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Citigroup Master Agreement

Citigroup Inc

Federal Reserve System: Federal Reserve Bank of New York (FRBNY)

United States: Department of the Treasury

United States: Federal Deposit Insurance Corporation (FDIC)

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MASTER AGREEMENT

among

CITIGROUP INC.,

CERTAIN AFFILIATES OF CITIGROUP INC. IDENTIFIED HEREIN,

DEPARTMENT OF THE TREASURY,

FEDERAL DEPOSIT INSURANCE CORPORATION

and

FEDERAL RESERVE BANK OF NEW YORK

Dated as of January 15, 2009
# TABLE OF CONTENTS

## SECTION 1. DEFINITIONS ......................................................................................................... 1
  1.1 Defined Terms .............................................................................................................. 1
  1.2 Other Definitional Provisions ..................................................................................... 13

## SECTION 2. TREASURY ADVANCES ...................................................................................... 14
  2.1 Treasury Advances ...................................................................................................... 14
  2.2 Procedure for Treasury Advances ............................................................................. 14
  2.3 Reimbursement of Treasury Advances .................................................................... 14

## SECTION 3. FDIC ADVANCES .............................................................................................. 14
  3.1 FDIC Advances .......................................................................................................... 14
  3.2 Procedure for FDIC Advances .................................................................................. 14
  3.3 Reimbursement of FDIC Advances ........................................................................... 15

## SECTION 4. FRBNY LOAN .................................................................................................... 15
  4.1 FRBNY Loan ............................................................................................................. 15
  4.2 Procedure for Borrowing .......................................................................................... 15
  4.3 Repayment of Loan .................................................................................................. 15
  4.4 Interest Rate ............................................................................................................. 15
  4.5 Computation of Interest and Net Payment Amounts ............................................... 16
  4.6 Voluntary Prepayments ............................................................................................ 16
  4.7 Mandatory Prepayments .......................................................................................... 16
  4.8 Payments Generally ................................................................................................. 16

## SECTION 5. COVERED ASSETS AND POST-SIGNING CONFIRMATION PROCESS ............. 16
  5.1 Covered Assets ......................................................................................................... 16
  5.2 Post-Signing Confirmation Process ......................................................................... 17
  5.3 Other Exclusions ...................................................................................................... 19
  5.4 Effects of Exclusion ................................................................................................. 19
  5.5 Foreign Assets .......................................................................................................... 19

## SECTION 6. DETERMINATION OF COVERED LOSSES ......................................................... 19
  6.1 Quarterly Calculations .............................................................................................. 19
  6.2 Adjusted Baseline Value ........................................................................................... 20
  6.3 Losses ..................................................................................................................... 20
  6.4 Recoveries .............................................................................................................. 20
  6.5 Gains ....................................................................................................................... 21
  6.6 Citigroup Quarterly Net Losses ................................................................................. 21
TABLE OF CONTENTS

6.7 Covered Losses ............................................................................................................. 21
6.8 Effects of Asset Exchanges on Calculations ................................................................. 21
6.9 Effects of Exchange Rates on Calculations ................................................................. 23

SECTION 7. APPLICATION OF RECOVERIES, GAINS AND OTHER AMOUNTS .......... 23
7.1 Application Prior to the FRBNY Funding Date ............................................................... 23
7.2 Application Subsequent to the FRBNY Funding Date ................................................... 23
7.3 Effect on Treasury and FDIC Available Amounts ........................................................ 24
7.4 Non-Recourse Obligations ............................................................................................. 24
7.5 Citigroup Payments to the U.S. Federal Parties ............................................................. 24
7.6 Allocation of Payments ................................................................................................. 25

SECTION 8. CERTAIN LIMITATIONS ................................................................................. 25
8.1 Limitation on Loss Payment and Calculations ............................................................ 25

SECTION 9. REPRESENTATIONS AND WARRANTIES ..................................................... 26
9.1 Existence; Compliance with Law .................................................................................. 26
9.2 Power; Authorization; Enforceable Obligations ............................................................ 26
9.3 No Legal Bar ............................................................................................................... 26
9.4 Litigation ....................................................................................................................... 27
9.5 No Default .................................................................................................................... 27
9.6 Taxes ............................................................................................................................ 27
9.7 Federal Regulations ...................................................................................................... 27
9.8 ERISA .......................................................................................................................... 27
9.9 Investment Company Act; Other Regulations ............................................................. 27
9.10 Accuracy of Information, Etc ..................................................................................... 27
9.11 Security Documents .................................................................................................... 27

SECTION 10. CONDITIONS PRECEDENT ...................................................................... 28
10.1 Conditions to Treasury Advances .............................................................................. 28
10.2 Conditions to FDIC Advances .................................................................................... 28
10.3 Conditions to FRBNY Loan ....................................................................................... 29

SECTION 11. COVENANTS ................................................................................................. 30
11.1 Asset Management ...................................................................................................... 30
11.2 Corporate Governance .............................................................................................. 30
11.3 Executive Compensation ......................................................................................... 30
11.4 Dividends .................................................................................................................. 30
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.5 Information</td>
<td>30</td>
</tr>
<tr>
<td>11.6 Maintenance of Existence; Compliance</td>
<td>30</td>
</tr>
<tr>
<td>11.7 Inspection of Property; Books and Records; Discussions</td>
<td>31</td>
</tr>
<tr>
<td>11.8 Notices</td>
<td>31</td>
</tr>
<tr>
<td>11.9 Liens</td>
<td>31</td>
</tr>
<tr>
<td>11.10 Investment Company Act</td>
<td>31</td>
</tr>
<tr>
<td>11.11 Amendments to Program Documents</td>
<td>31</td>
</tr>
<tr>
<td>11.12 ERISA</td>
<td>31</td>
</tr>
<tr>
<td>11.13 Compliance with Section 7</td>
<td>32</td>
</tr>
<tr>
<td>11.14 Post-Signing Accession of Citigroup Ring-Fence Affiliates</td>
<td>32</td>
</tr>
<tr>
<td>11.15 Affiliate Transfers</td>
<td>32</td>
</tr>
<tr>
<td>11.16 Dispositions in Connection with Corporate Transactions</td>
<td>32</td>
</tr>
<tr>
<td><strong>SECTION 12. EVENTS OF DEFAULT; INSTALLMENT DEFAULT</strong></td>
<td>32</td>
</tr>
<tr>
<td>12.1 Events of Default</td>
<td>32</td>
</tr>
<tr>
<td>12.2 Covered Asset Liquidation Events</td>
<td>34</td>
</tr>
<tr>
<td><strong>SECTION 13. MISCELLANEOUS</strong></td>
<td>34</td>
</tr>
<tr>
<td>13.1 Amendments and Waivers</td>
<td>34</td>
</tr>
<tr>
<td>13.2 Notices</td>
<td>34</td>
</tr>
<tr>
<td>13.3 No Waiver; Cumulative Remedies</td>
<td>36</td>
</tr>
<tr>
<td>13.4 Survival of Representations and Warranties</td>
<td>36</td>
</tr>
<tr>
<td>13.5 Payment of Expenses and Taxes</td>
<td>36</td>
</tr>
<tr>
<td>13.6 Successors and Assigns; Participations and Assignments</td>
<td>37</td>
</tr>
<tr>
<td>13.7 Counterparts</td>
<td>37</td>
</tr>
<tr>
<td>13.8 Severability</td>
<td>37</td>
</tr>
<tr>
<td>13.9 Integration</td>
<td>37</td>
</tr>
<tr>
<td>13.10 Governing Law</td>
<td>37</td>
</tr>
<tr>
<td>13.11 Submission To Jurisdiction; Waivers</td>
<td>37</td>
</tr>
<tr>
<td>13.12 Acknowledgements</td>
<td>38</td>
</tr>
<tr>
<td>13.13 WAIVERS OF JURY TRIAL</td>
<td>38</td>
</tr>
<tr>
<td>13.14 Standard of Conduct</td>
<td>38</td>
</tr>
<tr>
<td>13.15 Term of Master Agreement</td>
<td>38</td>
</tr>
<tr>
<td>13.16 Access, Information and Confidentiality</td>
<td>39</td>
</tr>
<tr>
<td>13.17 Confidential Information</td>
<td>40</td>
</tr>
</tbody>
</table>
EXHIBITS:
A  Form of Security and Guaranty Agreement
B  Governance and Asset Management Guidelines
C  Executive Compensation Guidelines
D  Form of Loss Claim
E  Form of Borrowing Request
F  FDIC Mortgage Loan Modification Program
G  Calculation of Loss for Short Sale Loans that are Residential Assets
H  Calculation of Foreclosure Loss with respect to Covered Loans
I  Form of Accession Agreement
J  Expenses Not Deemed to be Recovery Expenses

SCHEDULE:
A  Covered Assets; Citigroup Ring-Fence Entity Loan Commitments; Citigroup Ring-Fence Entity Wholly Unfunded Commitments
MASTER AGREEMENT (this “Master Agreement”), dated as of January 15, 2009, among CITIGROUP INC., a Delaware corporation (“Citigroup”), each CITIGROUP RING-FENCE AFFILIATE (as defined herein), the DEPARTMENT OF THE TREASURY (“Treasury”), the FEDERAL DEPOSIT INSURANCE CORP. (“FDIC”) and the FEDERAL RESERVE BANK OF NEW YORK (“FRBNY”).

WITNESSETH:

WHEREAS, in support of financial market stability, Treasury, FDIC and FRBNY have agreed to protect Citigroup and certain of its affiliates against certain losses on a pool of assets identified herein on the terms and conditions described herein; and

WHEREAS, Citigroup will issue Citigroup Preferred Stock (as defined herein) to FDIC and Citigroup Preferred Stock and warrants to Treasury as a premium for the loss-sharing protection described herein;

NOW, THEREFORE, in consideration of the mutual promises, covenants, representations and warranties hereinafter set forth or incorporated herein, each of the parties hereto hereby agrees as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Master Agreement, the terms listed in this Section 1.1 shall have the respective meanings set forth in this Section 1.1.

“Accession Agreement”: Exhibit I hereto (as the same may be amended, supplemented, restated, replaced or otherwise modified from time to time with the prior written consent of each of the U.S. Federal Parties).

“Adjusted Baseline Value”: as defined in Section 6.2.

“Affiliate”: as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, “control” of a Person means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person, whether by contract or otherwise.

“Appropriate Federal Banking Agency”: as defined in 12 USC Section 1813(q).

“Asset Exchange”: the acquisition by a Citigroup Ring-Fence Entity of an Exchange Asset to the extent permitted by the Governance and Asset Management Guidelines.

“Baseline Value”: (a) in the case of each Covered MTM Asset, the applicable Fair Value of such asset as of the Effective Time, (b) in the case of each Covered Accrual Basis Asset, the unpaid principal balance of such asset as of the Effective Time (which, for the avoidance of doubt, shall not include the portion of any unfunded loan commitments) after giving effect to all Charge-Offs in respect of such asset prior to the Effective Time and (c) in the case of any extensions of credit subsequent to the Effective Time pursuant to a Citigroup Ring-Fence Entity Loan Commitment or a Citigroup Ring-Fence Entity Wholly Unfunded Commitment (it being understood that the Baseline Value of any unfunded commitment shall be zero for purposes of this Master Agreement), the portion of the Citigroup Ring-Fence Entity Commitment Value that corresponds ratably to the amount of such extension of credit. In the case of each Covered Asset, such value shall be set forth in the column “Baseline Value” on Schedule A hereto.
“Borrowing Request”: a duly completed certificate substantially in the form of Exhibit E hereto executed by a Responsible Officer of Citigroup.

“Business Day”: a day other than a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to close.

“Calendar Quarter”: each calendar quarter of any calendar year; provided, that with respect to any Loss incurred by any Citigroup Ring-Fence Entity during the fourth calendar quarter of (a) the calendar year ending December 31, 2013 in respect of any Non-Residential Covered Asset and (b) the calendar year ending December 31, 2018 in respect of any Residential Covered Asset, in each case such fourth calendar quarter shall be deemed to end on November 20 of such calendar year; and provided, further, that the first calendar quarter under this Master Agreement shall be deemed to commence at the close of business on November 21, 2008 and end on March 31, 2009.

“Capitalized Expenditures”: expenditures incurred in respect of Covered Assets that would be capitalized under GAAP; provided, for the avoidance of doubt, that “Capitalized Expenditures” shall in no event include any such expenditures made prior to the Effective Time.

“Capital Stock”: any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants, rights or options to purchase any of the foregoing.

“Charge-Off”: with respect to any Covered Accrual Basis Asset, an amount equal to any reversal or charge-off of the principal amount of such Covered Accrual Basis Asset (including any write-down associated with a Replacement Covered Asset or a Permitted Amendment, but excluding any reduction in principal to reflect a principal payment actually received) effected in accordance with GAAP and reflected in the accounting records of the Citigroup Ring-Fence Entities; provided, however, that: (a) in no event shall the term Charge-Off include any reversal or charge-off of accrued and unpaid interest; (b) no Charge-Off shall be taken with respect to any anticipated expenditure by a Citigroup Ring-Fence Entity until such expenditure is actually incurred; (c) any financial statement adjustment made in connection with any future purchase, merger, consolidation or other acquisition of a Citigroup Ring-Fence Entity shall not constitute a Charge-Off; (d) losses incurred on any sale or other disposition of a Covered Accrual Basis Asset other than any Permitted Disposition shall not constitute a Charge-Off; and (e) with respect to any Covered Accrual Basis Asset modified in accordance with the FDIC Mortgage Loan Modification Program, the “Charge-Off” shall be the amount (if any) by which the Adjusted Baseline Value of such Covered Accrual Basis Asset prior to the modification exceeds the net present value, calculated in accordance with applicable accounting principles and discounted at the Then-Current Interest Rate, of such Covered Accrual Basis Asset as modified. For the avoidance of doubt, no charge-off taken with respect to any Covered MTM Asset shall constitute a “Charge-Off” for purposes of this definition.

“Citigroup”: as defined in the preamble hereto.

“Citigroup Deductible”: $39,500,000,000 of Citigroup Quarterly Net Losses that have not subsequently been reduced by any Recoveries or Gains pursuant to Section 7.1, as such amount may be increased by the U.S. Federal Parties pursuant to Section 5.2(e).

“Citigroup Loan Obligations”: all obligations and liabilities of Citigroup to FRBNY in connection with this Master Agreement, each other Program Document and the FRBNY Loan, whether in respect of principal, interest, fees, expenses, indemnities or otherwise.
“Citigroup Loss Account”: an account acceptable to the U.S. Federal Parties and designated by Citigroup to each of the U.S. Federal Parties in writing from time to time.

“Citigroup Non-Recourse Obligations”: collectively, the obligations of Citigroup to (a) reimburse Treasury for any outstanding Treasury Advances pursuant to Section 7, (b) reimburse FDIC for any outstanding FDIC Advances pursuant to Section 7 and (c) repay the principal amount of the FRBNY Loan (other than with respect to any mandatory prepayments of the FRBNY Loan required under Section 4.7(a)).

“Citigroup Preferred Stock”: shares of Fixed Rate Cumulative Preferred Stock, Series G, of Citigroup to be issued to Treasury and FDIC pursuant to (i) the terms of that certain Securities Purchase Agreement dated as of the date hereof between Citigroup, on the one hand, and Treasury and FDIC, on the other hand and (ii) Section 5.2(e).

“Citigroup Quarterly Net Loss”: as defined in Section 6.6.

“Citigroup Ring-Fence Affiliate”: each Affiliate of Citigroup that owns any Covered Asset (it being understood that each such Affiliate shall be a U.S. Person). Each Citigroup Ring-Fence Affiliate shall be identified on Schedule A hereto following the completion of the post-signing adjustments to such schedule contemplated by Section 5.

“Citigroup Ring-Fence Entity”: any of Citigroup and the Citigroup Ring-Fence Affiliates.

