stipulation and any interest or other earnings accrued thereon, less any interest or other earnings accrued on the AIG Settlement Amount and/or the PwC Settlement Amount pursuant to Paragraph 10.

(yy) “Settlement Hearing” means the final hearing to be held by the Court to determine whether the proposed Settlement is fair, reasonable, adequate, and should be approved.

(zz) “Settling Defendants” means all defendants named in the Complaint, including AIG, the Individual Defendants, the Underwriter Defendants, and PwC.

(aaa) “Settling Parties” means Settling Plaintiffs and Settling Defendants.

(bbb) “Settling Plaintiffs” means Named Plaintiffs, on behalf of themselves and the other Settlement Class Members.

(ccc) “Stipulation” means this Stipulation and Agreement of Settlement.

(ddd) “Summary Notice” means the Summary of Notice of Class Action, Proposed Settlement, Motion for Attorneys’ Fees and Expenses, and Settlement Hearing to be published in the *Wall Street Journal* and transmitted over *PR Newswire*, that, subject to the approval of the Court, shall be substantially in the form attached as Exhibit 2.

(eee) “Taxes” means all federal, state, or local taxes of any kind on any income earned by or imposed on payments of the Settlement Fund, including withholding taxes, and reasonable expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, interest, penalties, and the reasonable expenses of tax attorneys and accountants).

(fff) “Underwriter Defendants” means Advisors Asset Management (f/k/a Fixed Income Securities, LP); AG Edwards & Sons, Inc.; ABN AMRO Bank N.V.; Ameriprise Advisor Services, Inc. (f/k/a H&R Block Financial Advisors, Inc.); ANZ Securities, Inc.; Banc of America Securities LLC; Banca IMI S.p.A.; Barclays Bank PLC and its investment banking division, Barclays Capital; BB&T Capital Markets; B.C. Ziegler & Co.; Bear Stearns & Co. Inc.; Blaylock Robert Van, LLC (f/k/a Blaylock & Co., Inc.); BMO Capital Markets Corp.; BNP Paribas Bank; Crédit Agricole Corporate and Investment Bank, formerly known as Calyon; Charles Schwab & Co.; Citigroup Global Markets Inc. and Citigroup Global Markets Ltd.; City Securities Corporation; C.L. King & Associates, Inc.; Credit Suisse Securities (USA) LLC and Credit Suisse Securities (Europe) Ltd.; Crowell Weedon & Co.; D.A. Davidson & Co.; Daiwa Capital Markets America Inc.; Davenport & Company LLC; Deutsche Bank Securities Inc. and

Deutsche Bank AG; Doley Securities; Dowling & Partners Securities, LLC; Ferris, Baker, Watts Incorporated; Fidelity Capital Markets; Fox-Pitt Kelton Cochran Caronia Waller (USA) LLC; Goldman, Sachs & Co.; Greenwich Capital Markets, Inc. (n/k/a RBS Securities Inc.); Guzman & Company; HSBC Securities (USA) LLC and HSBC Bank plc, companies within the HSBC Group; Incapital LLC; J.J.B. Hilliard/W.L. Lyons; Janney Montgomery Scott LLC; Jefferies & Company, Inc.; JP Morgan Securities Inc. and JP Morgan Securities Ltd.; Keefe, Bruyette & Woods, Inc.; KeyBanc Capital Markets Inc.; Loop Capital Markets, LLC; Maxim Group, LLC; Merrill Lynch, Pierce, Fenner & Smith Inc.; Mesirow Financial, Inc.; Mitsubishi UFJ Securities International plc; Mizuho Securities USA Inc.; Morgan Keegan & Company, Inc.; Morgan Stanley & Co. Incorporated and Morgan Stanley Inc.; Muriel Siebert & Co., Inc.; National Australia Capital Markets, LLC (n/k/a nabSecurities, LLC); Nomura Securities International, Inc.; Oppenheimer & Co.; Pershing LLC; Piper Jaffray & Co.; Raymond James & Associates, Inc.; Robert W. Baird & Co.; Royal Bank of Canada Europe Ltd. and RBC Capital Markets, LLC (f/k/a RBC Dain Rauscher Inc.); The Royal Bank of Scotland plc; Ryan Beck & Co.; Samuel A. Ramirez & Co., Inc.; Scotia Capital (USA) Inc.; SG Americas Securities LLC and Société Générale; Stifel, Nicolaus & Company, Incorporated; Stone & Youngberg LLC; Suntrust Capital Markets, Inc.; TD Ameritrade, Inc.; Toussaint Capital Partners, LLC; UBS Securities LLC; Utendahl Capital Group, LLC; Utendahl Capital Partners, LP; Vining-Sparks IBG, LP; Wachovia Capital Markets LLC; Wells Fargo Securities, LLC; Wedbush Morgan Securities, Inc.; William Blair & Company, LLC; and The Williams Capital Group, L.P.

RELEASES

2. Subject to approval by the Court, and that approval becoming Final, the obligations incurred pursuant to this Stipulation are in full and final disposition of all Released Claims.

3. By operation of the Judgment, upon the Effective Date, the Releasing Plaintiffs (i) have and shall be deemed to have fully, finally, and forever waived, released, relinquished, discharged, and dismissed each and every one of the Released Plaintiff Claims against each and every one of the Released Defendants; (ii) have and be deemed to have covenanted not to sue, directly, indirectly, or derivatively, any Released Defendant with respect to any and all of the Released Plaintiff Claims; and (iii) shall forever be barred and enjoined from directly, indirectly, or derivatively filing, commencing, instituting, prosecuting, maintaining, intervening in, participating in (as a class member or otherwise) (except as a witness compelled by subpoena or court order and no remuneration is received for such action(s)), or receiving any benefits or other relief, from any action, suit, cause of action, arbitration, claim, demand, or other proceeding in any jurisdiction, whether in the United States or elsewhere, on their own behalf or in a representative capacity, that is based upon, arises out of, or relates to any and all of the Released Plaintiff Claims against any and all of the Released Defendants or any other Person who may seek to claim any form of contribution or indemnity from any Released Party. All Releasing Plaintiffs shall be bound by the terms of the releases set forth in this Stipulation whether or not they submit a valid and timely Proof of Claim, take any other action to obtain recovery from the Settlement Fund, or seek, or actually receive a distribution from the Net Settlement Fund.

4. By operation of the Judgment, upon the Effective Date, the Releasing Defendants shall be deemed to have fully, finally, and forever waived, released, discharged, and dismissed

each and every one of the Released Defendant Claims against each and every one of the Released Plaintiffs and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any of the Released Defendant Claims against any of the Released Plaintiffs.

