

As of July 8, 2010



Canada GEN Investment Corporation
1235 Bay Street, Suite 400
Toronto, Ontario
M5R 3K4

Attention: Michael Carter, President

Dear Sirs and Mesdames:

This letter (the “Letter Agreement”) will confirm the understanding and agreement between Rothschild Inc., together with its affiliates, as appropriate (“Rothschild”) and Canada GEN Investment Corporation (“GEN”) pursuant to which Rothschild accepts its engagement by GEN to develop a strategic plan for the possible divestiture of GEN’s common shares and preferred shares in General Motors Company, or any successor thereof (“GM”) and to also provide GEN with tactical advice relating to those shares, all as more fully described in this Letter Agreement.

1. Services to be Rendered

GEN hereby engages Rothschild as its financial advisor for the following purposes:

- (a) to identify and evaluate options for GEN to monetize its GM holdings;
- (b) to maintain ongoing dialogue with management of GEN and other parties as directed by GEN as to strategy for disposal of GM shares, including participation or assistance in negotiations with GM and other shareholders, analyzing financial and other information provided by GM or others with respect to potential transactions, and interpreting the performance of GM with respect to suggested divestment scenarios and timetables;
- (c) to provide ongoing advice on the US/Canadian/international equity market appetite for GM shares, including via an initial public offering (“IPO”), together with commentary on the market for other listed car companies;
- (d) to provide an independent perspective regarding the attractiveness of any sale or IPO opportunity including pricing, size, timing, market environment, perspective on IPO discounts and “overhang”, GM corporate strategy and operational performance in the near and long term, and any other relevant issues identified during a sale or IPO process;
- (e) to provide ongoing advice regarding the state of relevant capital markets, market demand, sector performance, and other market analysis and advice regarding sales after a sale or IPO;



- (f) to participate in preliminary negotiations with key underwriting firms of GM shares for any share offerings, if necessary. This requirement will include the need to move forward any particular agenda items raised by GEN. In particular, the Advisor will be required to provide opinions or advice on any potential offers received or contemplated to purchase GEN's assets or the participation in an underwriting;
- (g) to provide related advice regarding issues specific to government entities, identified by GEN; and
- (h) to provide other services requested and agreed from time to time.

Rothschild will report to and take instructions from officers and directors of GEN. Rothschild will be asked by GEN from time to time to relay its advice directly to representatives of Canada Development Investment Corporation ("CDIC"), being GEN's parent company, the Government of Canada or the Government of Ontario from time to time to assist GEN in fulfilling its mandate. To the extent that Rothschild is in contact with other representatives of the Government of Canada or the Government of Ontario as requested by GEN above, it will report to GEN the nature of such conversations (including general descriptions of advice given and information received).

Rothschild hereby confirms that it has obtained or made all governmental approvals or registrations required under law to authorize the performance of its obligations under this Letter Agreement and that it is not aware of any legal or financial impediments to performing its obligations under this Letter Agreement that it has not disclosed in writing to GEN. Rothschild further confirms that it is not subject to any pending or, to its knowledge, threatened legal, regulatory or enforcement actions that could impair its ability to provide any services under this Letter Agreement, or that could in any way pose a reputational risk to GEN or Rothschild in managing the portfolio of securities and obligations.

2. Fees

In connection with this engagement, GEN shall pay to Rothschild the following fees:

- (a) for the period from the date hereof and for the first five months of the term of this Letter Agreement (the "Initial Compensation Period"), a services fee of US\$400,000 per month, payable monthly in arrears (the "Initial Compensation"); and
- (b) thereafter (the "Subsequent Compensation Period"), a retainer fee of US\$100,000 per month (the "Subsequent Compensation"),



provided, that

- (c) during the Subsequent Compensation Period, in months in which either Rothschild or GEN indicates that an abnormally high level of activity occurs and the other party agrees to that designation, the Subsequent Compensation for such months will be US\$200,000; and
- (d) during the Initial Compensation Period, GEN shall be entitled to provide Rothschild with written notice advising that the initial services to provided under this Letter Agreement are to be delayed, in which case (i) GEN shall be entitled to reduce the Initial Compensation following the first two months of the term of this Letter Agreement to the same rate as the Subsequent Compensation; and (ii) the term of the Initial Compensation Period shall be suspended as of the date of such notice and shall resume upon GEN providing written notice to Rothschild as to the resumption of such initial services, and the Initial Compensation Period shall be extended accordingly.

All fees payable hereunder are net of all applicable withholding and similar taxes and are payable in United States dollars.

3. Expenses

In addition to the compensation payable pursuant to Paragraph 2 above, GEN shall reimburse Rothschild for all of Rothschild's reasonable and documented out-of-pocket expenses incurred in connection with the performance of its engagement hereunder including but not limited to travel and communication expenses, database service expenses, courier charges and the reasonable fees, disbursements and other expenses of Rothschild's legal counsel; provided that Rothschild shall not retain legal counsel without the consent of GEN, which consent shall not be unreasonably withheld.

4. GM-Related Engagements

Given that independent financial advice is vital to GEN in respect of this engagement, Rothschild acknowledges and agrees that Rothschild and its affiliates will not provide financial advisory services directly to any other shareholder of or advisor to GM or its affiliates (collectively, the "GM Group") in respect of the GM Group or securities of the GM Group, or for the GM Group, including in respect of any IPO or sale of securities of the GM Group or as a part of a syndicate formed in respect of an IPO, without GEN's prior consent during the term of this Letter Agreement and for a period of 3 months thereafter.