“Citigroup Ring-Fence Entity Commitment Value”: with respect to each Citigroup Ring-Fence Entity Loan Commitment and Citigroup Ring-Fence Entity Wholly Unfunded Commitment, the par value of such commitment as of the Effective Time less any allocable portion of credit reserves with respect to such commitment as of the Effective Time (but solely to the extent such credit reserves are not included in the Citigroup Deductible). Such value shall be set forth on Schedule A hereto for each Citigroup Ring-Fence Entity Loan Commitment and each Citigroup Ring-Fence Entity Wholly Unfunded Commitment.

“Citigroup Ring-Fence Entity Loan”: any obligation to any Citigroup Ring-Fence Entity evidenced by a Note.

“Citigroup Ring-Fence Entity Loan Collateral”: any and all collateral securing a Citigroup Ring-Fence Entity Loan, including without limitation, any accounts receivable, inventory, property of any kind, whether real or personal (including but not limited to equipment and other physical assets), and any contract and other rights and interests of a Citigroup Ring-Fence Entity Loan Obligor pledged pursuant to or otherwise subject to any Citigroup Ring-Fence Entity Loan Collateral Document.

“Citigroup Ring-Fence Entity Loan Collateral Document”: each deed of trust, mortgage, assignment of production, security agreement, assignment of security interest, personal guaranty, corporate guaranty, letter of credit, pledge agreement, collateral agreement, loan agreement or other agreement or document, whether an original or copy or whether similar to or different from those enumerated, securing in any manner the performance or payment by any Citigroup Ring-Fence Entity Loan Obligor of its obligations under any Note evidencing a Citigroup Ring-Fence Entity Loan.

“Citigroup Ring-Fence Entity Loan Commitment”: any commitment by a Citigroup Ring-Fence Entity to make a further extension of credit or to make a further advance with respect to any existing Covered Loan (including pursuant to any letter of credit in effect prior to March 14, 2008). The unfunded balance of each Citigroup Ring-Fence Entity Loan Commitment as of the Effective Time shall be set forth on Schedule A hereto.
“Citigroup Ring-Fence Entity Loan Commitment Advance”: any advance by a Citigroup Ring-Fence Entity pursuant to a Citigroup Ring-Fence Entity Loan Commitment, including the incremental funding of loan proceeds such as in the case of a revolving credit loan or construction loan and drawings under any letter of credit.

“Citigroup Ring-Fence Entity Loan Deficiency Balance”: the remaining unpaid principal balance of any Citigroup Ring-Fence Entity Loan after crediting to it the proceeds of a foreclosure sale which occurred on or before the relevant date of calculation, and for which the Redemption Period, if any, has expired. For purposes of this definition, “Redemption Period” shall mean the applicable state statutory time period, if any, during which a foreclosed owner may buy back foreclosed real property from the foreclosure sale purchaser.

“Citigroup Ring-Fence Entity Loan Obligor”: any obligor, guarantor or surety of any Citigroup Ring-Fence Entity Loan or any other party liable for the performance of obligations associated with any Citigroup Ring-Fence Entity Loan.

“Citigroup Ring-Fence Entity Wholly Unfunded Commitment”: any commitment (including letters of credit) in effect prior to March 14, 2008 by a Citigroup Ring-Fence Entity to make an extension of credit that was wholly unfunded as of the Effective Time and is acceptable to each of the U.S. Federal Parties. Each Citigroup Ring-Fence Entity Wholly Unfunded Commitment shall be listed on Schedule A hereto.


“Contractual Obligation”: as to any Person, any obligation under any security issued by such Person or any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Covered Accrual Basis Assets”: collectively, the Covered Assets that were not, immediately prior to the Effective Time, reflected on the balance sheets of the Citigroup Ring-Fence Entities at Fair Value. “Covered Accrual Basis Assets” shall include all Covered Assets that are not Covered MTM Assets.

“Covered Asset Criteria”: collectively, the requirements that each Covered Asset (a) was owned by an Affiliate of Citigroup and included on its balance sheet as of the Effective Time, (b) is not a Foreign Asset, (c) is neither an equity security nor a security whose value is derived by reference to equity securities, (d) was issued or originated prior to March 14, 2008, (e) does not have Citigroup or any Affiliate thereof as an obligor (provided, that no issuer of an asset-backed security that is a limited recourse special purpose vehicle shall be deemed to be an “Affiliate” of Citigroup for purposes of this clause (e) solely as a result of any economic interest of Citigroup or any of its other Affiliates in such issuer arising from their ownership of any such security), (f) is not guaranteed by any Governmental Authority pursuant to an arrangement outside of this Master Agreement and (g) with respect to any Replacement Covered Asset acquired subsequent to the FRBNY Funding Date, FRBNY shall have an exclusive, first priority perfected security interest in such Replacement Covered Asset (subject only to Permitted Liens) pursuant to Security Documents satisfactory to FRBNY; provided, that clause (a) shall not be applicable to any extension of credit made pursuant to a Citigroup Ring-Fence Entity Wholly Unfunded Commitment.

“Covered Assets”: collectively, those assets owned by Citigroup or any of its Affiliates that are U.S. Persons that (a) satisfy the Covered Asset Criteria, (b) are mutually agreed to by each of the U.S. Federal Parties pursuant to Section 5 and (c) are identified on Schedule A hereto. “Covered Assets” shall include (i) any Replacement Covered Assets permitted hereunder, (ii) Covered Assets as they may be amended or otherwise modified pursuant to any Permitted Amendment and (iii) any extensions of
credit made pursuant to a Citigroup Ring-Fence Entity Wholly Unfunded Commitment that otherwise satisfy the Covered Asset Criteria, but solely to the extent any such extension of credit is made prior to the FRBNY Funding Date. Schedule A shall also identify, for each Covered Asset, any collateral, guarantor or other credit support following the completion of the post-signing adjustments to such schedule contemplated by Section 5.

“Covered Loan”: any Citigroup Ring-Fence Entity Loan that is a Covered Asset.

“Covered Loss”: as defined in Section 6.7.

“Covered MTM Assets”: collectively, the Covered Assets that were, immediately prior to the Effective Time, reflected on the balance sheets of the Citigroup Ring-Fence Entities at Fair Value.

“Default”: any of the events specified in Section 12.1 whether or not any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Default Rate”: with respect to any amount payable by Citigroup under any Program Document (other than any Citigroup Non-Recourse Obligations), the interest rate otherwise applicable to the FRBNY Loan plus 2.00%.

“Disposition”: with respect to any property, any sale, assignment (excluding pledges or other assignments for collateral purposes), conveyance, transfer or other disposition thereof. The terms “Dispose” and “Disposed of” shall have correlative meanings.

“Dollar Equivalent”: with respect to any amount denominated in a currency other than Dollars, on the relevant date of determination, the rate at which such currency may be exchanged into Dollars as set forth at approximately 11:00 a.m. (New York City time) on such date on the Reuters World Currency Page for such currency; provided that, if such rate is not available from Reuters at such time, the Dollar Equivalent will be determined by reference to another publicly available service for displaying exchange rates to be agreed by the U.S. Federal Parties and Citigroup.

“Dollars” and “$” mean lawful money of the United States.

“Effective Time”: (a) with respect to each Covered Asset that was identified as such to the U.S. Federal Parties by November 23, 2008, the close of business on November 21, 2008 and (b) with respect to each other Covered Asset, the close of business on January 15, 2009.

“ERISA”: the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

“ERISA Affiliate”: any trade or business (whether or not incorporated) that, together with Citigroup, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event”: (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by Citigroup or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan, (e) the receipt by Citigroup or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (f) the
incurrence by Citigroup or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan, or (g) the receipt by Citigroup or any ERISA Affiliate of any notice concerning the imposition of Withdrawal Liability or a determination that any Multiemployer Plan is, or is reasonably expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

“Event of Default”: any of the events specified in Section 12.1; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“Excess Recoveries or Gains”: for any Calendar Quarter, the amount (if any) by which (a) the sum of all Recoveries and Gains realized by the Citigroup Ring-Fence Entities on all Covered Assets in such Calendar Quarter exceeds (b) the Losses incurred by the Citigroup Ring-Fence Entities on all Covered Assets in such Calendar Quarter.

“Exchange Asset”: any asset acquired by a Citigroup Ring-Fence Entity in connection with the full or partial satisfaction of amounts payable to such Citigroup Ring-Fence Entity in respect of a Covered Asset or received as consideration for the Disposition of a Covered Asset to a third party (other than Citigroup or any of its Affiliates); provided such acquisition is permitted under the Governance and Asset Management Guidelines.

“Exchange Value”: as defined in Section 6.8(b).

“Executive Compensation Guidelines”: Exhibit C hereto (as the same may be amended, supplemented, restated, replaced or otherwise modified from time to time with the prior written consent of Treasury, acting on behalf of each of the U.S. Federal Parties after consultation with FRBNY and FDIC).

“Fair Value”: fair value as determined in accordance with FAS 157 as in effect at the Effective Time.

“FDIC”: as defined in the preamble hereto.

“FDIC Advance”: as defined in Section 3.1.

“FDIC Available Amount”: at any time, $10,000,000,000 less the sum of all outstanding FDIC Advances at such time.

“FDIC Mortgage Loan Modification Program”: Exhibit F hereto.

“Foreclosure Loss”: any loss (calculated in the form and in accordance with the methodology specified in Exhibit H) realized when a Citigroup Ring-Fence Entity completes the foreclosure on a Covered Loan and realizes final recovery on any collateral securing such Covered Loan through liquidation and recovery of all insurance proceeds.

“Foreign Asset”: any of the following:

(a) any asset owned by a subsidiary of Citigroup that is not a U.S. Person; or

(b) any loan with an obligor that is not a U.S. Person, unless (i) the parent of such obligor is a U.S. Person, and such parent, directly or by virtue of a guarantee, is jointly and severally liable for, the entire amount of the loan and (ii) the decision to extend the loan was made on the basis of such parent’s creditworthiness; or

(c) any loan extended to a natural person who is not a U.S. resident; or
(d) any loan that is secured by either (i) obligations of non-U.S. Persons and/or non-residential real property located outside of the United States, the aggregate value of which is more than 15% of the total value of all assets securing such loan or (ii) any residential real property located outside of the United States; or

(e) any security held through a foreign securities intermediary other than Euroclear or Clearstream; or

(f) any security (other than asset-backed security) issued by an entity that is not a U.S. Person; or

(g) any asset-backed security that is secured by ultimate underlying assets that are obligations of non-U.S. Persons, the aggregate value of which is more than 15% of the total value of all ultimate underlying assets securing such security (whether or not such security is issued by a U.S. Person) which calculation may be determined on the basis of the prospectus or other offering document to the extent the information is contained therein; or

(h) any asset-backed security that is issued by an entity that is not a U.S. Person, unless either:

(i) (A) a U.S. Person is a co-issuer of such security and the holders of such security have recourse solely to the ultimate underlying assets securing such security for payment and (B) such security is held through a securities intermediary; or

(ii) such security is secured by ultimate underlying assets that are obligations of U.S. Persons, the aggregate value of which is more than 85% of the total value of all ultimate underlying assets securing such security, which may be determined on the basis of the prospectus or other offering document pursuant to which such security was sold to the extent the information is contained therein.

For purposes of this Master Agreement, the issuer of a security shall be deemed to be a U.S. Person, if (A) it is identified by a Bloomberg country code of “US” or (B) if no Bloomberg country code is available, an Intex country code of “United States” (or, in the case of either (A) or (B), any successor designations or services). In the case of any ultimate underlying asset that secures an asset-backed security and which asset is a credit default swap or similar derivative instrument (a “synthetic asset”), it is understood and agreed that such synthetic asset shall be treated for purposes of clause (g) of this definition as an obligation of a U.S. Person if and only if the reference obligation referred to therein is an obligation of a U.S. Person, without regard to any collateral securing such synthetic asset and without regard to the domicile of the counterparty to such synthetic asset.

For purposes of this Master Agreement, the test of whether any loan is a “Foreign Asset” pursuant to clauses (b), (c) or (d) shall be made once as of the Effective Time or, if such loan becomes a Covered Asset subsequent to such time, the date on which it becomes a Covered Asset. For the avoidance of doubt, it is understood and agreed that any loan to a foreign national who is a U.S. resident shall not be deemed to be a “Foreign Asset” under clause (c) of this definition.

“FRBNY”: as defined in the preamble hereto.

“FRBNY Available Amount”: for purposes of calculating the amount of the one-time FRBNY Loan to be made by FRBNY on the FRBNY Funding Date: (a) the sum of the Adjusted Baseline Values of all Covered Assets as of the end of the most recently completed Calendar Quarter prior to the FRBNY Funding Date less (b) the principal amount of the FRBNY Loan that would otherwise be subject to immediate prepayment by Citigroup pursuant to Section 4.7(a), which amount (b) shall be calculated as 10% of the excess of (i) the Citigroup Quarterly Net Loss corresponding to the Covered Loss giving rise
to the funding of the FRBNY Loan over (ii) the dollar amount equal to (A) the amount of such Covered Loss funded by any Treasury Advance and/or FDIC Advance divided by (B) 0.90.

“FRBNY Funding Date”: the Business Day specified by Citigroup in the Borrowing Request it delivers to FRBNY pursuant to Section 4.2; provided, that such date shall be no earlier than 20 calendar days and no later than 30 calendar days following FRBNY’s receipt of such Borrowing Request; and provided, further, that such date shall in no event be later than the FRBNY Outside Date.

“FRBNY Information”: as defined in 13.16.

“FRBNY Loan”: as defined in Section 4.1.

“FRBNY Outside Date”: 60 calendar days after the end of the Calendar Quarter in which the Citigroup Ring-Fence Entities first incur a Covered Loss that is eligible for FRBNY funding under Section 4.1.

“GAAP”: generally accepted accounting principles in the United States as in effect from time to time.

“Gains”: as defined in Section 6.5.

“Governance and Asset Management Guidelines”: Exhibit B hereto (as the same may be amended, supplemented, restated, replaced or otherwise modified from time to time with the prior written consent of each of the U.S. Federal Parties).

“Governmental Authority”: any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any self-regulatory organization.

“Hedge Agreement”: any agreement in respect of a transaction which (i) is a swap option, basis swap, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any futures or options with respect to any of these transactions) or (ii) which is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets (including terms and conditions incorporated by reference in such agreement) and which is a forward, swap, future, option or other derivative on one or more currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic, financial or pricing indices or measures of economic, financial or pricing risk or value, other benchmarks against which payments or deliveries are to be made or any combination of these transactions; provided, that for the avoidance of doubt, “Hedge Agreement” shall not include any agreement of a type described in clauses (i) or (ii) which is designed to protect against fluctuations in interest rate.

“Hedging Proceeds”: (a) the sum of all amounts paid or payable to or for the account of any Citigroup Ring-Fence Entity (without regard to whether such amounts are received prior to, contemporaneously with, or after any Loss in respect of any Covered Asset) in respect of any Hedge Agreement (provided such Hedge Agreement was entered into with respect to a Covered Asset following the incurrence by the Citigroup Ring-Fence Entities, on a cumulative basis, of an amount of Citigroup Quarterly Net Losses equal to or greater than the Citigroup Deductible); less (b) the amount of actual,
reasonable and necessary out-of-pocket expenses paid to third parties (other than Citigroup or any of its Affiliates) by any Citigroup Ring-Fence Entity as permitted by the Governance and Asset Management Guidelines to put such Hedge Agreements in place or unwind any such Hedge Agreements.

“Ineligible Exchange Asset”: any Exchange Asset that fails to meet the criteria for a Replacement Covered Asset.

“Information”: as defined in Section 13.16.

“Initial Installment Balance”: an amount equal to the product of the FRBNY Available Amount times a fraction the numerator of which is the sum of the Adjusted Baseline Values of all Non-Residential Covered Assets and whose denominator is the sum of the Adjusted Baseline Values of all Covered Assets.

“Installment Balance”: the Initial Installment Balance less all amounts payable in respect of such balance under Section 4.7, Section 7.2 and Section 7.6 hereof.