5. The Released Claims includes any and all claims that the Releasing Parties do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Claims, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including, with respect to Lead Plaintiff or any other Settlement Class Member, the decision to exclude himself, herself, or itself from the Settlement Class, or to object or not to object to the Settlement (collectively, “Unknown Claims”). With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, each Releasing Party shall expressly, and shall be deemed to have, and by operation of the Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Settling Parties acknowledge that a Releasing Party may hereafter discover facts, legal theories, or authorities in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but that the Settling Parties nevertheless intend to and shall expressly, fully, finally, and forever settle and release, and upon the Effective Date and by operation of the Judgment each other Releasing Party shall

be deemed to have, and shall have, settled and released, fully, finally, and forever, any and all Released Claims as applicable, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which have existed or now or will exist, upon any theory of law or equity, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law, or rule, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties acknowledge, and each other Releasing Party by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Plaintiff Claims and Released Defendant Claims was separately bargained for and was a material and essential element of the Settlement.

THE BAR ORDER

6. The proposed Judgment shall include, and the Settling Parties agree to the entry by the Court of an order providing for the Bar Order in Paragraph 7, subject to the terms in Paragraph 9 herein.

7. The Bar Order shall provide that, upon the Effective Date, except as provided in Paragraph 9 below, any and all Persons are permanently barred and enjoined, to the fullest extent permitted by law, from commencing, prosecuting, or asserting any and all claims for contribution or indemnity (or any other claim when the alleged injury to that Person is that Person’s actual or threatened liability to the Settlement Class or a Settlement Class Member in the Action) based upon, relating to, arising out of, or in connection with the Released Plaintiff Claims, against each and every one of the Released Defendants, whether arising under state, federal, common, or foreign law, as claims, cross-claims, counterclaims, or third-party claims, in this Action or a separate action, in this Court or in any other court, arbitration proceeding, administrative

proceeding, or other forum; and, except as provided in Paragraph 9 below, the Released Defendants are permanently barred and enjoined, to the fullest extent permitted by law, from commencing, prosecuting, or asserting any and all claims for contribution or indemnity (or any other claim when the alleged injury to the Released Defendant is that Released Defendant's actual or threatened liability to the Settlement Class or a Settlement Class Member in the Action) based upon, relating to, or arising out of the Released Plaintiff Claims, against any Person, other than a Person whose liability to the Settlement Class has been extinguished pursuant to the Settlement and the Judgment, whether arising under state, federal, common, or foreign law, as claims, cross-claims, counterclaims, or third-party claims, in this Action or a separate action, in this Court or in any other court, arbitration proceeding, administrative proceeding, or other forum. The Bar Order shall not include, and nothing in the Bar Order or the Settlement Agreement shall release or alter, the contractual rights, if any, (i) between or among the Underwriter Defendants under their applicable Master Agreement Among Underwriters relating to any offering of securities by AIG, or (ii) between the Underwriter Defendants, on the one hand, and AIG, on the other hand, under any applicable Underwriting Agreements with respect to any right of indemnification or reimbursement in connection with the payment of the Settlement Amount or incurrence of defense costs.

8. Any Final verdict or judgment that may be obtained by or on behalf of the Settlement Class or any Settlement Class Member against any Person subject to the Bar Order in paragraph 7 above shall be reduced by the greater of (a) an amount that corresponds to the percentage of responsibility of any Settling Defendant for common damages or (b) the Settlement Amount.

9. Notwithstanding the Bar Order in Paragraph 7 above, nothing in this Stipulation shall bar any action by any of the Settling Parties to enforce or effectuate the terms of this Stipulation, the Settlement, the Preliminary Approval Order, or the Judgment.

THE SETTLEMENT CONSIDERATION

10. In full settlement of the Released Plaintiff Claims and in consideration of the releases above, AIG shall pay, or cause to be paid, the AIG Settlement Amount, and PwC shall pay, or cause to be paid, the PwC Settlement Amount, into the Escrow Account on or before fifteen (15) calendar days after the Court has entered the Preliminary Approval Order; provided, however, that in no event shall AIG or PwC be required to make a payment earlier than five (5) calendar days after Lead Counsel has provided to AIG and PwC all information necessary to effectuate a transfer of funds, including but not limited to, wiring instructions, payment address, and a complete, accurate, and signed W-9 form for the Settlement Fund that reflects a valid taxpayer identification number. Any interest or other earnings accrued on the AIG Settlement Amount and the PwC Settlement Amount during the period from one hundred twenty (120) calendar days after the Court enters the Preliminary Approval Order to the date of the Settlement Hearing, inclusive, net of any Taxes and Administration Expenses incurred during such period, shall inure to the sole benefit of AIG and PwC, respectively. No Settling Defendant other than AIG shall have any responsibility for, or any liability whatsoever with respect to, the payment of the AIG Settlement Amount, and no Settling Defendant other than PwC shall have any responsibility for, or any liability whatsoever with respect to the payment of the PwC Settlement Amount. Lead Plaintiff, Lead Counsel, and the Settlement Class Members shall have no recourse against any Settling Defendant other than (i) AIG for payment of the AIG Settlement Amount, and (ii) PwC for payment of the PwC Settlement Amount.

11. The Settlement Amount represents the entirety of the Released Defendants' financial obligations under this Stipulation and in connection with this Settlement, meaning that it includes all attorneys' fees and expenses, Notice and Administration Expenses, Taxes, and costs of any kind whatsoever associated with the Settlement. The payment of the AIG Settlement Amount into the Escrow Account by AIG and the payment of the PwC Settlement Amount into the Escrow Account by PwC in accordance with Paragraph 10 above fully discharges the Released Defendants' financial obligations under this Stipulation and in connection with the Settlement. No Released Defendant other than AIG and PwC shall have any obligation to make any payment into the Escrow Account or to any Settlement Class Member, or any other Person, under this Stipulation or as part of the Settlement. For the avoidance of doubt, under no circumstances shall the total to be paid by Released Defendants under this Stipulation exceed the Settlement Amount.

USE AND TAX TREATMENT OF SETTLEMENT CONSIDERATION

12. All funds held in the Escrow Account shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be disbursed or returned, pursuant to the terms of this Stipulation or further order of the Court. The Escrow Agent shall invest funds in the Escrow Account in instruments backed by the full faith and credit of the United States Government (or a mutual fund invested solely in such instruments), or deposit some or all of the funds in non-interest bearing transaction account(s) that are fully insured by the Federal Deposit Insurance Corporation ("FDIC") in amounts that are up to the limit of FDIC insurance, and shall collect and reinvest all interest accrued thereon in the same instruments. The Released Defendants and Defense Counsel shall have no responsibility

for, interest in, or liability whatsoever with respect to investment decisions executed by the Escrow Agent.