5. Information

GEN will assemble and make available or cause to be made available to Rothschild on a timely basis, all such information (financial or otherwise), data, documents, opinions, appraisals, valuations or other information and materials of whatsoever nature or kind respecting GEN and GM that is in GEN's possession or control, as Rothschild may reasonably require or consider appropriate in carrying out its services hereunder. Notwithstanding the foregoing, GEN will not make available or cause to be made available any material that it is prevented for confidentiality reasons from so doing; provided GEN will inform Rothschild to the extent the information omitted makes the information it provided materially misleading. GEN also agrees to provide Rothschild with timely access to the officers, employees, independent auditors, consultants and financial, legal and other professional advisors of GEN as Rothschild may reasonably require or consider appropriate in performing its services hereunder.

Rothschild shall be entitled to rely upon such information provided by GEN and all other information that is filed by GEN or GM with applicable securities regulatory or other similar authorities pursuant to applicable prospectus or continuous disclosure obligations, and Rothschild shall be under no obligation to verify independently any such information, provided that in each case Rothschild is acting reasonably. Rothschild shall also be under no obligation to determine whether there have been or to investigate any changes in any of such information occurring after the date any of the same were provided or obtained.

6. Term of Engagement

This Letter Agreement shall become effective on the date hereof and shall terminate 24 months from the date of this Letter Agreement (the "Initial Period"), subject to renewal as mutually agreed to by the parties for successive periods of 12 months; provided, that (a) GEN may terminate this Letter Agreement with or without cause, upon 10 days' prior written notice to Rothschild to that effect, at any time following the sale, transfer or disposition by GEN of GM common shares representing at least 80% of its holdings of GM common shares as of the date hereof, and (b) GEN may terminate this Letter Agreement at any time if (i) Rothschild or any of its employees, affiliates or contractors engages in any act of fraud, negligence or willful misconduct against GEN, its affiliates or GM; or (ii) Rothschild or any of its employees, affiliates or contractors has, in the opinion of GEN, acting reasonably, breached the provisions of this Letter Agreement or the Confidentiality Agreement between GEN and Rothschild dated July 2, 2010 (the "Confidentiality Agreement"), which breach is not remedied (to the extent capable of being remedied) within the period specified in notice by GEN to such effect (which period will not be less than 30 days); or (iii) Rothschild becomes bankrupt, insolvent or ceases to carry on its business in the ordinary course.



No termination of Rothschild's engagement hereunder shall affect GEN's obligation to pay accrued fees and expenses up to the time of termination to the extent provided for herein. Paragraphs 3, 5, 6 and 8 of this Letter Agreement shall survive termination hereof.

7. Other Rothschild Activities

In the ordinary course of Rothschild's investment banking, brokerage and financial advisory services activities, Rothschild or its affiliates may hold positions for its own account or the accounts of its clients in equity, debt or other securities of GM or any other party that may be involved in a transaction with GM.

8. General

Rothschild may not transfer or assign its rights under this Letter Agreement without the prior written consent of GEN, which may be granted or withheld in GEN's sole discretion. Any purported transfer or assignment without the prior written consent of GEN shall be void. Subject to the foregoing, the benefits of this Letter Agreement shall inure to the respective successors and assigns of the parties hereto and the obligations and liabilities assumed in this Letter Agreement by the parties hereto shall be binding upon their respective successors and assigns.

This Letter Agreement and the Confidentiality Agreement contain the entire agreement of the parties with respect to the subject matter hereof and supersede and take precedence over all prior agreements or understandings, either oral or written, between GEN and Rothschild and may not be amended or modified except in a writing executed by the parties hereto. Each party has all requisite power and authority to enter into this Letter Agreement and the transactions contemplated hereby. This Letter Agreement has been duly and validly authorized by all necessary action on the part of each party and has been duly executed and delivered by each party and constitutes a legal, valid and binding agreement of each party, enforceable in accordance with its terms.

Rothschild shall not make use of any GEN, CDIC or Government of Canada name, symbol, emblem, program name, or product name, in any advertising, signage, promotional material, press release, Web page, publication, or media interview, without the prior written consent of GEN or CDIC or the Government of Canada, as applicable.

None of Rothschild, its affiliates and contractors, or any employee of Rothschild or any affiliate or contractor personnel shall make statements to the media or issue press releases regarding their services under this Letter Agreement without the prior written consent of GEN.

Rothschild has been retained under this Letter Agreement as an independent contractor and not as a fiduciary or agent of GEN or any third party (including CDIC and the Government of Canada) or employees of GEN or CDIC.



This Letter Agreement may not be amended or modified except in a writing executed by the parties hereto.

All aspects of the relationship created by this Letter Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Ontario applicable to contracts made and to be performed therein without giving effect to conflicts of law principles. GEN AND ROTHSCHILD WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF ROTHSCHILD PURSUANT TO OR THE PERFORMANCE BY ROTHSCHILD OF THE SERVICES CONTEMPLATED BY THIS LETTER AGREEMENT.

This agreement may be executed in one or more facsimile counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same document.

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If the foregoing correctly sets forth our agreement, we would appreciate your signing and returning to us the enclosed copy of this Letter Agreement, whereupon this Letter Agreement shall constitute a binding agreement between us.

Sincerely,

ROTHSCHILD INC.

SIGNED:

“Christopher R. Lawrence”

Deputy Chairman of
Global Investment Banking

Date: August 5, 2010

Agreed and Accepted as of July 8, 2010:

CANADA GEN INVESTMENT CORPORATION

SIGNED:

“Michael Carter”

President

Date: August 11, 2010

SIGNED:

“Benita Warmbold”

Chair

Date: August 11, 2010