“Installment Due Date”: November 20, 2013; provided that the Installment Due Date may be extended, in FRBNY’s sole discretion, by successive periods of one year (but in no event beyond the Maturity Date).

“Interest Payment Date”: (a) the last day of each Interest Period applicable to the FRBNY Loan, (b) the Installment Due Date, as to the Installment Balance as of such date (c) the Maturity Date and (d) the date of any prepayment of the FRBNY Loan, as to the amount prepaid.

“Interest Period”: (a) in the case of the first Interest Period for the FRBNY Loan, the period commencing on the FRBNY Funding Date and ending on the last day of the Calendar Quarter in which the FRBNY Funding Date occurs and (b) thereafter, the period commencing on the first day of each subsequent Calendar Quarter and ending on the last day of such Calendar Quarter; provided that (i) any Interest Period that would otherwise end on a day that is not a Business Day shall end on the next preceding Business Day and (ii) no Interest Period shall extend beyond the Maturity Date.

“Lien”: any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having substantially the same economic effect as any of the foregoing).

“Loss”: as defined in Section 6.3.

“Loss Claim”: a duly completed certificate substantially in the form of Exhibit D hereto executed by a Responsible Officer of Citigroup.

“Loss Coverage Period”: the period commencing at the Effective Time and ending on (a) November 20, 2013, with respect to any Non-Residential Covered Asset and (b) November 20, 2018, with respect to any Residential Covered Asset.


“Master Agreement”: as defined in the preamble hereto.

“Material Adverse Effect”: (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of Citigroup; (b) a material impairment of the rights and remedies of any of the
U.S. Federal Parties under any Program Document, or of the ability of any Citigroup Ring-Fence Entity to perform its obligations under any Program Document to which it is a party; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against any of the Citigroup Ring-Fence Entities of any Program Document to which it is a party.

“Maturity Date”: The Loss Coverage Period Outside Date; provided, that the Maturity Date may be extended, in FRBNY’s sole discretion, by one year.

“Multiemployer Plan”: a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Non-Residential Covered Asset”: any Covered Asset other than a Residential Covered Asset. Each Covered Asset that is a Non-Residential Covered Asset shall be identified as such on Schedule A hereto.

“Note”: any promissory note, loan agreement, shared credit or participation agreement, intercreditor agreement, letter of credit, reimbursement agreement, draft, bankers’ acceptance, transmission system confirmation of transaction or other evidence of indebtedness of any kind (including loan histories, affidavits, general collection information, correspondence and comments pertaining to such obligation).

“Overnight Index Swap Rate”: for any Interest Period, the rate per annum equal to the closing rate for overnight indexed swaps having a term of 3 months published by Bloomberg two Business Days prior to the first day of such Interest Period; provided that if such rate is not available at such time from Bloomberg, such rate shall be the rate per annum equal to the average midpoint (calculated by FRBNY) of the rates for overnight indexed swaps having a term of 3 months quoted by three financial institutions designated by FRBNY and notified to Citigroup one Business Day prior to the first day of such Interest Period.

“PBGC”: the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA (or any successor).

“Permitted Amendment”: with respect to any Covered Asset, any amendment, modification, renewal or extension thereof, or any waiver of any term, right, or remedy thereunder, made by a Citigroup Ring-Fence Entity in good faith and otherwise in accordance with the FDIC Mortgage Loan Modification Program (to the extent applicable) and the Governance and Asset Management Guidelines, provided that the securities, obligations, or other instruments evidencing such Covered Asset originated or issued prior to March 14, 2008 continue in effect.

“Permitted Disposition”: any Disposition permitted under the Governance and Asset Management Guidelines.

“Permitted Liens”: (a) Liens granted by the Citigroup Ring-Fence Entities to FRBNY pursuant to any Security Document, (b) Liens for taxes that are not yet due and payable or that are being contested in good faith by appropriate proceedings diligently conducted for which appropriate reserves have been established in accordance with GAAP and (c) Liens created, incurred, assumed or otherwise existing with the written consent of FRBNY.

“Person”: an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Plan”: any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect
of which Citigroup or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Post Coverage Period Loss”: any loss that would otherwise qualify as a “Loss” hereunder but for the fact that such loss is incurred by a Citigroup Ring-Fence Entity after the Loss Coverage Period.

“Program Documents”: this Master Agreement, the Security Documents, the Governance and Asset Management Guidelines, the Executive Compensation Guidelines, the Accession Agreement and any amendment, waiver, supplement or other modification to any of the foregoing permitted hereunder.

“Quarterly Advance Date”: with respect to any Covered Loss realized by the Citigroup Ring-Fence Entities in any Calendar Quarter during the Loss Coverage Period, the 30th calendar day following the receipt by Treasury or FDIC (as applicable) of a Loss Claim from Citigroup; provided that if such day is not a Business Day, the “Quarterly Advance Date” shall be the next succeeding Business Day.

“Recoveries”: as defined in Section 6.4.

“Recovery Expenses”: for any period, the amount of actual, reasonable and necessary out-of-pocket expenses (including Capitalized Expenditures) paid to third parties (other than Citigroup or any of its Affiliates) by any Citigroup Ring-Fence Entity as permitted by the Governance and Asset Management Guidelines to recover amounts owed with respect to any Covered Asset as to which a Loss was incurred prior to the relevant Termination Date with respect to the Covered Asset (provided that such amounts were incurred no earlier than the date the Loss on such Covered Asset was reflected on the accounting records of such Citigroup Ring-Fence Entity); provided that “Recovery Expenses” shall not include for the relevant Covered Asset any expenses in excess of $200,000 related to environmental conditions, including but not limited to, remediation, storage or disposal of any hazardous or toxic substance or any pollutant or contaminant (but excluding costs incurred in order to assess the presence, storage or release of any hazardous or toxic substance, or any pollutant or contaminant with respect to the collateral securing a Covered Asset that has been fully or partially charged-off (including the costs of consultants retained in connection with such assessment)), unless such expenses are specifically authorized, with prior timely notice to and approval by, the U.S. Federal Parties; and provided, further that “Recovery Expenses” shall in no event include any expenses incurred by any Citigroup Ring-Fence Entity prior to the Effective Time or any of the items identified on Exhibit J.

“Regulation U”: Regulation U of the Board of Governors of the Federal Reserve System as in effect from time to time.

“Related Parties”: with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents, advisors, and controlling persons of such Person and such Person’s Affiliates.

“Replacement Covered Asset”: any Exchange Asset acquired by a Citigroup Ring-Fence Entity subsequent to the Effective Time that satisfies the Covered Asset Criteria (other than clause (a) thereof). A “Replacement Covered Asset” may include any of the following (including any of the following fully or partially charged off on the books and records of any Citigroup Ring-Fence Entity): (a) all interests in real estate including but not limited to mineral rights, leasehold rights, condominium and cooperative interests, air rights and development rights and (b) any other assets, including (i) all rights, powers, liens or security interests of any Citigroup Ring-Fence Entity in or under any Citigroup Ring-Fence Entity Loan Collateral Document, (ii) any judgment founded upon any Note evidencing a Citigroup Ring-Fence Entity Loan to the extent attributable thereto and any lien arising therefrom, (iii) any
executory contract with a third party to convey real property and the real property which is subject to such executory contract included in any Citigroup Ring-Fence Entity Loan Collateral, (iv) any lease and the related leased property included in any Citigroup Ring-Fence Entity Loan Collateral and (v) all right, title and interest in and to any Citigroup Ring-Fence Entity Loan Deficiency Balance.

“Requirement of Law”: as to any Person, the organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Residential Covered Asset”: any Covered Asset consisting either of (a) a loan secured solely by residential real estate consisting of one-to-four family dwellings or the stock of cooperative housing corporations or (b) a security that is secured by residential real estate consisting of one-to-four family dwellings or the stock of cooperative housing corporations, the aggregate value of which is more than 85% of the total value of all assets securing such security; provided that if the Collateral Composition page on Bloomberg for such security indicates that more than 85% of the balance of the mortgaged properties securing such security are designated “single family”, “2-4 family”, “condominium” or “PUD”, then such security shall be deemed to be a Residential Covered Asset pursuant to this clause (b). Each Covered Asset that is a Residential Covered Asset shall be identified as such on Schedule A hereto.

“Responsible Officer”: with respect to Citigroup, its Chairman of the Board, its Chief Executive Officer, its President, any Senior Vice President, the Chief Financial Officer, any Vice President, the Treasurer or any other officer (a) who has the power to take or delegate the taking of the action in question and has been so authorized, directly or indirectly, by the board of directors, (b) working under the direct supervision or the delegated authority of any such Chairman of the Board, Chief Executive Officer, President, Senior Vice President, Chief Financial Officer, Vice President or Treasurer or (c) whose responsibilities include the administration of the transactions and agreements contemplated by this Master Agreement and the other Program Documents and the Covered Assets.

“Schedule A”: the schedule designated as such by Citigroup and delivered by Citigroup to each of the U.S. Federal Parties as of the date hereof in the form of (a) a DVD and (b) a summary chart entitled “Summary of $301 Billion Ring-Fenced Assets”, together with a certificate from the Controller and Chief Accounting Officer of Citigroup to the effect that the contents of such schedule match the contents of the draft of such schedule reviewed and verified by the U.S. Federal Parties immediately prior to the execution of this Master Agreement on the date hereof. The contents of Schedule A shall be amended from time to time to include Replacement Covered Assets or extensions of credit made pursuant to a Citigroup Ring-Fence Entity Wholly Unfunded Commitment, or to reflect any additions thereto or eliminations therefrom pursuant to Section 5 or otherwise in accordance with this Master Agreement. The form of Schedule A may be amended from time to time as the parties hereto may mutually agree.

“Security and Guaranty Agreement”: the Security and Guaranty Agreement, to be entered into among Citigroup, certain Affiliates of Citigroup identified therein and FRBNY substantially in the form of Exhibit A.

“Security Documents”: the collective reference to the Security and Guaranty Agreement and all other security documents hereafter delivered to FRBNY granting a Lien on any property of Citigroup Ring-Fence Entities to secure the Citigroup Loan Obligations.

“Short-Sale Loss” means any loss (calculated in the form and in accordance with the methodology specified in Exhibit G) resulting from any Citigroup Ring-Fence Entity’s agreement with a mortgagor to accept a payoff in an amount less than the balance due on any Covered Loan that is a Residential Covered Asset.
“Termination Date”: with respect to any Covered Asset, the earliest of (a) the date of prepayment or redemption of such Covered Asset in full, (b) the final maturity date of such Covered Asset, (c) the date such Covered Asset is liquidated, sold in a Permitted Disposition or is otherwise discharged in full and (d)(i) November 20, 2013, if such Covered Asset is a Non-Residential Covered Asset and (ii) November 20, 2018, if such Covered Asset is a Residential Covered Asset.

“Then-Current Interest Rate”: the most recently published Freddie Mac survey rate for 30-year fixed-rate loans.

“Treasury”: as defined in the preamble hereto.

“Treasury Advance”: as defined in Section 2.1.

“Treasury Available Amount”: at any time, $5,000,000,000 less the sum of all outstanding Treasury Advances at such time.

“United States”: the United States of America.

“U.S. Federal Objection”: as defined in Section 5.2(a).

“U.S. Federal Parties”: collectively, Treasury, FDIC and FRBNY.

“U.S. Person”: a Person organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof. It is understood and agreed that “U.S. Person” shall include any branch of a Citigroup Ring-Fence Entity that is a depository institution and a U.S. Person regardless of where such branch is located.

“Withdrawal Liability”: to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

1.2 Other Definitional Provisions. (a) Unless otherwise specified, all terms defined in this Master Agreement shall have the same meanings when used in the other Program Documents or any certificate or other document made or delivered pursuant hereto or thereto.

(b) As used herein and in the other Program Documents, and any certificate or other document made or delivered pursuant hereto or thereto, (i) accounting terms shall have the respective meanings given to them under GAAP (except as otherwise provided herein), (ii) the words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”, (iii) the word “incure” shall be construed to mean incur, create, issue, assume, become liable in respect of or suffer to exist (and the words “incurred” and “incurrence” shall have correlative meanings), (iv) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, Capital Stock, securities, revenues, accounts, leasehold interests and contract rights, and (v) references to agreements or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations as amended, supplemented, restated or otherwise modified from time to time, or any successor or replacement agreement which may be entered into from time to time.

(c) The words “hereof”, “herein” and “hereunder” and words of similar import, when used in this Master Agreement, shall refer to this Master Agreement as a whole and not to any particular provision of this Master Agreement, and Section, Schedule and Exhibit references are to this Master Agreement unless otherwise specified.
The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

SECTION 2. TREASURY ADVANCES

2.1 Treasury Advances. Subject to the terms and conditions hereof and the Governance and Asset Management Guidelines, in the event that the Citigroup Ring-Fence Entities incur a Covered Loss in any Calendar Quarter during the Loss Coverage Period, Treasury agrees to advance to Citigroup in Dollars (each such advance, a “Treasury Advance”) on the related Quarterly Advance Date an amount equal to such Covered Loss; provided, that in no event shall any Treasury Advance exceed the Treasury Available Amount.

2.2 Procedure for Treasury Advances. (a) Each Treasury Advance shall be made following delivery of a Loss Claim to Treasury (with a copy to each of the other U.S. Federal Parties). Each such Loss Claim must be received by Treasury not later than 5 p.m. New York City time 30 calendar days following the end of the applicable Calendar Quarter (or if such day is not a Business Day, the next succeeding Business Day).

(b) Subject to the Governance and Asset Management Guidelines and the satisfaction of the conditions specified in Section 10.1, Treasury shall make the proceeds of each Treasury Advance available to Citigroup in an amount equal to such Covered Loss specified in the applicable Loss Claim (or such lesser amount as may be available under Section 2.1) not later than 5 p.m. New York City time on the relevant Quarterly Advance Date by wire transfer or credit in immediately available funds to the Citigroup Loss Account.

2.3 Reimbursement of Treasury Advances. Each Treasury Advance shall be reimbursed by Citigroup in accordance with (and to the extent provided in) Section 7. Any amounts so reimbursed shall be available for further Treasury Advances in accordance with Section 7.

SECTION 3. FDIC ADVANCES

3.1 FDIC Advances. Subject to the terms and conditions hereof and the Governance and Asset Management Guidelines, including the condition that there then shall be $5,000,000,000 of outstanding Treasury Advances as required under Section 10.2(b), in the event that the Citigroup Ring-Fence Entities incur a Covered Loss in any Calendar Quarter during the Loss Coverage Period, FDIC agrees to advance to Citigroup in Dollars (each such advance, an “FDIC Advance”) on the related Quarterly Advance Date an amount equal to the portion of such Covered Loss that exceeds the Treasury Available Amount (taking into account any Treasury Advance made on such Quarterly Advance Date); provided, that in no event shall any FDIC Advance exceed the FDIC Available Amount.

3.2 Procedure for FDIC Advances. (a) Each FDIC Advance shall be made following delivery of a Loss Claim to FDIC (with a copy to each of the other U.S. Federal Parties). Each such Loss Claim must be received by FDIC not later than 5 p.m. New York City time 30 calendar days following the end of the applicable Calendar Quarter (or if such day is not a Business Day, the next succeeding Business Day).

(b) Subject to the Governance and Asset Management Guidelines and the satisfaction of the conditions specified in Section 10.2, FDIC shall make the proceeds of each FDIC Advance available to Citigroup in an amount equal to such Covered Loss specified in the applicable Loss Claim (or such lesser amount as may be available under Section 3.1) not later than 5 p.m. New York City time on the relevant Quarterly Advance Date by wire transfer or credit in immediately available funds to the Citigroup Loss Account.
3.3 **Reimbursement of FDIC Advances.** Each FDIC Advance shall be reimbursed by Citigroup in accordance with (and to the extent provided in) Section 7. Any amounts so reimbursed shall be available for further FDIC Advances in accordance with Section 7.