13. The Settlement Fund shall be applied as follows and only as follows: (i) to pay any attorneys' fees and expenses awarded by the Court; (ii) to pay Notice and Administration Expenses; (iii) to pay any Taxes; (iv) to pay any other costs, fees, or expenses approved by the Court, including any award to Lead Plaintiff for reasonable costs and expenses under the PSLRA; and (v) to pay into the Net Settlement Fund for Authorized Claimants.

14. The Net Settlement Fund shall be distributed to Authorized Claimants as provided in Paragraphs 19-22 hereof. The Net Settlement Fund shall remain in the Escrow Account until the Effective Date unless the Stipulation is terminated under the provisions of this Stipulation or the Settlement is not approved.

15. Lead Plaintiff intends to structure the Settlement Fund as a "qualified settlement fund" within the meaning of Treasury Regulation § 1.468B-1. Lead Counsel shall timely make, or cause to be made, such elections as necessary or advisable to carry out the provisions of this Paragraph, including the "relation-back election" (as defined in Treas. Reg. § 1.468B-1) back to the earliest permitted date. Such election shall be made in compliance with the procedures and requirements contained in such regulations. It shall be the sole responsibility of Lead Counsel to timely and properly prepare and deliver, or cause to be prepared and delivered, the necessary documentation for signature by all necessary parties, and thereafter take all such actions as may be necessary or appropriate to cause the appropriate filing(s) to occur.

(a) For the purposes of Section 468B of the Internal Revenue Code of 1986, as amended, and Treasury Regulation § 1.468B promulgated thereunder, the "administrator" shall be Lead Counsel or its successor(s), who shall be solely responsible for timely and properly

filing, or causing to be filed, all informational and other federal, state, or local tax returns necessary or advisable with respect to the earnings on the funds deposited in the Escrow Account (including without limitation the returns described in Treas. Reg. § 1.468B-2(k)). Those tax returns (as well as the election described above) shall be consistent with this subparagraph and in all events shall reflect that all Taxes (including any estimated Taxes, earnings, or penalties) on the income earned on the funds deposited in the Escrow Account shall be paid out of those funds as provided in subparagraph (c) of this Paragraph.

(b) All Taxes shall be paid by the Escrow Agent solely out of the Settlement Fund. In all events, Released Defendants and Defense Counsel shall have no liability or responsibility whatsoever for the Taxes or the filing of any tax returns or other documents with the Internal Revenue Service or any other state or local taxing authority. If any Taxes of any kind whatsoever, including, but not limited to, any Taxes payable by reason of indemnification, are owed by any of the Released Defendants on any earnings on the funds on deposit in the Escrow Account, those amounts shall also be paid out of the Settlement Fund. The Released Defendants shall notify Lead Counsel promptly if they receive any notice of any claim for Taxes related to the Settlement Fund.

(c) Taxes shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid, or caused to be paid, by the Escrow Agent out of the Settlement Fund without prior order from the Court or approval by any Party, and the Escrow Agent and the Claims Administrator shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts (as well as any amounts that may be required to be withheld under Treasury Regulation § 1.468B-2(1)(2)).

(d) Authorized Claimants shall provide any and all information that the Claims Administrator may reasonably require or that is required by applicable law regarding Taxes and filings and reporting for Taxes, before any distributions are made to Authorized Claimants as contemplated hereby, and the Claims Administrator may, without liability to the Authorized Claimants, delay those distributions unless and until such information is provided in substantially the form required by the Claims Administrator.

16. The Released Defendants and Defense Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to: (i) any act, omission, or determination by Lead Counsel, the Escrow Agent, or the Claims Administrator, or any of their respective designees or agents, in connection with the administration of the Settlement or otherwise; (ii) the management, investment, or distribution of the Settlement Fund; (iii) the Plan of Allocation or its implementation, administration, or interpretation; (iv) the determination, administration, calculation, or payment of any claims asserted against the Settlement Fund; (v) any losses suffered by, or fluctuations in value of, the Settlement Fund; or (vi) the payment or withholding of any Taxes, expenses, or costs incurred in connection with the taxation of the Settlement Fund or the filing of any federal, state, or local returns.

ADMINISTRATION EXPENSES

17. Except as otherwise provided herein, the Settlement Fund shall be held in the Escrow Account until the Effective Date.

18. Before the Effective Date, without further approval from any Party or further order of the Court, Lead Counsel may expend up to \$15 million from the Settlement Fund to pay Notice and Administration Expenses actually and reasonably incurred. Taxes and fees related to the Escrow Account and investment of the Settlement Fund may be paid as incurred, without

further approval from any Party or further order of the Court. After the Effective Date, without further approval from any Party or further order of the Court, Notice and Administration Expenses may be paid as incurred.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

19. Lead Counsel will apply to the Court for a Distribution Order, on notice to Defense Counsel, approving the Claims Administrator's determinations concerning the acceptance and rejection of the claims submitted pursuant to this Stipulation, and, if the Effective Date has occurred, directing the payment of the Net Settlement Fund to Authorized Claimants.

20. The Claims Administrator shall administer the Settlement under Lead Counsel's supervision in accordance with the terms of this Stipulation and subject to the jurisdiction of the Court.

21. The allocation and distribution of the Net Settlement Fund to Settlement Class Members shall be subject to the Plan of Allocation, which Lead Plaintiff shall propose in its discretion, subject to notice to the Settlement Class Members and approval by the Court. Except for payment of the AIG Settlement Amount by AIG and payment of the PwC Settlement Amount by PwC as set forth in Paragraph 10, Released Defendants and Defense Counsel shall have no responsibility for, interest in, obligation, or liability whatsoever with respect to the administration of the Settlement, the actions or decisions of the Claims Administrator, the Plan of Allocation or other allocation of the Net Settlement Fund, reviewing or challenging claims, the Distribution Order or distribution of the Net Settlement Fund.

22. The Claims Administrator shall determine each Authorized Claimant's pro rata share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss, as

defined in the Plan of Allocation included in the Notice, or in such other plan of allocation as the Court may approve.

23. The Settling Defendants will take no position with respect to the Plan of Allocation. Any proceeding or decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of this Stipulation or the Settlement. The Plan of Allocation is not a necessary term of this Stipulation, the Settlement, the Preliminary Approval Order, or the Judgment, and it is not a condition of this Stipulation or the Settlement that any particular plan of allocation be approved by the Court or any appellate court. Neither Settling Plaintiffs, whether on their own behalf or on behalf of the Settlement Class, nor Lead Counsel may cancel or terminate this Stipulation or the Settlement (whether pursuant to the provisions of this Stipulation or otherwise) based on the Court's or any appellate court's ruling with respect to the Plan of Allocation or any other plan of allocation in the Action. The Released Defendants and Defense Counsel shall have no responsibility for, and no liability whatsoever with respect to, reviewing or challenging claims, allocating of the Net Settlement Fund, or distributing the Net Settlement Fund.

ATTORNEYS' FEES AND EXPENSES

24. Consistent with the terms in Lead Plaintiff's retention agreement with Lead Counsel, Lead Counsel will apply to the Court for an award from the Settlement Fund of attorneys' fees and reimbursement of litigation expenses incurred in prosecuting the Action in an amount not to exceed the attorneys' fees and expense reimbursement disclosure contained in the Notice, plus any earnings on such amounts at the same rate and for the same periods as earned by the Settlement Fund. The Settlement Fund shall be the sole source of payment from the Released Defendants for the award of attorneys' fees and litigation expenses ordered by the Court.

Defendants will take no position with respect to the Fee and Expense Application, provided that it is consistent with the terms of this Stipulation and the Settlement.

25. The amount of attorneys' fees and litigation expenses awarded by the Court is within the sole discretion of the Court. Any attorneys' fees and litigation expenses awarded by the Court shall be paid from the Settlement Fund to Lead Counsel promptly upon entry of the order awarding such attorneys' fees and litigation expenses, consistent with the terms in Lead Plaintiff's retention agreement with Lead Counsel, notwithstanding the existence of any timely objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof.

26. Any payment of attorneys' fees and litigation expenses pursuant to Paragraphs 24-25 above shall be subject to Lead Counsel's joint and several obligation to make refunds or repayments to the Settlement Fund of any paid amounts, plus accrued earnings at the same net rate and for the same periods as is earned by the Settlement Fund, if: (a) as a result of any appeal or further proceedings on remand or successful collateral attack, the fee, expense or cost award is reduced, vacated, or reversed; (b) this Stipulation is terminated or cancelled for any reason; or (c) the Settlement is not approved or is reversed or modified by any court.

27. If one or more of the events set forth Paragraph 26 occur, Lead Counsel shall repay the full amount of attorneys' fees and the litigation expenses award that is reversed or vacated (or, as applicable, the amount by which any award of attorneys' fees and litigation expenses is reduced or modified), plus accrued earnings at the same net rate as is earned by the Settlement Fund, no later than thirty (30) calendar days after receiving notice of the events in Paragraph 26, including, as applicable, notice of any reduction, vacatur, or reversal of the award of attorneys' fees and litigation expenses, of termination or cancellation of this Stipulation, or of

the Court's Final refusal to approve the Settlement, or reversing or modifying the Settlement, by Final non-appealable court order. It shall be the responsibility and obligation of Lead Counsel (or its successor) to ensure repayment under this Paragraph, and Lead Counsel (or its successor) submits itself to the jurisdiction of the Court in the event of any dispute in connection with this Paragraph.

28. If Lead Counsel does not comply with its obligation to repay those funds within the specified thirty (30) day period under Paragraph 27, Lead Counsel shall pay any expenses or fees (including attorneys' fees) incurred by the Released Defendants in connection with enforcing this obligation. The obligations in this Paragraph and Paragraphs 26-27 shall survive and remain in full force and effect and be binding in all respects on the Settling Parties even if this Stipulation is terminated, the Settlement is not approved, or the Effective Date does not occur.

29. With the sole exception of AIG's causing the payment of the AIG Settlement Amount into the Escrow Account and PwC's causing the payment of the PwC Settlement Amount into the Escrow Account as provided for in Paragraph 10 above, the Released Defendants shall have no responsibility for, and no liability whatsoever with respect to, any payment whatsoever to Lead Counsel in the Action. Lead Plaintiff, Lead Counsel, and the Settlement Class Members shall have no recourse against the Released Defendants for the payment of any attorneys' fees or litigation expenses.

30. Released Defendants shall have no responsibility for, and no liability whatsoever with respect to, any allocation of any attorneys' fees or litigation expenses between or among Lead Counsel in the Action, or any other Person who may assert some claim thereto, or any attorneys' fees or litigation expenses that the Court may award in the Action.

31. Released Defendants shall have no responsibility for, and no liability whatsoever with respect to, any attorneys' fees, costs, or expenses incurred by or on behalf of the Settlement Class Members, whether or not paid from the Escrow Account.

32. Any proceeding or decision by the Court concerning the Fee and Expense Application shall not affect the validity or finality of this Stipulation or the Settlement. The Fee and Expense Application and the payment of attorneys' fees or litigation expenses is not a necessary term of this Stipulation, the Settlement, the Preliminary Approval Order, or the Judgment, and it is not a condition of this Stipulation or the Settlement that any particular award of attorneys' fees or litigation expenses be approved by the Court or any appellate court. Any order or proceeding relating to any Fee and Expense Application, including an award of attorneys' fees, costs, or expenses in an amount less than the amount requested by Lead Counsel, or any appeal from any order relating thereto, or reversal or modification thereof, shall not operate to modify, terminate, cancel, or affect the enforceability of this Stipulation or the Settlement, impose any obligation on the Released Defendants or any other Person to increase the consideration paid in connection with the Settlement, or affect or delay either the Effective Date or the finality of the Judgment approving the Settlement set forth herein, including, but not limited to, the release, discharge, and relinquishment of the Released Plaintiff Claims against the Released Defendants, or any other orders entered relating to this Stipulation. No Settling Plaintiff (either on its own behalf or on behalf of the Settlement Class) may cancel or terminate this Stipulation or the Settlement (whether in accordance with the provisions of this Stipulation or otherwise) based on the Court's or any appellate court's ruling with respect to the Fee and Expense Application or any application for the award of attorneys' fees or litigation expenses in the Action.

33. All proceedings with respect to any disputes arising under Paragraphs 24-32 above (including but not limited to any proceedings concerning Lead Counsel's repayment obligations under Paragraphs 26-28 above) shall be subject to the jurisdiction of the Court.

ADMINISTRATION OF THE SETTLEMENT

34. Any Settlement Class Member who fails to timely submit a valid Proof of Claim (substantially in the form of Exhibit 3 hereto) will not be entitled to receive any of the proceeds from the Net Settlement Fund, except as otherwise ordered by the Court, but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and all releases provided for herein, and will be barred from bringing any action against the Released Defendants that is based upon, arises out of, or relates to any and all of the Released Plaintiff Claims.