SECTION 4. FRBNY LOAN

4.1 **FRBNY Loan.** Subject to the terms and conditions hereof and the Governance and Asset Management Guidelines, including the condition that there then shall be $5,000,000,000 of outstanding Treasury Advances and $10,000,000,000 of outstanding FDIC Advances as required under Sections 10.3(b) and 10.3(c), in the event that the Citigroup Ring-Fence Entities incur a Covered Loss in any Calendar Quarter during the Loss Coverage Period and as a result thereof the Citigroup Ring-Fence Entities’ aggregate cumulative Covered Losses exceed $15,000,000,000, FRBNY agrees to make a single term loan (the “FRBNY Loan”) to Citigroup in Dollars on the FRBNY Funding Date in an amount equal to the FRBNY Available Amount; provided, that unless the FRBNY Funding Date shall occur on or prior to the FRBNY Outside Date, FRBNY shall have no obligation to make the FRBNY Loan hereunder. Amounts borrowed by Citigroup under this Section 4.1 and repaid or prepaid may not be reborrowed and any obligation of FRBNY to advance funds to Citigroup under this Master Agreement shall terminate upon FRBNY’s funding of the FRBNY Loan.

4.2 **Procedure for Borrowing.** (a) The FRBNY Loan shall be made following delivery of a Borrowing Request to FRBNY (with a copy to each of the other U.S. Federal Parties). Such Borrowing Request must be received by FRBNY not later than 5 p.m. New York City time 20 calendar days prior to the FRBNY Funding Date.

(b) Subject to the Governance and Asset Management Guidelines and the satisfaction of the conditions specified in Section 10.3, FRBNY shall make the proceeds of the FRBNY Loan available to Citigroup not later than 5 p.m. New York City time on the FRBNY Funding Date by wire transfer or credit in immediately available funds to the Citigroup Loss Account.

(c) FRBNY may maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Citigroup to FRBNY resulting from the FRBNY Loan, including the amounts of principal and interest payable and paid to FRBNY from time to time hereunder; provided that the failure of FRBNY to maintain such accounts or any error therein shall not in any manner affect the obligation of Citigroup to repay the FRBNY Loan in accordance with the terms of this Master Agreement.

4.3 **Repayment of Loan.** Citigroup shall repay the outstanding principal amount of the FRBNY Loan (together with accrued and unpaid interest thereon as provided in Section 4.4) in two installments on the Installment Due Date and on the Maturity Date. The Installment Balance (together with accrued and unpaid interest thereon) shall be due and payable on the Installment Due Date and the remaining balance of the FRBNY Loan (together with accrued and unpaid interest thereon) shall be due and payable on the Maturity Date.

4.4 **Interest Rate.** (a) Subject to clause (b) below, the FRBNY Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the Overnight Index Swap Rate for such Interest Period plus 3.00%. Interest on the FRBNY Loan shall accrue on the outstanding principal amount thereof from and including the FRBNY Funding Date to but excluding the Maturity Date and shall be payable in arrears on each Interest Payment Date.

(b) If any amount payable by Citigroup under any Program Document (other than any Citigroup Non-Recourse Obligation) is not paid when due (without regard to any applicable grace period), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent
permitted by applicable laws. Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

4.5 Computation of Interest and Net Payment Amounts. (a) Interest payable pursuant hereto shall be calculated by FRBNY on the basis of a 365-day year for the actual days elapsed.

(b) Each determination of the interest rate and each calculation of the amount of interest, in each case by FRBNY pursuant to any provision of this Master Agreement, shall be conclusive and binding on Citigroup and FRBNY in the absence of manifest error.

4.6 Voluntary Prepayments. Citigroup may at any time or from time to time voluntarily prepay the FRBNY Loan in whole in cash without premium or penalty upon notice to FRBNY provided not later than 5 p.m. New York City time two Business Days prior to the date of prepayment. Citigroup may make a partial voluntary prepayment of the FRBNY Loan only with the consent of, and on terms and conditions (including the allocation of such prepayment as between the Installment Balance and the remaining balance of the FRBNY Loan) agreed to by, FRBNY in its sole discretion. Any voluntary prepayment of the FRBNY Loan shall be accompanied by all accrued interest on the amount prepaid.

4.7 Mandatory Prepayments. (a) In the event that any Citigroup Ring-Fence Entity incurs a Loss or a Post Coverage Period Loss in any Calendar Quarter in which the FRBNY Loan is outstanding, Citigroup shall prepay a principal amount of the FRBNY Loan equal to 10% of such Loss or Post Coverage Period Loss (as applicable) within 30 calendar days after the end of the applicable Calendar Quarter. Any mandatory prepayment of the FRBNY Loan shall be accompanied by all accrued interest on the amount prepaid. For the avoidance of doubt, Citigroup shall not be required to make any prepayment under this Section 4.7(a) with respect to any Loss taken into account in determining the FRBNY Available Amount pursuant to clause (b) of the definition of such term.

(b) Prepayments made under this Section 4.7 shall be allocated to the Installment Balance in proportion to the fraction of the FRBNY Loan represented by such Installment Balance as of the date of prepayment.

(c) Citigroup shall also prepay the FRBNY Loan in accordance with (and to the extent provided in) Section 7.

4.8 Payments Generally. All payments to be made by Citigroup in respect of the FRBNY Loan shall be made in such amounts, without set-off or counterclaim, as may be necessary in order that every such payment (after deduction or withholding for or on account of any present or future taxes, levies, imposts, duties or other charges of whatever nature imposed by the jurisdiction in which Citigroup is organized or any political subdivision or taxing authority therein or thereof) shall not, as a result of any such deductions or withholdings, be less than the amounts otherwise specified to be paid under this Master Agreement. All payments in respect of the FRBNY Loan will be made by Citigroup without any deduction or withholding for or on account of any tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect.

SECTION 5. COVERED ASSETS AND POST-SIGNING CONFIRMATION PROCESS

5.1 Covered Assets. Subject to the terms and conditions of this Master Agreement, the U.S. Federal Parties shall provide loss protection (or financing, as applicable) only with respect to the Covered Assets determined in accordance with this Section 5. In no event shall the coverage or financing under this Master Agreement be available with respect to any asset removed from Schedule A pursuant to Section 5.2 or 5.3.
5.2  Post-Signing Confirmation Process. (a) Not later than the 90th calendar day after the date hereof, Citigroup shall prepare and deliver to the U.S. Federal Parties an updated Schedule A hereto setting forth in complete and final form the information required to be provided on such schedule (including, for the avoidance of doubt, any necessary changes to Baseline Values). Each of the U.S. Federal Parties shall review the updated schedule and Citigroup hereby agrees that the U.S. Federal Parties shall have the right, within 120 calendar days after receipt of such updated schedule, to object to any of the following: (i) the inclusion of any asset on Schedule A purporting to be a Covered Asset on grounds that such asset fails to meet one or more of the Covered Asset Criteria or that such Covered Asset is listed more than once on Schedule A; (ii) the identification of any Covered Asset on Schedule A as either a Residential Covered Asset or a Non-Residential Covered Asset on grounds that such asset was improperly categorized; (iii) the Baseline Value assigned to any Covered Asset on grounds that such amount was improperly calculated pursuant to the terms and conditions hereof; (iv) the inclusion of any Citigroup Ring-Fence Entity Wholly Unfunded Commitment on Schedule A hereto on grounds that such commitment fails to satisfy the definition of “Citigroup Ring-Fence Entity Wholly Unfunded Commitment”; (v) the Citigroup Ring-Fence Entity Commitment Value assigned to any Citigroup Ring-Fence Entity Loan Commitment or Citigroup Ring-Fence Entity Wholly Unfunded Commitment set forth on Schedule A on grounds that such value was improperly determined; or (vi) the inclusion of Covered Assets the aggregate Baseline Values of which, when taken together with the aggregate Baseline Values of all other Covered Assets and the Citigroup Ring-Fence Entity Commitment Values of all the Citigroup Ring-Fence Entity Loan Commitments and Citigroup Ring-Fence Entity Wholly Unfunded Commitments, exceed $301,000,000,000; in each case by delivering written notice of their objections to Citigroup and proposing amendments to Schedule A (any such objection, a “U.S. Federal Objection”).

(b) Citigroup shall review any U.S. Federal Objection in good faith. Within 30 calendar days of its receipt of any U.S. Federal Objection, Citigroup shall deliver a notice to the U.S. Federal Parties either accepting such U.S. Federal Objection or disagreeing with such U.S. Federal Objection and specifying the nature of its disagreement. If Citigroup fails to deliver a notice of disagreement within 30 calendar days of its receipt of any U.S. Federal Objection, it shall be deemed to have accepted such U.S. Federal Objection and to have consented to any amendment of Schedule A proposed in such U.S. Federal Objection.

(c) Each of the U.S. Federal Parties and Citigroup shall seek to resolve any U.S. Federal Objection expeditiously and in good faith. Citigroup shall provide the U.S. Federal Parties with access to such books, records, working papers and employees as the U.S. Federal Parties may request in connection with the resolution of any U.S. Federal Objection. If the parties reach agreement with respect to any U.S. Federal Objection, they shall amend Schedule A to reflect such agreement. If the parties are unable to resolve any U.S. Federal Objection within 30 calendar days of commencing good faith negotiations, the U.S. Federal Objection shall prevail and Schedule A shall be amended consistent with such U.S. Federal Objection.

(d) If as a consequence of either (x) any necessary changes to the Baseline Value or (y) any U.S. Federal Objection that results in an amendment to Schedule A that removes assets listed as “Covered Assets” or otherwise decreases the aggregate Baseline Value thereof, the aggregate Baseline Value of all Covered Assets is reduced, then within 30 calendar days after such amendment, Citigroup shall have the right to substitute or add, as the case may be, new assets that qualify as Covered Assets up to the amount of any such decrease; provided such assets are acceptable to the U.S. Federal Parties acting in good faith; and provided, further, that such decrease does not result from a U.S. Federal Objection pursuant to Section 5.2(a)(iii) or (vi). Following any such substitution or addition of new assets, such assets shall be subject to this Master Agreement and shall be deemed to be “Covered Assets” in all respects.

(e) The Citigroup Deductible and the number of shares of Citigroup Preferred Stock to be issued to Treasury and FDIC in connection with the transactions contemplated hereby were
determined on the basis of the U.S. Federal Parties’ respective assessments of the risks associated with the Covered Assets included in Schedule A (including through a preliminary actuarial analysis by Treasury for purposes of ascertaining compliance with Section 102(c)(3) of the Emergency Economic Stabilization Act of 2008).

(f) Once the final contents of Schedule A have been confirmed, with such adjustments thereto as may be necessary, in accordance with this Section 5, the U.S. Federal Parties shall in good faith review the assessment of projected lifetime losses, taking into account any such adjustments of Covered Assets included on such Schedule (but disregarding, in assessing the projected lifetime loss for any Covered Asset with an Effective Time on January 15, 2009, any losses occurring prior to January 15, 2009). The results of the assessment to be conducted during the confirmatory process shall be used by the U.S. Federal Parties in good faith by taking the projected lifetime loss for the Covered Assets and subtracting out the Citigroup Deductible as in effect on the date of this Agreement (taking into account any changes to the amount of reserves included in the Citigroup Deductible as a result of the confirmation process but excluding the amount agreed by the parties hereto prior to the date of this Agreement as contributed in exchange for the release of Hedge Agreements). The U.S. Federal Parties’ loss projections for the Covered Assets shall be devised in good faith and in their sole discretion by:

(A) projecting lifetime losses under conservative assumptions in a base case (as opposed to a stress case) from a November 21, 2008 perspective;

(B) employing, where applicable depending on the asset class, methods including econometric modeling, analysis of collateral-specific attributes and historical performance, third-party market qualitative and quantitative research, discounted cash-flow analysis, examination of indentures and other deal documents, stratification and statistical analysis of Citigroup portfolios, and historical asset class performance at Citigroup and generally in the industry;

(C) conducting one or more meetings and discussions with Citigroup to provide Citigroup a reasonable opportunity to explain (x) Citigroup’s loss projections for each asset class, and (y) general Citigroup management practices, underwriting, and loss mitigation approaches for each asset class; and

(D) using overall methodology consistent with the methodology used by the U.S. Federal Parties to set the original Citigroup Deductible.

After finishing the foregoing calculation, the U.S. Federal Parties shall notify Citigroup of the result, including the loss projections for the Covered Assets. If this calculation results in a positive number, adjustments shall be made, in direct proportion to any increased projected loss, to the Citigroup Deductible or to the composition of the Covered Assets as identified on such Schedule in accordance with the provisions of Section 5.2(d), or additional loss protection shall be provided in another form acceptable to the U.S. Federal Parties. The decision as to how best to effect the adjustments or additions described in this section (i.e., through increase to the Citigroup Deductible, change in pool composition or otherwise) shall be made in consultation with Citigroup. For the avoidance of doubt, there will not be any downward adjustment to the Citigroup Deductible.

(g) After such adjustments or additions are made in accordance with Section 5.2(f) the projected loss analysis shall be used by Treasury in making a final actuarial calculation as required by such Section 102(c)(3). After taking into account any such adjustments or additions, and after Treasury consults with FDIC, Citigroup shall issue such additional shares of preferred stock as are necessary to ensure Treasury’s compliance with Section 102(c)(3)), as determined by Treasury, to Treasury. In the event that Citigroup issues additional shares of preferred stock to Treasury as provided for in this paragraph, Citigroup shall also issue to FDIC that number of shares of Citigroup Preferred Stock as may be necessary to cause the ratio of shares of Citigroup Preferred Stock owned by each of Treasury and
FDIC after the issuances under this Section 5.2(g) to equal the ratio that existed prior to such issuances. Citigroup shall also issue Treasury a warrant to purchase common stock for an aggregate exercise value of 10% of the Citigroup Preferred Stock issued to Treasury pursuant to this paragraph.

Citigroup shall issue (1) to each of Treasury and FDIC additional shares of Citigroup Preferred Stock with an aggregate liquidation value equal to the product of (x) the dividends that would have accrued on the shares of Citigroup Preferred Stock to be issued pursuant to Section 5.2 from November 21, 2008 to the date of issuance of such shares had such shares been issued on November 21, 2008, and (y) a fraction the numerator of which is the Adjusted Baseline Value of the Covered Assets having an effective Time of November 21, 2008 and the denominator of which is the Adjusted Baseline Value of all covered Assets, and (2) to Treasury a warrant to purchase common stock for an aggregate exercise value of 10% of the Citigroup Preferred Stock issued to Treasury pursuant to Section 5.2.

5.3 Other Exclusions. If at any other time during the term of this Master Agreement any Citigroup Ring-Fence Entity or any of the U.S. Federal Parties becomes aware of the existence of any asset improperly included as a “Covered Asset”, such Citigroup Ring-Fence Entity or U.S. Federal Party (as applicable) shall promptly report the same to the other parties hereto, Schedule A shall be amended as appropriate and all actions required under Section 5.4 shall be taken.

5.4 Effects of Exclusion. In the event any adjustment is made to Schedule A pursuant to this Section 5 and the FRBNY Available Amount or any purported Loss or Covered Loss is subsequently determined, on the basis of any such adjustment pursuant to this Section 5, to have been improperly calculated, all calculations previously made under this Master Agreement shall be recalculated promptly to the extent necessary to put the parties in the same economic position they would have been had the FRBNY Available Amount, Loss or Covered Loss been properly calculated. If Citigroup has received funds in excess of the amount to which it would have otherwise been entitled from any of the U.S. Federal Parties, it shall promptly reimburse each of the relevant U.S. Federal Parties in the amount of such excess; provided, that if Citigroup shall be unable to reimburse each of the relevant U.S. Federal Parties in full, it shall reimburse them in the order of priority specified in Section 7.2. It is understood that in the event any asset has been pledged by Citigroup to FRBNY pursuant to Section 10.3(d) that is subsequently determined to have been improperly included as a “Covered Asset,” FRBNY shall have no obligation to release its lien on such asset until such time as it shall have been reimbursed in full to the extent required under this Section 5.4.