35. Upon receiving any request(s) for exclusion pursuant to the Notice, Lead Counsel shall, no later than five (5) calendar days after receiving a request for exclusion or twenty (20) calendar days before the Settlement Hearing, whichever is earlier, notify Defense Counsel of such request(s) for exclusion, and provide copies of such request(s) for exclusion and any documentation accompanying them by email.

36. Lead Counsel, following consultation with and agreement by Lead Plaintiff, shall be responsible for designating the Claims Administrator, subject to approval by the Court, and Lead Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator.

37. For purposes of determining the extent, if any, to which a Settlement Class Member shall be treated as an Authorized Claimant, the following conditions shall apply:

(a) Each Settlement Class Member shall be required to submit a Proof of Claim, substantially in the form attached as Exhibit 3, supported by such documents as are designated therein, including proof of loss, or such other documents or proof as the Claims Administrator or Lead Counsel, in their discretion, may deem acceptable;

(b) All Proofs of Claim must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice. Any Settlement Class Member who fails to submit a Proof of Claim by that date shall be barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation unless, by order of the Court or the discretion of Lead Counsel, late-filed Proofs of Claim are accepted, but shall in all other respects be bound by all the terms of this Stipulation and the Settlement, including the terms of the Judgment and all releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Released Defendants concerning the Released Plaintiff Claims. All Proofs of Claim received before the motion for the Distribution Order shall be deemed to be submitted when mailed, if received with a postmark on the envelope and if mailed by first-class or overnight U.S. Mail and addressed in accordance with the instructions thereon. In all other cases, the Proof of Claim shall be deemed to have been submitted when actually received by the Claims Administrator;

(c) Each Proof of Claim shall be submitted to and reviewed by the Claims Administrator, under the supervision of Lead Counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court;

(d) Proofs of Claim that do not meet the submission requirements may be rejected. Prior to rejecting a Proof of Claim in whole or in part, the Claims Administrator shall

communicate with the claimant in writing to give the claimant the chance to remedy any curable deficiencies in the Proof of Claim submitted. The Claims Administrator, under supervision of Lead Counsel, shall notify, in a timely fashion and in writing, all claimants whose claims the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in that notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of subparagraph (e) below;

(e) If any claimant whose claim has been rejected in whole or in part desires to contest that rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court; and

(f) The determinations of the Claims Administrator accepting or rejecting disputed claims shall be presented to the Court, on notice to Defense Counsel, for approval by the Court in the Distribution Order.

38. Each claimant who submits a Proof of Claim shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim, including, but not limited to, all releases provided for herein and in the Judgment, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to the claimant's status as a Settlement Class

Member and the validity and amount of the claimant's claim. In connection with processing the Proofs of Claim, no discovery shall be allowed on the merits of the Action or the Settlement.

39. Payment under the Distribution Order shall be deemed final and conclusive against any and all Settlement Class Members. Each Settlement Class Member whose claims are not approved by the Court shall be deemed to have waived his, her, or its right to share in the Settlement Fund and shall forever be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for herein and therein, and will be barred from bringing any action against the Released Defendants concerning the Released Plaintiff Claims.

40. If there is any balance remaining in the Net Settlement Fund after at least six (6) months from the date of distribution of the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise), Lead Counsel shall, if feasible and economical, reallocate such balance among Authorized Claimants who have cashed their checks in an equitable and economic fashion. Any balance that still remains in the Net Settlement Fund, after payment of Notice and Administration Expenses, Taxes, and attorneys' fees and expenses, if any, shall be contributed to non-sectarian, not-for-profit charitable organizations serving the public interest, designated by Lead Plaintiff and approved by the Court.

41. All proceedings with respect to the administration, processing, and determination of claims described by this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court, but shall not in any event delay or affect the finality of the Judgment.

42. No Person shall have any claim of any kind against the Released Defendants or Defense Counsel with respect to the matters set forth in Paragraphs 34-40, or otherwise related in any way to the administration of the Settlement, the Plan of Allocation, or the Distribution Order, including, without limitation, the processing of claims and distributions.

43. No Person shall have any claim against Lead Plaintiff, Lead Counsel, or the Claims Administrator or other agent designated by Lead Counsel, based on the distributions made in accordance with this Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

44. No Person that is not a Settlement Class Member (including, without limitation, those who exclude themselves from the Settlement Class) shall have any right to any share of the Net Settlement Fund or to receive any distribution therefrom.

TERMS OF THE PRELIMINARY APPROVAL ORDER

45. Concurrently with its application for preliminary Court approval of the Settlement contemplated by this Stipulation and promptly upon execution of this Stipulation, Lead Counsel shall apply to the Court for entry of the Preliminary Approval Order, which shall be substantially in the form attached as Exhibit 4. The Preliminary Approval Order will, *inter alia*, set the date for the Settlement Hearing and prescribe the method for giving notice of the Settlement to the Settlement Class. AIG shall use its best efforts to provide Lead Counsel, or its designee, transfer and other records to assist in providing notice to members of the Settlement Class, without charge and in a mutually acceptable format, by the time Lead Plaintiff moves for preliminary approval of the settlement.

TERMS OF THE JUDGMENT

46. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Defense Counsel shall jointly request that the Court enter a Judgment substantially in the form annexed hereto as Exhibit 5. The proposed Judgment shall contain, *inter alia*, the releases described in Paragraphs 2-5 of this Stipulation, and the Bar Order set forth in Paragraphs 6-8 of this Stipulation.

47. Nothing in this Stipulation shall prevent any Person that timely submits a valid request for exclusion from commencing, prosecuting, or asserting any of the Released Plaintiff Claims against any of the Released Defendants. If any such Person commences, prosecutes, or asserts any of the Released Plaintiff Claims against any of the Released Defendants, nothing in this Stipulation shall prevent the Released Defendants from asserting any claim of any kind against such Person, including any of the Released Defendant Claims, or from seeking contribution or indemnity from any Person, including another Released Defendant, in respect of the claim of that Person who is excluded from the Settlement Class pursuant to a timely and valid request for exclusion.

EFFECTIVE DATE OF SETTLEMENT

48. The Effective Date of this Settlement shall be the first business day on which all of the following shall have occurred or been waived:

- (a) entry of the Preliminary Approval Order, which shall be substantially in the form set forth in Exhibit 4;
- (b) payment of the AIG Settlement Amount into the Escrow Account;
- (c) payment of the PwC Settlement Amount into the Escrow Account;

(d) approval by the Court of the Settlement, following notice to the Settlement Class and the Settlement Hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure;

(e) a Judgment, which shall be substantially in the form set forth in Exhibit 5, has been entered by the Court and has become Final; and

(f) the time has expired for Lead Plaintiff and the Settling Defendants to exercise their termination rights set forth in Paragraphs 50-56 below and in the Supplemental Agreement.