5.5 Foreign Assets. Within 30 calendar days of any Calendar Quarter in which Citigroup incurs a Loss, Citigroup shall review and confirm that no Covered Asset consisting of an asset-backed security in respect of which a Loss was incurred in such Calendar Quarter was a “Foreign Asset” within clause (g) of the definition of that term as of the last day of such Calendar Quarter. If Citigroup identifies any such asset-backed security as a “Foreign Asset”, it shall promptly report the same to the other parties hereto. For purposes of calculating any Loss hereunder in respect of such Covered Asset incurred prior to the FRBNY Funding Date (but, for the avoidance of doubt, not any Loss or Post Coverage Period Loss subsequent to the FRBNY Funding Date), Citigroup shall only be entitled to claim an amount of Loss equal to the same percentage of the full amount of the Loss incurred on such Covered Asset as the aggregate value of the underlying assets securing such security that are obligations of U.S. Persons is of the total value of all ultimate underlying assets securing such security.

SECTION 6. DETERMINATION OF COVERED LOSSES

6.1 Quarterly Calculations. Within 30 calendar days after the end of each Calendar Quarter, Citigroup shall calculate, in each case in accordance with this Section 6: (a) the Adjusted Baseline Value of each Covered Asset as of the end of such Calendar Quarter; (b) the aggregate Losses incurred by the Citigroup Ring-Fence Entities in respect of each Covered Asset in such Calendar Quarter; (c) the aggregate Recoveries received by the Citigroup Ring-Fence Entities in respect of each Covered Asset.
6.2 Adjusted Baseline Value. As of any date of calculation, the “Adjusted Baseline Value” of each Covered Asset shall be equal to: (a) the Baseline Value of such Covered Asset plus (b) in the case of any Covered Loan, the Baseline Value of any Citigroup Ring-Fence Entity Loan Commitment Advances made in respect of such Covered Loan subsequent to the Effective Time minus (c) all Losses incurred by the Citigroup Ring-Fence Entities on such Covered Asset subsequent to the Effective Time minus (d) all principal payments and fees received with respect to such Covered Asset subsequent to the Effective Time minus (e) all Hedging Proceeds received by the Citigroup Ring-Fence Entities in respect of such Covered Asset subsequent to the Effective Time; provided that (i) no increase to “Adjusted Baseline Value” shall be made to reflect any amounts specified in clause (b) at any time subsequent to the FRBNY Funding Date and (ii) at no time shall any increase to “Adjusted Baseline Value” be made pursuant to clause (b) to the extent, as a result of such increase, the aggregate Adjusted Baseline Values of all Covered Assets, when taken together with the Citigroup Ring-Fence Entity Commitment Values of all the Citigroup Ring-Fence Entity Loan Commitments and Citigroup Ring-Fence Entity Wholly Unfunded Commitments, would exceed $301,000,000,000. The “Adjusted Baseline Value” of any Replacement Covered Asset shall initially be determined in accordance with Section 6.8 hereof, and thereafter in accordance with this Section 6.2. For the avoidance of doubt, it is understood that in no event shall Adjusted Baseline Value be increased for any accretion of value of a Covered Accrual Basis Asset.

6.3 Losses. A “Loss” in respect of any Covered Asset shall be equal to (as applicable and without duplication): (a) the amount of any Charge-Off (up to a maximum of the Adjusted Baseline Value of such Covered Asset) taken on such Covered Asset by a Citigroup Ring-Fence Entity subsequent to the Effective Time; (b) with respect to any Covered Asset Disposed of by a Citigroup Ring-Fence Entity in a Permitted Disposition subsequent to the Effective Time, the amount (if any) by which the Adjusted Baseline Value of such Covered Asset as of the date of the Permitted Disposition exceeds the proceeds from such Permitted Disposition (it being understood that in the case of any Covered Asset Disposed of in part, “Loss” shall be calculated as the amount (if any) by which the portion of the Adjusted Baseline Value of such Covered Asset that ratably corresponds to the portion of such Covered Asset being Disposed exceeds the proceeds from such Permitted Disposition); (c) with respect to any Covered Asset maturing subsequent to the Effective Time (including as a result of acceleration), the amount (if any) by which the Adjusted Baseline Value of such Covered Asset immediately prior to its maturity exceeds the principal payments and fees received by any Citigroup Ring-Fence Entity in connection with its maturity; (d) the amount of any Foreclosure Loss in respect of such Covered Asset subsequent to the Effective Time; (e) the amount of any Short-Sale Loss in respect of such Covered Asset (up to a maximum of the Adjusted Baseline Value of such Covered Asset) subsequent to the Effective Time; and (f) with respect to any Asset Exchanges in respect of a Covered Asset, the amount (if any) by which the Adjusted Baseline Value of such Covered Asset as of the date of the relevant Asset Exchange exceeds the Exchange Value of all Exchange Assets acquired in respect of such Covered Asset (whether Replacement Covered Assets or Ineligible Exchange Assets). For the avoidance of doubt, in no event shall the term “Loss” be deemed to include any loss resulting from (i) the application of Fair Value accounting to any Covered Asset on or prior to the Effective Time, (ii) any unrealized “mark to market” losses subsequent to the Effective Time or (iii) any liabilities, losses, penalties, costs or expenses incurred in connection with any financing arrangements or unwinding of financing arrangements in respect of any Covered Asset.

6.4 Recoveries. “Recoveries” in respect of any Covered Asset shall be equal to the sum of the following items (without duplication), up to the aggregate amount of Losses incurred on such Covered Asset at such time: (i) all amounts collected by any Citigroup Ring-Fence Entity on Charge-Offs of such Covered Asset plus (ii) the amount of all fees and other consideration received by any Citigroup Ring-Fence Entity in connection with any amendment, modification, renewal, extension, refinancing,
restructuring, commitment or other similar action taken by such Citigroup Ring-Fence Entity with respect to such Covered Asset in respect of which any Charge-Off has been taken by any Citigroup Ring-Fence Entity (provided, that the amount of any such fees or other consideration counted as a “Recovery” shall not exceed the aggregate amount of the related Charge-Offs taken and any Recovery Expenses related thereto); plus (iii) all amounts collected by any Citigroup Ring-Fence Entity in respect of any other Losses incurred on such Covered Asset plus (iv) if such Covered Asset is pledged to FRBNY pursuant to Section 10.3(d), all amounts received by FRBNY upon any sale, collection from, or other realization upon such Covered Asset in accordance with the Security Documents; minus (iv) the Recovery Expenses incurred by the Citigroup Ring-Fence Entities in respect of such Covered Asset plus (v) any amounts collected by the Citigroup Ring-Fence Entities that reimburse Recovery Expenses previously incurred by them in respect of such Covered Asset; provided, “Recoveries” shall not include any cash interest payments received by the Citigroup Ring-Fence Entities permitted to be retained for their account pursuant to Section 7.4(c). For the avoidance of doubt, it is understood that “Recoveries” shall also not include any amounts advanced to Citigroup by Treasury or FDIC pursuant to Sections 2 or 3 of this Master Agreement or borrowed by Citigroup pursuant to Section 4 of this Master Agreement.

6.5 Gains. “Gains” in respect of any Covered Asset shall be equal to the amount (if any) by which: (a) the sum of (i) all amounts received in cash subsequent to the Effective Time by any Citigroup Ring-Fence Entity upon any sale, collection from, or other realization upon such Covered Asset (including all Hedging Proceeds in respect of such Covered Asset, but excluding any cash interest payments received by the Citigroup Ring-Fence Entities permitted to be retained for their account pursuant to Section 7.4(c)) and (ii) if such Covered Asset is pledged to FRBNY pursuant to Section 10.3(d), all amounts received in cash by FRBNY upon any sale, collection from, or other realization upon such Covered Asset exceeds (b) the Adjusted Baseline Value of such Covered Asset. With respect to any Asset Exchanges in respect of a Covered Asset, a “Gain” shall be equal to the amount (if any) by which the aggregate Exchange Values of all Exchange Assets acquired in respect of such Covered Asset (whether Replacement Covered Assets or Ineligible Exchange Assets) exceeds the Adjusted Baseline Value of such Covered Asset as of the date of the relevant Asset Exchange.

6.6 Citigroup Quarterly Net Losses. For any Calendar Quarter, a “Citigroup Quarterly Net Loss” shall be equal to the amount (if any) by which (a) all Losses incurred by the Citigroup Ring-Fence Entities on all Covered Assets in such Calendar Quarter exceed (b) the sum of all Recoveries and Gains realized by the Citigroup Ring-Fence Entities on all Covered Assets in such Calendar Quarter.

6.7 Covered Losses. For any Calendar Quarter, a “Covered Loss” shall be equal to 90% of any Citigroup Quarterly Net Loss for that quarter, but only to the extent that such Citigroup Quarterly Net Loss, when taken together with all prior Citigroup Quarterly Net Losses incurred on a cumulative basis by the Citigroup Ring-Fence Entities subsequent to the Effective Time, exceeds the Citigroup Deductible; provided, that in no event shall any Loss arising from a failure by any Citigroup Ring-Fence Entity to manage the Covered Assets in accordance with the Governance and Asset Management Guidelines be considered in calculating a Citigroup Quarterly Net Loss or a Covered Loss hereunder.

6.8 Effects of Asset Exchanges on Calculations. (a) In the event any Citigroup Ring-Fence Entity acquires one or more Exchange Assets in an Asset Exchange, Citigroup shall promptly determine whether each such Exchange Asset satisfies the criteria for a Replacement Covered Asset, in which case such Exchange Asset shall be a Replacement Covered Asset (and therefore a Covered Asset for purposes of this Master Agreement), or whether such asset is an Ineligible Exchange Asset, in which case such asset shall not be eligible for loss-sharing coverage under this Master Agreement.

(b) In connection with its acquisition of any Exchange Asset, Citigroup shall value such asset for purposes of this Master Agreement in accordance with then applicable accounting
principles and valuation policies applied by Citigroup to its assets generally and consistent with the Governance and Asset Management Guidelines (such value, the “Exchange Value”) and shall determine on the basis of such Exchange Value whether as a result of such Asset Exchange, the applicable Citigroup Ring-Fence Entity has incurred a Loss or realized a Gain in accordance with the terms of Sections 6.3 and 6.5. For the avoidance of doubt, any Gain realized by a Citigroup Ring-Fence Entity as a result of any Asset Exchange shall be applied as required under Section 7 (in the case of any Ineligible Exchange Asset, as set forth in Section 6.8(d)).

(c) Immediately following the determinations in Section 6.8(b), Citigroup shall calculate an initial Adjusted Baseline Value for each Replacement Covered Asset.

(i) In the case of any single Replacement Covered Asset acquired in respect of a Covered Asset, such Replacement Covered Asset shall be deemed to have an initial Adjusted Baseline Value equal to either:

(A) if such Replacement Covered Asset has an Exchange Value that is equal to or less than the Adjusted Baseline Value (as of the date of the Asset Exchange) of the Covered Asset for which it was exchanged, such Replacement Covered Asset’s Exchange Value; or

(B) if such Replacement Covered Asset has an Exchange Value that is greater than the Adjusted Baseline Value (as of the date of the Asset Exchange) of the Covered Asset for which it was exchanged, the Adjusted Baseline Value (as of the date of the Asset Exchange) of the Covered Asset for which it was exchanged.

(ii) In the case of multiple Exchange Assets acquired in respect of a Covered Asset all of which are Replacement Covered Assets, each such Replacement Covered Asset shall be deemed to have an initial Adjusted Baseline Value equal to either:

(A) if the sum of the Exchange Values of the Replacement Covered Assets is equal to or less than the Adjusted Baseline Value (as of the date of the Asset Exchange) of the Covered Asset for which they were exchanged, such Replacement Covered Asset’s Exchange Value; or

(B) if the sum of the Exchange Values of the Replacement Covered Assets is greater than the Adjusted Baseline Value (as of the date of the Asset Exchange) of the Covered Asset for which they were exchanged, such Replacement Covered Asset’s ratable portion (taking in account the Exchange Values of all the Replacement Covered Assets acquired in such Asset Exchange) of the Adjusted Baseline Value (as of the date of the Asset Exchange) of the Covered Asset for which it was exchanged.

(iii) In the case of multiple Exchange Assets acquired in respect of a Covered Asset not all of which are Replacement Covered Assets, each such Replacement Covered Asset acquired in such Asset Exchange shall be deemed to have an initial Adjusted Baseline Value equal to either:

(A) if the sum of the Exchange Values of the Replacement Covered Assets is equal to or less than the Adjusted Baseline Value (as of the date of the Asset Exchange) of the Covered Asset for which they were exchanged, such Replacement Covered Asset’s Exchange Value; or

(B) if the sum of the Exchange Values of the Replacement Covered Assets is greater than the Adjusted Baseline Value (as of the date of the Asset Exchange) of the Covered Asset for which they were exchanged, such Replacement Covered Asset’s ratable portion (taking in account the Exchange Values of all the Replacement Covered Assets and excluding the Exchange Values of any Ineligible Exchange Assets acquired in such Asset Exchange) of the Adjusted Baseline Value (as of the date of the Asset Exchange) of the Covered Asset for which it was exchanged.
For the avoidance of doubt, it is understood that the initial Adjusted Baseline Value of any Replacement Covered Asset (or group of Replacement Covered Assets) calculated in accordance with this Section 6.8 shall never be greater than the Adjusted Baseline Value of the Covered Asset for which it was exchanged as of the date of such Asset Exchange.

(d) In the case of any acquisition by a Citigroup Ring-Fence Entity of an Ineligible Exchange Asset in any Calendar Quarter, Citigroup shall pay in cash (i) in the case of any such acquisition prior to the FRBNY Funding Date, a portion of the Exchange Value of such Ineligible Exchange Asset equal to any Gain required to be applied, as part of any Excess Recoveries or Gains, under Section 7.1 within 30 calendar days of such Calendar Quarter (and such cash shall be applied as required under Section 7.1) or (ii) in the case of any such acquisition on or subsequent to the FRBNY Funding Date, 90% of the Exchange Value of such Ineligible Exchange Asset within 30 calendar days of such Calendar Quarter (and such cash shall be applied as required under Section 7.2).

(e) Each calculation, valuation or other determination made by Citigroup pursuant to this Section 6.8 shall be subject to the review of the U.S. Federal Parties.

6.9 Effects of Exchange Rates on Calculations. For purposes of making any calculation required under this Section 6 or otherwise under this Master Agreement, Citigroup shall use the Dollar Equivalent of any relevant amounts in respect of Covered Assets denominated in currencies other than Dollars.

SECTION 7. APPLICATION OF RECOVERIES, GAINS AND OTHER AMOUNTS

7.1 Application Prior to the FRBNY Funding Date. Within 30 calendar days of each Calendar Quarter ending prior to the FRBNY Funding Date in which the Citigroup Ring-Fence Entities have received Excess Recoveries or Gains in respect of the Covered Assets, Citigroup shall apply 90% of such Excess Recoveries or Gains as follows (it being understood that the remaining 10% may be retained by Citigroup):

(a) **First**, to reimburse FDIC for any outstanding FDIC Advances;

(b) **Second**, to reimburse Treasury for any outstanding Treasury Advances;

(c) **Third**, to reimburse Treasury and FDIC (on a ratable basis) for any costs, expenses, indemnities or other amounts to which they are entitled under this Master Agreement; and

(d) **Fourth**, to reduce, on a dollar for dollar basis, the sum of all Citigroup Quarterly Net Losses deemed to have been incurred by Citigroup in or prior to such Calendar Quarter for purposes of determining whether such Citigroup Quarterly Net Losses equal or exceed the Citigroup Deductible; **provided** that if no Citigroup Quarterly Net Losses have been incurred in or prior to such Calendar Quarter (or the sum of such Citigroup Quarterly Net Losses has been reduced to zero pursuant to this clause (d)), any remaining Excess Recoveries or Gains shall be accounted for by Citigroup to offset any future Citigroup Quarterly Net Losses in subsequent Calendar Quarters in direct chronological order.