49. The time set forth in Paragraph 48 above for the Effective Date to occur shall not be affected in any respect whatsoever by any appeal or proceeding seeking judicial review pertaining to: (i) Court approval of the Plan of Allocation; (ii) the Fee and Expense Application; or (iii) the Court's findings and conclusions under Section 21D(c)(1) of the Exchange Act, 15 U.S.C. § 78u-4(c)(1).

TERMINATION

50. The Settling Defendants and Lead Plaintiff shall have the right to terminate the Settlement and this Stipulation by providing written notice of their election to do so ("Termination Notice"), through counsel, to all other Settling Parties hereto within fourteen (14) calendar days of: (i) the Court's Final refusal to enter the Preliminary Approval Order in any material respect; (ii) the Court's Final refusal to approve this Stipulation or any material part of it (including, without limitation, by making any material changes to the releases or Bar Order set forth in Paragraphs 2-5 and 6-8 of this Stipulation); (iii) the Court's Final refusal to enter the Judgment or any material part of it (including, without limitation, by making any material changes to the releases or Bar Order set forth in Paragraphs 2-5 and 6-8 of this Stipulation); or

(iv) the date upon which the Judgment is vacated, modified, or reversed in any material respect by a Final order of the United States Court of Appeals or the Supreme Court of the United States.

51. No order or decision of the Court or modification or reversal of any order or decision of the Court concerning the Plan of Allocation or the Fee and Expense Application shall constitute grounds for cancellation or termination of this Stipulation or the Settlement.

52. Simultaneously herewith, Defense Counsel and Lead Counsel are executing a Confidential Supplemental Agreement (the “Supplemental Agreement”). The Supplemental Agreement sets forth certain conditions under which AIG or PwC shall have the unilateral option to terminate the Settlement and render this Stipulation null and void if requests for exclusion from the Settlement Class exceed certain agreed-upon criteria (the “Termination Threshold”). The Settling Parties agree to maintain to the extent permitted by law the confidentiality of the Termination Threshold in the Supplemental Agreement which, unless otherwise ordered by the Court, shall not be filed with the Court, but it may be examined *in camera*, if so requested by the Court or otherwise required by court rule.

53. Lead Plaintiff shall have the right to terminate the Settlement with the Defendants other than PwC and render this Stipulation null and void as to Defendants other than PwC if AIG does not pay, or cause to be paid, the AIG Settlement Amount within the period provided in Paragraph 10 above, by providing written notice of its election to terminate to all Settling Parties and, thereafter, if AIG fails to pay, or cause to be paid, the AIG Settlement Amount within seven (7) calendar days of that written notice. Lead Plaintiff shall have the right to terminate the Settlement with PwC and render this Stipulation null and void as to PwC if PwC does not pay, or cause to be paid, the PwC Settlement Amount within the period provided in Paragraph 10 above, by providing written notice of its election to terminate to PwC and, thereafter, if PwC fails to

pay, or cause to be paid, the PwC Settlement Amount within seven (7) calendar days of written notice.

54. If an option to withdraw from and terminate the Settlement and this Stipulation arises under Paragraphs 50-53 above: (i) no Settling Party will be required, for any reason, or under any circumstance, to exercise that option; and (ii) any exercise of that option shall be made in good faith.

55. If this Stipulation is terminated, the Settlement is not approved by the Court, the Effective Date does not occur, or the Settlement otherwise fails for any reason:

(a) within five (5) business days, the Settlement Fund (including the Settlement Amount and accrued interest thereon), less any Notice and Administration Expenses actually incurred or paid, and less any Taxes paid or due or owing, shall be refunded to the Person(s) that made the deposit(s) in accordance with instructions provided by AIG and PwC to Lead Counsel;

(b) no later than thirty (30) calendar days after receiving notice of any of the events set forth in Paragraph 26, Lead Counsel shall refund the full amount of any award of attorneys' fees and litigation expenses already paid to Lead Counsel, of any paid amounts, plus accrued earnings at the same net rate and for the same periods as is earned by the Settlement Fund;

(c) the Settlement shall be null, void, and without prejudice, and none of its terms shall have any further force or effect or be enforceable except as specifically provided herein;

(d) the Action shall proceed in all respects as if this Stipulation had not been entered and all negotiations, discussions, acts, Court orders, and other proceedings in connection therewith shall be treated as if they never existed;

(e) the parties to this Stipulation shall be deemed to have reverted to their respective litigation positions in the Action as of July 15, 2014 (when the parties reached an agreement-in-principle to settle the Action);

(f) any judgment(s) or order(s) entered by the Court in accordance with or as a result of the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*;

(g) the provisional certification of the Action as a class action shall be null and void and the Settling Defendants shall have the full and complete right and ability in any future proceedings in this Court to oppose certification of any putative class and defend the claims asserted in the Action on the merits; and

(h) the facts and terms of this Stipulation and any aspect of the discussions and negotiations leading to this Stipulation, shall not be admissible in this Action or any other action, or used in any court filings, depositions, at trial, or otherwise.

56. If either of the Settling Defendants or Lead Plaintiff terminates the Settlement and this Stipulation (whether in accordance with the provisions hereof or otherwise) but the other disputes the basis for that termination, each agree that (i) in the first instance, they shall consult with Judge Phillips (or, if he is not available, a mediator agreed upon by the Settling Defendants and Lead Plaintiff) in a good-faith effort to achieve a mediated resolution of the dispute; and (ii) if that mediation is unsuccessful, then they shall submit that dispute to the Court, which shall have exclusive jurisdiction to resolve and rule on the right of the party seeking termination to terminate the Settlement and this Stipulation.

NO ADMISSION OF WRONGDOING

57. Defendants have denied and continue to deny, *inter alia*, that Defendants acted fraudulently or wrongfully in any way; that the prices of AIG Securities were artificially inflated by reason of any alleged misrepresentations, omissions, or otherwise; that either Settling Plaintiffs or the Settlement Class Members have suffered any or all damages alleged in the Complaint or any of the complaints filed or proposed to be filed in the Action; or that the alleged harm suffered by Settling Plaintiffs or other putative Settlement Class Members, if any, was causally linked to any alleged misrepresentations or omissions. In addition, Defendants maintain that they have meritorious defenses to all claims alleged in the Action.