7.2 Application Subsequent to the FRBNY Funding Date. Within 30 calendar days of each Calendar Quarter ending subsequent to the FRBNY Funding Date in which any Citigroup Ring-Fence Entity or FRBNY (upon its exercise of remedies under the Security Documents), as the case may be, has received any amounts in respect of any Covered Asset (other than interest payments permitted to be retained for the account of the Citigroup Ring-Fence Entities to the extent provided in Section 7.4), Citigroup or FRBNY (as applicable) shall apply 90% of such proceeds as follows (it being understood that the remaining 10% may be retained by, or shall be paid by FRBNY to, Citigroup, as applicable):

(a) **First**, to repay the outstanding principal amount of the FRBNY Loan;
Second, to pay any accrued and unpaid interest on the FRBNY Loan;

Third, to reimburse FDIC for any outstanding FDIC Advances;

Fourth, to reimburse Treasury for any outstanding Treasury Advances; and

Fifth, to reimburse each of the U.S. Federal Parties (on a ratable basis) for any costs, expenses, indemnities or other amounts to which they are entitled under this Master Agreement or any other Program Document.

Any amounts remaining after application in accordance with this Section 7.2 may be retained by Citigroup; provided that if the application of any proceeds pursuant to this Section 7.2 is made by FRBNY following its exercise of remedies under the Security Documents, 90% of any remaining amounts shall be retained by FRBNY.

7.3 Effect on Treasury and FDIC Available Amounts. Any amounts reimbursed to Treasury or FDIC pursuant to Section 7.1 shall be available for further Treasury Advances or FDIC Advances as applicable, subject to the terms and conditions of this Master Agreement (but, for the avoidance of doubt, no amounts repaid to FRBNY shall be available for any further FRBNY loans and no amounts reimbursed to Treasury or FDIC pursuant to Section 7.2 shall be available for further Treasury Advances or FDIC Advances).

7.4 Non-Recourse Obligations. (a) Subject to Section 7.4(b), notwithstanding anything to the contrary in this Master Agreement and the other Program Documents, (i) no Citigroup Ring-Fence Entity shall have any obligation to reimburse or repay (as applicable) any outstanding Citigroup Non-Recourse Obligations except to the extent provided in this Section 7 and the Security Documents and (ii) the Citigroup Non-Recourse Obligations are solely the obligations of Citigroup and, to the extent provided in the Security Documents, the Citigroup Ring-Fence Affiliates and shall be payable solely out of the Covered Assets. No recourse shall be had for the payment of any Citigroup Non-Recourse Obligations against any holder of Capital Stock, employee, officer or Affiliate of Citigroup (provided that the foregoing shall not relieve any such person or entity from any liability it might otherwise have as a result of fraudulent actions taken or omissions by it).

(b) All of the Citigroup Loan Obligations (other than those Citigroup Loan Obligations constituting Citigroup Non-Recourse Obligations) shall be with full recourse to the Citigroup Ring-Fence Entities and shall not be subject to the limitations of Section 7.4(a).

(c) For the avoidance of doubt, it is understood that all interest payments (as determined in accordance with applicable accounting principles and regardless of how characterized under the terms of the applicable Covered Asset) received in cash by the Citigroup Ring-Fence Entities in respect of the Covered Assets (and not including any accretion of discount in accordance with applicable accounting principles) shall be solely for the account of the Citigroup Ring-Fence Entities; provided that if at any time subsequent to the FRBNY Funding Date any Event of Default shall have occurred and be continuing, the U.S. Federal Parties shall have the right to receive such cash interest payments and such payments shall be applied as set forth in Section 7.2.

(d) The provisions of this Section 7.4 shall survive the termination or expiration of this Master Agreement.

7.5 Citigroup Payments to the U.S. Federal Parties. Any amounts required to be applied by Citigroup under Section 7.1 or 7.2 to reimburse any of the U.S. Federal Parties shall be paid by Citigroup to the account designated by FRBNY in writing to Citigroup from time to time. Citigroup shall include with each such payment directions to FRBNY as to the allocation of amounts among the U.S. Federal Parties (which allocation shall be made in accordance with the order of payments specified in
Section 7.1 or 7.2 (as applicable)). Upon its receipt of any funds from Citigroup, FRBNY shall promptly distribute such funds in accordance with Citigroup’s directions.

7.6 Allocation of Payments. Amounts applied under Section 7.2 to repay the outstanding principal amount of the FRBNY Loan shall be allocated to the Installment Balance in proportion to the fraction of the FRBNY Loan represented by such Installment Balance as of the date of repayment.

SECTION 8. CERTAIN LIMITATIONS

8.1 Limitation on Loss Payment and Calculations. (a) The U.S. Federal Parties shall not be required to give effect to and shall have the right to challenge or correct any calculation by Citigroup under the Master Agreement that the U.S. Federal Parties determine, in their good faith judgment, based upon the requirements of the Program Documents, has not been properly determined by Citigroup. Such calculations shall include, without limitation, determinations of Adjusted Baseline Value, amounts applied toward the Citigroup Deductible, Exchange Value, calculations relating to Foreign Asset status, Foreclosure Loss, Gains, Hedging Proceeds, Loss, Recoveries and Recovery Expenses. Each of the U.S. Federal Parties and Citigroup shall seek to resolve any disagreement relating to such calculations expeditiously and in good faith. If the parties are unable to resolve any such objection within 30 calendar days of commencing good faith discussions, the calculation as determined by the U.S. Federal Parties shall prevail and the parties shall make such accounting adjustments and payments as may be necessary to give retroactive effect to such corrections.

(b) Without in any way limiting the foregoing Section 8.1(a), the U.S. Federal Parties shall not be required to make any payments under the Master Agreement with respect to any Charge-Off (or otherwise give effect to any Charge-Off) of a Covered Asset that the U.S. Federal Parties determine was improperly taken by Citigroup in violation of the requirements of the Program Documents. In the event that the U.S. Federal Parties do not make any payment with respect to, or otherwise give any effect to, any Charge-Off of a Covered Asset pursuant to this Section or determine that a payment or any calculation based on a Charge-Off was improperly made, Citigroup and the U.S. Federal Parties shall make such accounting adjustments and payments as may be necessary to give retroactive effect to such corrections.

(c) No Covered Asset shall be treated as such for purposes of calculating a Loss with respect thereto (a) after Citigroup makes any additional advance, commitment or increase in the amount of a commitment with respect to such Covered Asset that does not constitute a Citigroup Ring-Fence Entity Loan Commitment Advance, (b) after Citigroup makes any amendment, modification, renewal or extension to such Covered Asset that does not constitute a Permitted Amendment, or (c) after Citigroup has managed, administered or collected any Related Asset (as such term is defined in Section 5.3 of the Governance and Asset Management Guidelines) in any manner which would have the effect of increasing the amount of any collections with respect to the Related Asset to the detriment of the Covered Asset to which such asset is related; provided, that if Citigroup shall thereafter promptly cure any such condition specified in clause (a), (b) or (c) to the satisfaction of the U.S. Federal Parties, such Covered Asset shall once again be eligible for loss-sharing coverage to the full extent permitted under this Master Agreement; and provided, further, that any such Covered Asset that has been the subject of Charge-Offs prior to the taking of any action described in clause (a), (b), or (c) of this Section by Citigroup shall be treated as a Covered Asset for the purpose of calculating Recoveries and Gains with respect to such Covered Asset under this Master Agreement.

(d) Notwithstanding any other provision of the Program Documents, the U.S. Federal Parties may withhold payment for any amounts included in a Quarterly Certificate delivered pursuant to Section 3.3 of the Governance and Asset Management Guidelines, if, in their good faith judgment, there is a reasonable basis for denying the eligibility of an item for which reimbursement or
payment is sought under the Master Agreement. In such event, the U.S. Federal Parties shall provide a written notice to Citigroup detailing the grounds for withholding such payment. At such time as Citigroup demonstrates to the reasonable satisfaction of the U.S. Federal Parties that the grounds for such withholding of payment, or portion of payment, no longer exist or have been cured, then the relevant U.S. Federal Party shall pay Citigroup the amount withheld which the relevant U.S. Federal Party reasonably determines is eligible for payment, within fifteen (15) Business Days.

SECTION 9. REPRESENTATIONS AND WARRANTIES

Citigroup hereby represents and warrants, on behalf of itself and the Citigroup Ring-Fence Affiliates, and each Citigroup Ring-Fence Affiliate represents and warrants on behalf of itself, to each of the U.S. Federal Parties that:

9.1 Existence; Compliance with Law. Each of the Citigroup Ring-Fence Entities (a) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (b) has the power and authority, and the legal right, to own its assets and to transact the activities in which it is permitted to engage, (c) is duly qualified as a foreign organization and in good standing under the laws of each jurisdiction where the character of its property, the nature of its business and the performance of its obligations made such qualification necessary and (d) is in compliance in all material respects with all Requirements of Law, except in the case of clauses (b), (c) or (d) as could not reasonably be expected to have a Material Adverse Effect.

9.2 Power; Authorization; Enforceable Obligations. Each Citigroup Ring-Fence Entity has the power and authority, and the legal right, to make, deliver and perform the Program Documents to which it is, or will become, a party and, in the case of Citigroup, to borrow the FRBNY Loan hereunder. Each Citigroup Ring-Fence Entity has taken all necessary organizational action to authorize the execution, delivery and performance of the Program Documents to which it is, or will become, a party and to authorize the borrowing of the FRBNY Loan on the terms and conditions of this Master Agreement. No consent or authorization of, filing with, notice to or other act by or in respect of, any Governmental Authority or any other Person is required in connection with the transactions and the borrowing of the FRBNY Loan hereunder or with the execution, delivery, performance, validity or enforceability of this Master Agreement or any of the Program Documents to which any Citigroup Ring-Fence Entity is, or will become, a party, except (i) consents, authorizations, filings and notices as have been obtained or made and are in full force and effect, (ii) the filings referred to in the Security Documents and (iii) consents, authorizations, filings and notices the failure of which to obtain could not reasonably be expected to have a Material Adverse Effect. Each Program Document to which any Citigroup Ring-Fence Entity is, or will become, a party has been duly executed and delivered on behalf of such entity. This Master Agreement constitutes, and each other Program Document to which any Citigroup Ring-Fence Entity is, or will become, a party, upon execution, will constitute, a legal, valid and binding obligation of such entity, enforceable against such entity in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

9.3 No Legal Bar. The execution, delivery and performance of this Master Agreement and the other Program Documents to which any Citigroup Ring-Fence Entity is, or will become, a party, the borrowing of the FRBNY Loan hereunder and the use of the proceeds of any Treasury Advance, FDIC Advance or the FRBNY Loan will not violate, and will not result in, or require the creation or imposition of any Lien (other than any Lien created by the Security Documents) on any of its properties, assets or revenues under, (a) any Requirement of Law or (b) any Contractual Obligation, except with respect to clause (b) to the extent that any violation of such Contractual Obligation could not reasonably be expected to have a Material Adverse Effect.
9.4 **Litigation.** No litigation, investigation or proceeding of, or before, any arbitrator or Governmental Authority is pending or, to the knowledge of Citigroup, threatened by or against any Citigroup Ring-Fence Entity or against any of such Citigroup Ring-Fence Entity’s properties, assets or revenues, except as could not reasonably be expected to have a Material Adverse Effect.

9.5 **No Default.** Except as could not reasonably be expected to have a Material Adverse Effect, no Citigroup Ring-Fence Entity is in default under or with respect to any of its Contractual Obligations.

9.6 **Taxes.** Except as could not, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, each of the Citigroup Ring-Fence Entities has filed or caused to be filed all Federal, state and other tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority. No tax Liens have been filed, and, to the knowledge of Citigroup, no claims are being asserted, with respect to any such tax, fee or other charge, except those that are being contested in good faith by appropriate proceedings diligently conducted for which appropriate reserves have been established in accordance with GAAP.

9.7 **Federal Regulations.** None of the Covered Assets pledged pursuant to any Security Document constitutes “margin stock” within the meaning of such term under Regulation U.

9.8 **ERISA.** No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to have a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 158) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the current fair market value of the assets of such Plan by an amount that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 158) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans by an amount that could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

9.9 **Investment Company Act; Other Regulations.** None of the Citigroup Ring-Fence Entities is required to be registered as an “investment company” under the Investment Company Act of 1940, as amended.

9.10 **Accuracy of Information, Etc.** Each statement and any information contained in this Master Agreement, any other Program Document or any other document, certificate or statement furnished by or on behalf of any Citigroup Ring-Fence Entity to any of the U.S. Federal Parties for use in connection with the transactions contemplated by this Master Agreement or the other Program Documents, is accurate in all material respects as of the date such statement, information, document or certificate was so furnished.

9.11 **Security Documents.** The provisions of the Security Documents are effective to create in favor of FRBNY a legal, valid and enforceable first priority Lien (subject to no other Liens except Permitted Liens) on all right, title and interest of the Citigroup Ring-Fence Entities in the Covered Assets described therein. Except for filings or other actions contemplated by the Security Documents, no filing or other action will be necessary to perfect or protect such Liens.
SECTION 10. CONDITIONS PRECEDENT

10.1 Conditions to Treasury Advances. The agreement of Treasury to make any Treasury Advance is subject to the satisfaction or waiver (in Treasury’s sole discretion), prior to or concurrently with the making of such Treasury Advance, of the following conditions precedent:

(a) **Citigroup Deductible.** Subsequent to the close of business on November 21, 2008, the Citigroup Ring-Fence Entities shall have (i) incurred, on a cumulative basis, an amount of Citigroup Quarterly Net Losses equal to or greater than the Citigroup Deductible and (ii) provided documentation evidencing the incurrence of such Citigroup Quarterly Net Losses satisfactory to Treasury with respect thereto;

(b) **Representations and Warranties.** Each of the representations and warranties made by each Citigroup Ring-Fence Entity in Sections 9.1, 9.2 and 9.3 shall be true and correct in all material respects on and as of the date such Treasury Advance is made as if made on and as of such date and each of the other representations and warranties made by each Citigroup Ring-Fence Entity in Section 9 shall be true and correct in all material respects as of the date made;

(c) **No Event of Default.** No Event of Default shall have occurred and be continuing on such date or after giving effect to the Treasury Advance to be made on such date;

(d) **Loss Claim.** Treasury shall have timely received a fully executed Loss Claim in accordance with the requirements of Section 2.2; and

(e) **Other.** Treasury shall have received (i) all reports required to be delivered by Citigroup under the Governance and Asset Management Guidelines prior to the date such Treasury Advance is made that are in Treasury’s judgment material to the making of such Treasury Advance and (ii) such legal opinions of outside counsel, certificates of resolutions or other action, incumbency certificates, organizational and governing documents and evidence of valid existence and good standing as it reasonably may require.