58. Nonetheless, the Settling Defendants have concluded that further litigation of the Action, especially given the complexity of cases such as this one, would be protracted, burdensome, and expensive, and that it is desirable and beneficial to them that they secure releases to the fullest extent permitted by law and that the Action be fully and finally settled and terminated in the manner and upon the terms and conditions set forth in this Stipulation.

59. Except as set forth in Paragraph 60 below, this Stipulation, whether or not consummated, and whether or not approved by the Court, and any discussions, negotiations, acts performed, proceedings, communications, drafts, documents, or agreements relating to this Stipulation, the Settlement, and any matters arising in connection with settlement discussions or negotiations, proceedings, communications, or agreements, shall not be offered or received against or to the prejudice of any Releasing Party for any purpose other than in an action to enforce the terms of this Stipulation and the Settlement, and in particular:

(a) do not constitute, and shall not be described as, construed as, or otherwise offered or received against any Releasing Defendant as evidence of (or deemed to be evidence

of) any admission, concession, or presumption by any of the Releasing Defendants with respect to (i) the truth of any allegation in any complaint filed, or any amended complaint proposed to be filed, in the Action (whether by Lead Plaintiff or otherwise); (ii) the validity of any claim that has been or could have been asserted in the Action or in any litigation or proceeding in any forum, including but not limited to the Released Plaintiff Claims; (iii) the deficiency of any defense that has been or could have been asserted in the Action or in any other litigation or proceeding in any forum; or (iv) any liability, damages, negligence, fault, or wrongdoing of the Defendants or any Person whatsoever;

(b) do not constitute, and shall not be described as, construed as, or otherwise offered or received against any Releasing Defendant as evidence of (or deemed to be evidence of) any admission, concession, or presumption of any fault, misrepresentation, or omission with respect to any statement or written document approved or made by any Releasing Defendant, or against any Releasing Plaintiff as evidence of any infirmity in the Released Plaintiff Claims;

(c) do not constitute, shall not be described as, construed as, or offered or received against or to the prejudice of any of the Releasing Parties as evidence of (or deemed to be evidence of) any admission, concession, or presumption with respect to any liability, damages, negligence, fault, infirmity, or wrongdoing, or in any way referred to for any other reason against or to the prejudice of any Releasing Party, in any other civil, criminal, or administrative action or proceeding;

(d) do not constitute, and shall not be described as, construed as, or otherwise offered or received against any Releasing Party as evidence of (or deemed to be evidence of) any admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; and

(e) do not constitute, and shall not be described as, construed as, or otherwise offered or received against any Releasing Party as evidence of (or deemed to be evidence of) any admission, concession, or presumption that any Released Claim is without merit or infirm or that damages recoverable under the any of the complaints filed or proposed to be filed in the Action would not have exceeded the Settlement Amount.

60. Notwithstanding Paragraph 59 above, the Released Defendants may file or use this Stipulation or the Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, statutes of limitations, statutes of repose, good-faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim, or to effectuate any liability protection granted to them. The Released Parties may file or refer to this Stipulation or the Judgment in any action that may be brought to enforce the terms of this Stipulation or the Judgment. All Released Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

MISCELLANEOUS PROVISIONS

61. All the exhibits to this Stipulation, and the Supplemental Agreement and the exhibits thereto, are fully incorporated herein by reference. This Stipulation (including exhibits) and the Supplemental Agreement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all counsel who have executed this Stipulation or their successors.

62. AIG warrants that, at the time of payment of the AIG Settlement Amount, AIG will not be insolvent; nor will payment of the AIG Settlement Amount render AIG insolvent,

within the meaning of or for the purposes of the United States Bankruptcy Code, including Sections 101 and 547 thereof.

63. Pending Final determination of whether the Settlement should be approved, no Released Plaintiff nor anyone acting or purporting to act on his, her, or its behalf shall institute, commence, participate in, or prosecute any action or proceeding that asserts, whether directly, indirectly, or derivatively, any Released Plaintiff Claim against any Released Defendant.

64. The Settling Parties intend the Settlement to be the full, final, and complete resolution of all claims asserted or which could have been asserted by the Releasing Parties with respect to the Released Claims.

65. The Settling Parties agree that the amount paid and the other terms of the Settlement were negotiated at arm's-length and in good faith by the Settling Parties and their respective counsel in connection with a mediation conducted under the auspices of Judge Phillips, and reflect a settlement that was reached voluntarily based upon adequate information and after consultation with experienced legal counsel.

66. Accordingly, the Releasing Parties agree not to assert in any forum that the Action was brought, prosecuted, or defended in bad faith or without a reasonable basis. The Releasing Parties and their counsel agree that each Settling Party has complied fully with Rule 11 of the Federal Rules of Civil Procedure in connection with the maintenance, prosecution, defense, and settlement of the Action and agree not to make any applications for sanctions, pursuant to Rule 11 or other court rule or statute, with respect to any claims or defenses in this Action.

67. The Settling Parties agree that the terms of the Settlement, as well as this Stipulation and the fact that it has been executed, are strictly confidential until this Stipulation has been filed with the Court; provided, however, that nothing herein shall preclude the Settling

Parties from communicating the terms of the settlement to their advisors, complying with their disclosure obligations, or communicating the Settlement in principle to the Court.

68. While maintaining their positions that the claims and defenses asserted in the Action are meritorious, Plaintiffs and their counsel, on the one hand, and Defendants and their counsel, on the other, shall not make any public statements or statements to the media (whether or not for attribution) that disparage the other's business, conduct, or reputation or that of their counsel based on the subject matter of the Action, provided that this sentence does not apply to statements in any judicial proceeding. In all events, neither Plaintiffs and their counsel, on the one hand, nor Defendants and their counsel, on the other, shall make any accusations against the other of wrongful or actionable conduct concerning the resolution of the Action or otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged. The obligations in this Paragraph shall survive and remain in full force and effect and be binding in all respects even if this Stipulation is terminated, the Settlement is not approved, or the Effective Date does not occur.

69. The Parties and various non-parties collectively have produced over 36 million pages of discovery in the Action, exchanged numerous expert reports, conducted over 60 depositions, and provided written responses to interrogatories under Rule 33 of the Federal Rules of Civil Procedure. Settling Plaintiffs agree that no further discovery is necessary to confirm that the Settlement as embodied in this Stipulation is fair, adequate, and reasonable. The Settling Parties agree not to request any such discovery in connection with the Settlement.

70. The headings herein are used for the purpose of convenience only and are not meant to have legal effect or affect the interpretation or construction of this Stipulation.

71. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and any expenses, and implementing and enforcing the terms of this Stipulation.

72. This Stipulation, its exhibits, and the Supplemental Agreement constitute the entire agreement and understanding between and among the Settling Parties concerning the Settlement, and no representations, warranties, or inducements have been made by any Settling Party concerning this Stipulation and the Supplemental Agreement and their exhibits other than those contained and memorialized in such documents. In entering into this Stipulation, no Settling Party is relying on any promise, warranty, inducement, or representation other than those set forth in this Stipulation and Supplemental Agreement and each Settling Party disclaims the existence of any such promise, warranty, inducement, or representation.

73. Nothing in this Stipulation, or the negotiations relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, the attorney client privilege, the joint defense privilege, or work product protection.

74. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

75. All designations and agreements made, or orders entered during the course of the Action relating to the confidentiality of documents or information shall survive and remain in full force and effect and be binding in all respects on the Settling Parties even if this Stipulation is terminated, the Settlement is not approved, or the Effective Date does not occur. Consistent with the terms of Section 18 of the Confidentiality Stipulation and Order in this Action (entered

November 8, 2010), which shall survive this Stipulation, within sixty (60) days after receiving notice of entry of an order, judgment or decree Finally ending the Action (including without limitation any appeals therefrom, or the running of time to take such an appeal, if later), the Settling Parties shall make commercially reasonable efforts to identify and destroy, or return to the producing party, all Confidential Information and Highly Confidential Information produced in the Action, including all copies thereof and material derived therefrom; provided, however, that with respect to the electronic database of certain discovery in this Action (the "Database") that Lead Plaintiff has made available to certain plaintiffs' counsel in related actions, Lead Plaintiff shall notify those plaintiffs' counsel that it will be terminating its access to the Database and shall coordinate with those plaintiffs' counsel regarding their continuing access to the Database. If Confidential Information or Highly Confidential Information is destroyed, counsel shall certify in writing to the Producing Party that commercially reasonable efforts have been made to identify and destroy all such Material.

76. This Stipulation shall be binding when signed, but the Settlement shall be effective only on the condition that the Effective Date occurs. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Released Parties.

77. The construction, interpretation, operation, effect, and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by and construed according to the internal laws of the State of New York without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

78. This Stipulation shall not be construed more strictly against one Settling Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length

negotiations among the Settling Parties, and all the Settling Parties have contributed substantially and materially to the preparation of this Stipulation.

79. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority to do so, and that they have the authority to take appropriate action required or permitted to be taken pursuant to this Stipulation to effectuate its terms.

80. The Settling Parties and their counsel agree to cooperate reasonably with one another in promptly seeking Court approval of the Settlement, and to agree promptly upon and execute all other documentation as reasonably may be required to obtain Final approval by the Court of the Settlement.

81. Pending Final determination of the Court's approval of the Settlement, no Releasing Plaintiff, nor anyone acting or purporting to act on his, her, or its behalf, shall institute, commence or prosecute any action which asserts Released Plaintiff Claims against the Released Defendants.

82. If (a) any Defendant institutes any legal action against the Settlement Class or any Settlement Class Member, or (b) the Settlement Class or any Settlement Class Member institutes any legal action against any Defendant or Defendants to enforce the provisions of the Settlement or this Stipulation prior to or after the Effective Date, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs incurred in connection with any such enforcement action.

83. The provisions of and obligations in Paragraphs 26-28, 55, 59, 67, and 75 shall survive and remain in full force and effect and be binding in all respects on the Settling Parties

even if this Stipulation is terminated, the Settlement is not approved, or the Effective Date does not occur.

84. Whenever this Stipulation requires or contemplates that a Party shall or may give notice to the other, notice shall be provided by electronic mail or next-day express delivery service as follows and shall be deemed effective upon such transmission or delivery, as set forth below:

If to Defendants or their counsel, then to:

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If to Lead Plaintiff or its counsel, then to:

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85. Except as otherwise provided herein, AIG, PwC, Lead Plaintiff, and the Settlement Class Members shall bear their own costs.

86. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Signatures sent via facsimile or in PDF form via e-mail shall be deemed originals.

IN WITNESS WHEREOF, the Settling Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of September 12, 2014.

Dated: September 12, 2014

BARRACK, RODOS & BACINE



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Lead Counsel for the Lead Plaintiff SMRS

Dated: September 12, 2014

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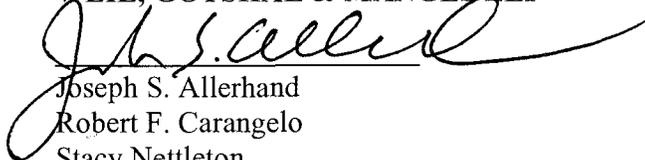
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Lead Counsel for the Lead Plaintiff SMRS

Dated: September 12, 2014

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Joseph S. Allerhand

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Stacy Nettleton

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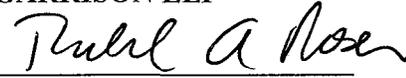
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*Counsel for AIG, David L. Herzog and Edmund
S.W. Tse*

Dated: September 12, 2014

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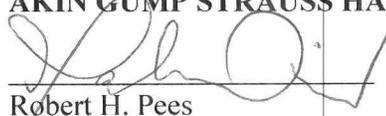
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Dated: September 12, 2014

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Dated: September 12, 2014

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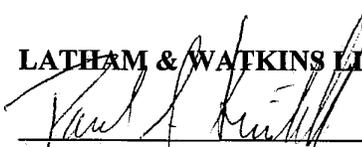
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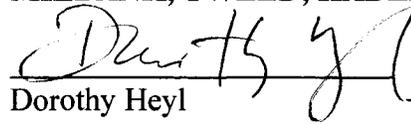


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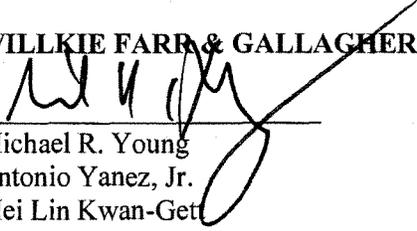
A handwritten signature in black ink, appearing to read "Dorothy Heyl", written over a horizontal line.

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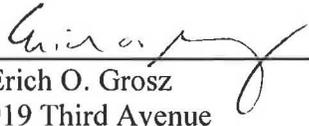


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Jr., Morris W. Offit, James F. Orr, III, Virginia M.
Rometty, Michael H. Sutton, Robert B. Willumstad
and Frank G. Zarb*

Dated: September 12, 2014

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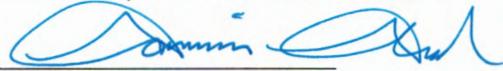


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Counsel for Thomas Athan

Dated: September 12, 2014

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Antony L. Ryan

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