10.2 Conditions to FDIC Advances. The agreement of FDIC to make any FDIC Advance is subject to the satisfaction or waiver (in FDIC’s sole discretion), prior to or concurrently with the making of such FDIC Advance, of the following conditions precedent:

(a) **Citigroup Deductible.** Subsequent to the close of business on November 21, 2008, the Citigroup Ring-Fence Entities shall have (i) incurred, on a cumulative basis, an amount of Citigroup Quarterly Net Losses equal to or greater than the Citigroup Deductible and (ii) provided documentation evidencing the incurrence of such Citigroup Quarterly Net Losses satisfactory to FDIC with respect thereto;

(b) **Treasury Advances.** There shall be $5,000,000,000 of outstanding Treasury Advances;

(c) **Representations and Warranties.** Each of the representations and warranties made by each Citigroup Ring-Fence Entity in Sections 9.1, 9.2 and 9.3 shall be true and correct in all material respects on and as of the date such FDIC Advance is made as if made on and as of such date and each of the other representations and warranties made by each Citigroup Ring-Fence Entity in Section 9 shall be true and correct in all material respects as of the date made;

(d) **No Event of Default.** No Event of Default shall have occurred and be continuing on such date or after giving effect to the FDIC Advance to be made on such date;
10.3 Conditions to FRBNY Loan. The agreement of FRBNY to make the FRBNY Loan is subject to the satisfaction or waiver (in FRBNY’s sole discretion), prior to or concurrently with the making of such loan, of the following conditions precedent:

(a) Citigroup Deductible. Subsequent to the close of business on November 21, 2008, the Citigroup Ring-Fence Entities shall have (i) incurred, on a cumulative basis, an amount of Citigroup Quarterly Net Losses equal to or greater than the Citigroup Deductible and (ii) provided documentation evidencing the incurrence of such Citigroup Quarterly Net Losses satisfactory to FRBNY with respect thereto;

(b) Treasury Advances. There shall be $5,000,000,000 of outstanding Treasury Advances;

(c) FDIC Advances. There shall be $10,000,000,000 of outstanding FDIC Advances;

(d) Pledge of Covered Assets. Each of the Citigroup Ring-Fence Entities shall have executed the Security and Guaranty Agreement and any other Security Documents FRBNY may require, and FRBNY shall have an exclusive, first priority perfected security interest in each Covered Asset in existence as of the FRBNY Funding Date (subject only to Permitted Liens). No such Covered Asset shall be the subject of any other financing by any Government Authority pursuant to an arrangement outside of this Master Agreement and FRBNY shall have received evidence to its satisfaction that all actions it may deem necessary or desirable in order to perfect the security interests under the Security Documents have been taken (including receipt of duly executed payoff letters and UCC-3 termination statements);

(e) Filings, Registrations and Recordings. Each document (including any Uniform Commercial Code financing statement) required by the Security Documents or under law or reasonably requested by FRBNY to be filed, registered or recorded in order to create in favor of FRBNY a perfected Lien on the Covered Assets described therein, prior and superior in right to any other Person, shall be in proper form for filing, registration or recordation;

(f) Legal Opinions. FRBNY shall have received one or more executed legal opinions of outside counsel to each Citigroup Ring-Fence Entity covering such matters incident to the pledge of Covered Assets and the making of the FRBNY Loan as FRBNY may reasonably require;

(g) Representations and Warranties. Each of the representations and warranties made by each Citigroup Ring-Fence Entity in Sections 9.1, 9.2 and 9.3 shall be true and correct in all material respects on and as of the date such FRBNY Loan is made as if made on and as of such date and each of the other representations and warranties made by each Citigroup Ring-Fence Entity in Section 9 shall be true and correct in all material respects as of the date made;

(h) No Event of Default. No Event of Default shall have occurred and be continuing on such date or after giving effect to the FRBNY Loan to be made on such date;
(i) **Borrowing Request.** FRBNY shall have timely received a fully executed Borrowing Request in accordance with the requirements of Section 4.2; and

(j) **Other.** FRBNY shall have received (i) all reports required to be delivered by Citigroup under the Governance and Asset Management Guidelines prior to the date such FRBNY Loan is made that are in FRBNY’s judgment material to the making of such FRBNY Loan and (ii) such certificates of resolutions or other action, incumbency certificates, organizational and governing documents and evidence of valid existence and good standing as it reasonably may require.

SECTION 11. COVENANTS

Each Citigroup Ring-Fence Entity hereby agrees, and Citigroup agrees to cause each of the Citigroup Ring-Fence Affiliates, to:

11.1 **Asset Management.** Manage the Covered Assets in accordance with the Governance and Asset Management Guidelines and comply with all reporting and other obligations to the U.S. Federal Parties contained therein (as the Governance and Asset Management Guidelines may be modified from time to time by the U.S. Federal Parties as provided therein); provided, that at any time following the incurrence by the Citigroup Ring-Fence Entities of Losses, net of any Gains and Recoveries, in excess of $27,000,000,000, if the U.S. Federal Parties shall so require in their discretion upon reasonable notice to Citigroup, Citigroup shall enter into an asset management agreement appointing an asset manager (other than Citigroup or any of its Affiliates) satisfactory to the U.S. Federal Parties to manage all or such portion of the Covered Assets as the U.S. Federal Parties shall designate on terms and conditions satisfactory to the U.S. Federal Parties; and provided, further, that at any time following any request by Citigroup to borrow the FRBNY Loan, if FRBNY shall so require in its discretion upon reasonable notice to Citigroup, Citigroup shall enter into custody arrangements with a custodian selected by FRBNY for the Covered Assets pledged to FRBNY as collateral for the FRBNY Loan and servicing arrangements with a servicer selected by FRBNY for the Covered Assets on terms and conditions satisfactory to FRBNY.

11.2 **Corporate Governance.** Comply with all obligations and limitations on the Citigroup Ring-Fence Entities contained in the Governance and Asset Management Guidelines.

11.3 **Executive Compensation.** Comply with all obligations and limitations on the Citigroup Ring-Fence Entities contained in the Executive Compensation Guidelines.

11.4 **Dividends.** Prior to November 20, 2011, without the consent of each of the U.S. Federal Parties, refrain from declaring or paying any dividend (whether in cash or in additional Capital Stock) on any of Citigroup’s common stock, whether now or hereafter outstanding, or make any other distribution in respect thereof, in excess of $.01 per share of such common stock per fiscal quarter of Citigroup.

11.5 **Information.** Furnish to each of the U.S. Federal Parties:

(a) promptly upon receipt thereof, duplicates or copies of all reports, notices, requests, demands, certificates and other instruments and similar writings furnished to any of the Citigroup Ring-Fence Entities and required to be delivered to any of the U.S. Federal Parties under any Program Document; and

(b) promptly, such financial and other information as any of the U.S. Federal Parties may from time to time reasonably request.

11.6 **Maintenance of Existence; Compliance.** (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain all rights,
privileges and franchises necessary or desirable in the normal conduct of its business; (b) comply with all material Requirements of Law and (c) punctually perform and observe all of its obligations and agreements contained in the Program Documents to which it is a party.

11.7 Inspection of Property; Books and Records; Discussions. In addition to any other requirements under the Governance and Asset Management Guidelines, (a) keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to the Covered Assets, and (b) permit representatives of each of the U.S. Federal Parties to visit and examine and make abstracts from any of its books and records relating to the Covered Assets (including with respect to Charge-Offs and Recoveries) at any reasonable time and as often as may reasonably be desired and to discuss the status of the Covered Assets with officers and employees of the Citigroup Ring-Fence Entities and with Citigroup’s independent certified public accountants.

11.8 Notices. Promptly give notice to the U.S. Federal Parties of:

(a) the occurrence of any Default or Event of Default;

(b) any material litigation, investigation or proceeding affecting the Citigroup Ring-Fence Entities which relates to any Program Document; and

(c) any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 11.8 shall be accompanied by a statement of a Responsible Officer of Citigroup setting forth details of the occurrence referred to therein and stating what action Citigroup proposes to take with respect thereto.

11.9 Liens. Refrain from creating, incurring, assuming or suffering to exist any Lien upon any of the Covered Assets pledged pursuant to any Security Documents or assign or otherwise convey or encumber any existing or future right to receive any income or payments thereon, except for Permitted Liens.

11.10 Investment Company Act. Conduct its business at all times so as to not be required to register as an “investment company” under the Investment Company Act of 1940, as amended.

11.11 Amendments to Program Documents. Refrain from amending or modifying any of the Program Documents (including without limitation any exhibits, schedules or other similar portions thereof) without the prior written consent of each of the U.S. Federal Parties.

11.12 ERISA. (a) Provide written notice to the U.S. Federal Parties promptly upon obtaining knowledge of the occurrence of any ERISA Event that could result in a liability that is reasonably likely to exceed $100,000,000. Such notice shall be accompanied by a statement of the Chief Financial Officer or Treasurer of Citigroup setting forth details of such occurrence and stating what action Citigroup or the ERISA Affiliate proposes to take with respect thereto.

(b) Deliver to the U.S. Federal Parties any material notices received by Citigroup, any of its subsidiaries or any ERISA Affiliate (i) from any governmental agency with respect to any Plan having aggregate unfunded liabilities in excess of $100,000,000 or (ii) from any government agency, plan administrator, sponsor or trustee with respect to any Multiemployer Plan having aggregate unfunded liabilities in excess of $100,000,000, in each case no later than 15 days after the later of the date such notice has been filed with the Internal Revenue Service or received by Citigroup or such subsidiary or ERISA Affiliate.
11.13 Compliance with Section 7. Take all actions necessary for Citigroup to comply with Section 7 of this Master Agreement.

11.14 Post-Signing Accession of Citigroup Ring-Fence Affiliates. Within 30 calendar days of the final determination of the Covered Assets to be included on Schedule A pursuant to Section 5.2, Citigroup shall cause each Citigroup Ring-Fence Affiliate listed on Schedule A to become a party to this Master Agreement by executing an Accession Agreement and, in connection therewith, shall deliver such legal opinions of outside counsel as to matters concerning the Citigroup Ring-Fence Affiliates and their accession to the Program Documents, certificates of resolutions or other action, incumbency certificates, organizational and governing documents and evidence that the Citigroup Ring-Fence Affiliates are validly existing and in good standing, in each case as the U.S. Federal Parties reasonably may require.

11.15 Affiliate Transfers. No Citigroup Ring-Fence Entity shall transfer any Covered Asset to any Affiliate of Citigroup unless:

(a) such Affiliate is a U.S. Person;

(b) such Affiliate (on or prior to the date of such transfer) becomes a party to this Master Agreement by executing an Accession Agreement;

(c) if such transfer is made subsequent to the FRBNY Funding Date, such Affiliate (on or prior to the date of such transfer) becomes a party to the Security and Guaranty Agreement and any other Security Documents FRBNY may require, and FRBNY continues to have an exclusive, first priority perfected security interest in such Covered Asset (subject only to Permitted Liens);

(d) such Affiliate (on or prior to the date of such transfer) delivers such legal opinions of outside counsel as to matters concerning such Affiliate and its accession to the Program Documents, certificates of resolutions or other action, incumbency certificates, organizational and governing documents and evidence that such Affiliate is validly existing and in good standing, in each case as the U.S. Federal Parties reasonably may require; and

(e) such transfer is made in accordance with the requirements of the Governance and Asset Management Guidelines.

11.16 Dispositions in Connection with Corporate Transactions. No Citigroup Ring-Fence Entity shall sell, dispose or otherwise transfer control of any Citigroup Ring-Fence Affiliate in whole or in part (including by the sale of participations), unless (a) the Covered Assets owned by such Citigroup Ring-Fence Affiliate are first transferred to another Affiliate of Citigroup in a transaction permitted by Section 11.15 or (b) such Citigroup Ring-Fence Entity shall have obtained the prior written consent of each of the U.S. Federal Parties.

SECTION 12. EVENTS OF DEFAULT; INSTALLMENT DEFAULT

12.1 Events of Default. If any of the following events shall occur and be continuing:

(a) Citigroup shall fail to make any mandatory prepayment of the FRBNY Loan required by Section 4.7(a); or

(b) Citigroup shall fail to apply the proceeds of any Recoveries or Gains or any other amounts in respect of any Covered Asset to reimburse Treasury for any Treasury Advances or FDIC for any FDIC Advances or to repay the principal of the FRBNY Loan, in each case as required under Section 7; or
(c) Citigroup shall fail to pay any interest on the FRBNY Loan within five days after the same shall become due in accordance with the terms hereof; or

(d) (i) any of the representations or warranties made by any Citigroup Ring-Fence Entity in Sections 9.1, 9.2 and 9.3 shall be false, incorrect or inaccurate in any material respect at any time or (ii) any other representation or warranty made or deemed made by any Citigroup Ring-Fence Entity herein or in any other Program Document or that is contained in any certificate, document or other statement furnished by it at any time under or in connection with this Master Agreement or any such other Program Document shall be false, incorrect or inaccurate in any material respect on or as of the date made or deemed made and such condition continues unremedied for 30 calendar days after Citigroup’s receipt of written notice from any of the U.S. Federal Parties; or

(e) any Citigroup Ring-Fence Entity shall default in the observance or performance of any material covenant, agreement or undertaking contained in this Master Agreement or any other Program Document and such default shall continue and not be cured for a period of 30 calendar days after Citigroup’s receipt of written notice thereof from any of the U.S. Federal Parties; or, in the case of a failure to deliver to the U.S. Federal Parties an updated Schedule A as required by Section 5.2(a) within 90 days from the date hereof, such failure shall continue unremedied for 60 days after Citigroup's receipt of written notice, provided that Citigroup shall have delivered to the U.S. Federal Parties within 90 days from the date hereof a written plan setting forth in reasonable detail the work remaining to be done to complete and deliver an updated Schedule A within 150 days from the date hereof, which plan in the good faith judgment of the U.S. Federal Parties evidences a reasonable program to comply with the obligations set forth in Section 5.2(a).

(f) (i) any Citigroup Ring-Fence Entity shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets; or (ii) there shall be commenced against any Citigroup Ring-Fence Entity any case, proceeding or other action of a nature referred to in clause (i) above that (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed and undischarged for a period of 60 days; or (iii) there shall be commenced against any Citigroup Ring-Fence Entity any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets that results in the entry of an order for any such relief that shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) any Citigroup Ring-Fence Entity shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii), or (iii) above; or (v) any Citigroup Ring-Fence Entity shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or (vi) any Citigroup Ring-Fence Entity shall make a general assignment for the benefit of its creditors; or

(g) any of the Security Documents shall cease, for any reason, to be in full force and effect, or any Citigroup Ring-Fence Entity shall so assert, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby; provided, that with respect to any such event in respect of a portion of the Covered Assets pledged pursuant to the Security Documents the then-current Adjusted Baseline Value of which is no greater than $10,000,000, such default shall continue and not be cured for a period of ten (10) days; then, in any such event, (a) Treasury shall have no further obligation to make Treasury Advances, (b) FDIC shall have no further obligation to make FDIC Advances, (c) FRBNY shall have no obligation to make the FRBNY Loan (if the FRBNY Funding Date has not yet occurred) and (d) FRBNY shall have
the right to declare the FRBNY Loan (together with accrued and unpaid interest thereon and all other amounts owing under this Master Agreement and any of the Program Documents immediately due and payable, and upon the occurrence of any Event of Default described in Section 12.1(f), the FRBNY Loan (together with accrued and unpaid interest thereon) and all other amounts owing under this Master Agreement and any other Program Documents shall automatically become and be due and payable. Except as expressly provided above in this Section, presentment, demand, protest and all other notices of any kind are hereby expressly waived by Citigroup.

12.2 Covered Asset Liquidation Events. If any of the following events shall occur (each such event, a “Covered Asset Liquidation Event”):

(a) on the Installment Due Date, FRBNY shall not have received funds in an amount at least equal to the Installment Balance; or

(b) on the Maturity Date, FRBNY shall not have received funds in an amount at least equal to the outstanding principal amount of the FRBNY Loan.

then, in any such event, FRBNY shall have the right (but not any obligation) to sell, assign, transfer or otherwise dispose of all or any part of the Non-Residential Covered Assets (in the case of clause (a)) or the Covered Assets (in the case of clause (b)) and each Citigroup Ring-Fence Entity shall, and Citigroup shall cause each of the Citigroup Ring-Fence Affiliates to, take such actions as FRBNY requests in order to facilitate FRBNY’s exercise of the foregoing right.

SECTION 13. MISCELLANEOUS

13.1 Amendments and Waivers. Neither this Master Agreement, any other Program Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 13.1. No amendment, supplement or modification to this Master Agreement or any other Program Document or waiver of, any of the requirements of this Master Agreement or any other Program Document or any Default or Event of Default and its consequences shall be effective without the written consent of each of the U.S. Federal Parties. Any waiver, amendment, supplement or modification so consented to shall be binding upon each of the parties hereto. In the case of any waiver, each of the parties hereto shall be restored to its former position and rights hereunder and under the other Program Documents, and any Default or Event of Default waived shall be deemed to be cured and not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon. Any purported amendment, supplement or modification not complying with the terms of this Section 13.1 shall be null and void.

13.2 Notices. All notices, requests, consents and demands to or upon the respective parties hereto to be effective shall be in writing (including by telecopy or other electronic mail transmission), and, unless otherwise expressly provided herein, must be delivered by messenger, overnight courier service, telecopy or electronic mail, and shall be deemed to have been duly given or made when delivered, or notice by electronic mail transmission, or, in the case of telecopy notice, when received, addressed as follows or to such other address as may be hereafter notified by the respective parties hereto:

Citigroup: Citigroup Inc.
399 Park Avenue
New York, New York 10022
Attention: Michael S. Helfer, Esq., General Counsel
Telecopy: (212) 793-5300
Telephone: (212) 559-5152
Email: helferm@citi.com
Each Citigroup Ring-Fence Affiliate: c/o Citigroup at the address above

Treasury: Department of the Treasury
1500 Pennsylvania Avenue, NW
Room 2312
Washington, DC 20220
Attention: Laurie Schaffer
Assistant General Counsel
Telephone: (202) 622-1988
Email: laurie.schaffer@do.treas.gov

FDIC:

Loss Claims and reports: Federal Deposit Insurance Corporation
Manager, Non-Structured Transactions
Division of Resolutions and Receiverships
Attention: Citigroup Shared-Loss
550 17th Street, N.W.
Washington, D.C. 20429

General notices: Federal Deposit Insurance Corporation
Assistant Director, Resolution Strategies
Division of Resolutions and Receiverships
Attention: Citigroup Shared-Loss
550 17th Street, N.W.
Washington, D.C. 20429

in each case with a copy to: Federal Deposit Insurance Corporation
Legal Division
Senior Counsel
Attention: Citigroup Shared-Loss
3501 Fairfax Drive
Arlington, VA 22226

FRBNY:

Borrowing Request: Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045
Attention: Susan McLaughlin
Telecopy: (212) 720-8200
Telephone: (212) 720-1321
Email: susan.mclaughlin@ny.frb.org

General notices: Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045
Attention: Paul Whynott
Telephone: (212) 720-2388
Email: paul.whynott@ny.frb.org

in each case with a copy to: Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045
provided that any notice, request or demand to or upon any of the U.S. Federal Parties shall not be effective until received. Notices and other communications to the U.S. Federal Parties and each Citigroup Ring-Fence Entity hereunder may be delivered or furnished by electronic communications.

13.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any of the U.S. Federal Parties, any right, remedy, power or privilege hereunder or under the other Program Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

13.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Program Documents and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Master Agreement, the making of any Treasury Advances, FDIC Advances or the FRBNY Loan.

13.5 Payment of Expenses and Taxes. Citigroup agrees (a) to pay or reimburse the U.S. Federal Parties for all of the U.S. Federal Parties’ reasonable out-of-pocket costs and expenses incurred in connection with the development, preparation, review, negotiation and execution of, and any amendment, supplement or modification to, this Master Agreement and the other Program Documents and any other documents prepared in connection herewith or therewith or in connection with the transactions contemplated thereby, and the consummation and administration of the transactions contemplated hereby and thereby, including the reasonable fees and disbursements of counsel to the U.S. Federal Parties (including Cleary Gottlieb Steen & Hamilton LLP) and experts retained by the U.S. Federal Parties (including PricewaterhouseCoopers LLP and BlackRock Financial Management, Inc.), (b) to pay or reimburse the U.S. Federal Parties for all costs and expenses incurred by them in connection with the enforcement or preservation of any rights under this Master Agreement, the other Program Documents and any such other documents, including the fees and disbursements of counsel to the U.S. Federal Parties, (c) to pay, indemnify, and hold the U.S. Federal Parties and their Related Parties harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes (other than those of the nature of an income tax), if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement and modification of, or any waiver or consent under or in respect of, this Master Agreement, the other Program Documents and any such other documents and (d) to pay, indemnify, and hold the U.S. Federal Parties and their Related Parties (each, an “Indemnitee”) harmless from and against, any and all liabilities, obligations, losses, claims, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, including the reasonable fees and disbursements of counsel to an Indemnitee (including allocated costs of internal counsel), which may be imposed on, incurred by, or asserted against any Indemnitee, in any way relating to or arising out of this Master Agreement or the transactions contemplated hereby or the breach of any representation or warranty made herein by Citigroup or any action taken or omitted to be taken by it hereunder (the “Indemnified Liabilities”); provided that Citigroup shall not be liable to any Indemnitee for any portion of such Indemnified Liabilities to the extent it is found by a final, nonappealable decision of a court of competent jurisdiction to have resulted from such Indemnitee’s gross negligence or willful misconduct. If and to the extent that the foregoing indemnification is for any reason held unenforceable, Citigroup agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is
permissible under applicable law. The agreements in this Section 13.5 shall survive repayment of the Treasury Advances, the FDIC Advances, the FRBNY Loan and all other amounts payable hereunder.

13.6 Successors and Assigns; Participations and Assignments. The provisions of this Master Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby; provided, that no Citigroup Ring-Fence Entity may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each of the U.S. Federal Parties except pursuant to any permitted transfer to an Affiliate under Section 11.15 (and any attempted assignment or transfer by any Citigroup Ring-Fence Entity without such consent shall be null and void).

13.7 Counterparts. This Master Agreement may be executed by one or more of the parties to this Master Agreement on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Master Agreement by email or facsimile transmission shall be effective as delivery of a manually executed counterpart hereof. A set of the copies of this Master Agreement signed by all the parties shall be lodged with Citigroup and each of the U.S. Federal Parties.

13.8 Severability. Any provision of this Master Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.9 Integration. This Master Agreement and the other Program Documents represent the entire agreement of each Citigroup Ring-Fence Entity and the U.S. Federal Parties with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the U.S. Federal Parties relative to the subject matter hereof not expressly set forth or referred to herein or in the other Program Documents.

13.10 GOVERNING LAW. THIS MASTER AGREEMENT SHALL BE GOVERNED BY FEDERAL LAW OR, IN THE ABSENCE OF ANY CONTROLLING FEDERAL LAW, THE LAW OF THE STATE OF NEW YORK.

13.11 Submission To Jurisdiction; Waivers. Each Citigroup Ring-Fence Entity hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Master Agreement and the other Program Documents to which it is a party, or for recognition and enforcement of any judgment in respect thereof, to the exclusive jurisdiction of the courts of the United States for the Southern District of New York, and appellate courts thereof; provided that, notwithstanding the foregoing, if there is no basis for federal jurisdiction in respect of any such legal action or proceeding or recognition and enforcement action, then such Citigroup Ring-Fence Entity submits for itself and its property in any such legal action or proceeding or recognition and enforcement action to the exclusive jurisdiction of the courts of the State of New York located in the Borough of Manhattan in New York City, and appellate courts thereof;

(b) consents that any such action or proceeding may be brought only in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;
(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Citigroup Ring-Fence Entity at its address set forth in Section 13.2 or at such other address of which the U.S. Federal Parties shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law;

(e) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in another jurisdiction by suit on the judgment or in any other matter provided by law; and

(f) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding any special, indirect, exemplary, punitive or consequential damages of any kind whatsoever (including for lost profits).

13.12 Acknowledgements. Each Citigroup Ring-Fence Entity hereby acknowledges that:

(a) the U.S. Federal Parties have no fiduciary relationship with or duty to any Citigroup Ring-Fence Entity arising out of or in connection with this Master Agreement or any of the other Program Documents; and

(b) no joint venture is created hereby or by the other Program Documents or otherwise exists by virtue of the transactions contemplated hereby between the U.S. Federal Parties and any Citigroup Ring-Fence Entity.

13.13 WAIVERS OF JURY TRIAL. EACH CITIGROUP RING-FENCE ENTITY AND THE U.S. FEDERAL PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS MASTER AGREEMENT OR ANY OTHER PROGRAM DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

13.14 Standard of Conduct. Except as expressly provided herein, in exercising any of their rights under this Master Agreement or any other Program Document, the U.S. Federal Parties shall not have any obligation or duty to any Person or to consider or take into account the interests of any Person and shall not be liable to any Person for any action taken by them or at their direction or any failure by them to act or to direct that an action be taken, without regard to whether such action or inaction benefits or adversely affects any Citigroup Ring-Fence Entity or any other Person.

13.15 Term of Master Agreement. This Master Agreement shall be effective as of the date hereof and shall continue in effect until the earliest to occur of the following: (a) the Loss Coverage Period Outside Date, if no Treasury Advance, FDIC Advance or FRBNY Loan has been made hereunder; (b) the fifth anniversary of the Loss Coverage Period Outside Date, if any Treasury Advance or FDIC Advance has been made hereunder, but the FRBNY Funding Date has not occurred on or prior to such date or the FRBNY Loan has been made but all Citigroup Loan Obligations have been paid in full (other than as a result of FRBNY exercising its remedies under the Security Documents); (c) the date, subsequent to the Loss Coverage Period Outside Date, on which Citigroup has (i) reimbursed Treasury for all outstanding Treasury Advances, (ii) reimbursed FDIC for all outstanding FDIC Advances and (iii) repaid the FRBNY Loan (plus accrued interest thereon) and satisfied in full all other Citigroup Loan Obligations; and (d) the date, subsequent to the FRBNY Funding Date, by which FRBNY has exercised its remedies under the Security Documents, disposed of all Covered Assets pledged to it as security for the FRBNY Loan and distributed all amounts received by it in respect of such Covered Assets in
accordance with Section 7.2 (or, if earlier, the fifth anniversary of the Loss Coverage Period Outside Date). Notwithstanding the foregoing, the provisions of Sections 7.4, 13.4 and 13.5 shall survive termination of this Master Agreement.

13.16 Access, Information and Confidentiality. (a) From the date hereof until the date when Treasury holds an amount of Citigroup Preferred Stock having an aggregate liquidation value of less than $400,000,000, Citigroup will permit Treasury and its agents, consultants, contractors and advisors (x) acting through the Appropriate Federal Banking Agency, to examine the corporate books and make copies thereof and to discuss the affairs, finances and accounts of the Citigroup Ring-Fence Entities with the principal officers of Citigroup, all upon reasonable notice and at such reasonable times and as often as Treasury may reasonably request and (y) to review any information material to Treasury’s investment in Citigroup provided by Citigroup to its Appropriate Federal Banking Agency.

(b) From the date hereof until the date when FDIC holds an amount of Citigroup Preferred Stock having an aggregate liquidation value of less than $300,000,000, Citigroup will permit FDIC and its agents, consultants, contractors and advisors (x) to examine the corporate books and make copies thereof and to discuss the affairs, finances and accounts of Citigroup Ring-Fence Entities with the principal officers of Citigroup, all upon reasonable notice and at such reasonable times and as often as FDIC may reasonably request and (y) to review any information material to the FDIC’s investment in Citigroup provided by Citigroup to its Appropriate Federal Banking Agency.

(c) From the date hereof until the date when Treasury and FDIC collectively hold an amount of Citigroup Preferred Stock having an aggregate liquidation value of less than $700,000,000, Citigroup will and will permit and will cause the Citigroup Ring-Fence Affiliates to permit (x) each of Treasury and FDIC and its respective agents, consultants, contractors, (y) the Special Inspector General of the Troubled Asset Relief Program, and (z) the Comptroller General of the United States access to personnel and any books, papers, records or other data, in each case, to the extent relevant to ascertaining compliance with the terms and conditions of Treasury Advances and FDIC Advances; provided that prior to disclosing any information pursuant to clause (y) or (z), the Special Inspector General of the Troubled Asset Relief Program and the Comptroller General of the United States shall have agreed, with respect to documents obtained under this agreement in furtherance of its function, to follow applicable law and regulation (and the applicable customary policies and procedures) regarding the dissemination of confidential materials, including redacting confidential information from the public version of its reports and soliciting the input from the company as to information that should be afforded confidentiality, as appropriate.

(d) Each of Treasury and FDIC will use reasonable best efforts to hold, and will use reasonable best efforts to cause its respective agents, consultants, contractors, advisors, and United States executive branch officials and employees, to hold, in confidence all non-public records, books, contracts, instruments, computer data and other data and information (collectively, “Information”) concerning Citigroup furnished or made available to it by Citigroup or its representatives pursuant to this Master Agreement (except to the extent that such information can be shown to have been (i) previously known by such party on a non-confidential basis, (ii) in the public domain through no fault of such party or (iii) later lawfully acquired from other sources by the party to which it was furnished (and without violation of any other confidentiality obligation)); provided that nothing herein shall prevent Treasury or FDIC from disclosing any Information to the extent required by applicable laws or regulations or by any subpoena or similar legal process. Treasury and FDIC understand that the Information may contain commercially sensitive confidential information entitled to an exception from a Freedom of Information Act request.

(e) Each of Treasury and FDIC represents that it has been informed by the Special Inspector General of the Troubled Asset Relief Program and the Comptroller General of the United States that they, before making any request for access or information pursuant to their audit function under this Master Agreement, will establish a protocol to avoid, to the extent reasonably possible, duplicative
requests pursuant to this Master Agreement. Nothing in this section shall be construed to limit the authority that the Special Inspector General of the Troubled Asset Relief Program or the Comptroller General of the United States have under law.

(f) FRBNY will use reasonable best efforts to hold, and will use reasonable best efforts to cause its respective agents, consultants, contractors, advisors, officers and employees, to hold, in confidence all non-public records, books, contracts, instruments, computer data and other data and information (collectively, “FRBNY Information”) concerning Citigroup furnished or made available to it by Citigroup or its representatives pursuant to this Master Agreement (except to the extent that such information can be shown to have been (i) provided in connection with FRBNY’s supervisory authority, (ii) in connection with the exercise of any remedies hereunder or under the other Program Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, (iii) previously known by such party on a non-confidential basis, (iii) in the public domain through no fault of such party or (iii) later lawfully acquired from other sources by the party to which it was furnished (and without violation of any other confidentiality obligation)); provided that nothing herein shall prevent FRBNY from disclosing any FRBNY Information to the Board of Governors of the Federal Reserve System or to the extent required by applicable laws or regulations or by any subpoena or similar legal process or pursuant to its FOIA policy. FRBNY understands that the FRBNY Information may contain commercially sensitive confidential information entitled to an exception from a Freedom of Information Act request.

13.17 Confidential Information. Citigroup and each Citigroup Ring-Fence Entity agrees to keep confidential all non-public information, including the Program Documents, and other related documents provided to it by any Person pursuant to or in connection with this Agreement or the other Program Documents; provided that nothing herein shall prevent Citigroup from disclosing any such information (a) based on or in the press release and term sheet approved by the U.S. Federal Parties on the date hereof, (b) as contemplated in section 13.16, (c) to its Citigroup Ring-Fence Entities who have a need to know such information (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (d) upon the request or demand of any regulatory authority, (e) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (f) in connection with the exercise of any remedies hereunder or under the other Program Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, (g) to any U.S. Federal Parties, (h) with the consent of the U.S. Federal Parties (i) to the extent such information becomes publicly available other than as a result of a breach of this Master Agreement; provided, further, that prior to any disclosure of information pursuant to clause (d) or (e) of the proviso above, Citigroup shall notify the U.S. Federal Parties, if legally permitted to do so, of any proposed disclosure as far in advance of such disclosure as practicable and, upon the U.S. Federal Parties’ request, take all reasonable actions to ensure that any information disclosed is accorded confidential treatment, or if such notice to the U.S. Federal Parties is prohibited by law, inform the relevant court, regulatory authority of the U.S. Federal Parties’ interest in the disclosed information and request that such court, regulatory authority inform the U.S. Federal Parties of the disclosure.
IN WITNESS WHEREOF, the parties hereto have caused this Master Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

CITIGROUP INC.

By: [Signature]

Name: Gary Crittenden
Title: Chief Financial Officer
By: Mitchell L. Glassman
Name: Mitchell L. Glassman
Title: Director
Division of Resolutions and Receiverships
FEDERAL RESERVE BANK OF NEW YORK

By: [Signature]

Name: Susan E. McLaughlin
Title: Senior Vice President