DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

April 4, 2014

Jeffrey J. Hurd, Esq.
Executive Vice President
Human Resources and Communications
American International Group, Inc.
175 Water Street
New York, NY 10038

Re: Compensation Payments and Structure for AIG "Top 25" Employee

Dear Mr. Hurd:

Pursuant to the Department of the Treasury's Interim Final Rule, TARP Standards for Compensation and Corporate Governance (the "Rule"), on April 1, 2011, the Office of the Special Master issued a determination letter (the "Determination Letter") to American International Group, Inc. ("AIG"), with respect to 2011 compensation payments and structures for AIG's "top 25" executive officers and most highly compensated employees. 31 C.F.R. § 30.16(a)(3)(i).

AIG has requested that the Office of the Special Master modify a provision of the long-term restricted stock element of employee number 1087's 2011 compensation package. Pursuant to the Determination Letter, the employee was awarded long-term restricted stock having a grant-date value of $1,200,000 for the employee's 2011 services (the "2011 LTRS award"). The Determination Letter permits two-thirds of the award to vest not earlier than the second anniversary of the award date, and the remaining portion not earlier than the third anniversary of the award date.

The Rule requires a minimum two-year service period for the vesting of any award of long-term restricted stock, except in instances of death, disability and certain change in control events. 31 C.F.R. § 30.1, paragraph (4) of the definition of "long-term restricted stock". The Determination Letter incorporates the Rule's exceptions for terminations of employment resulting from death or disability, but does not include the Rule's exception for terminations of employment resulting from certain changes in control. In adopting vesting conditions that are stricter than the Rule permits, the Office of the Special Master preserves its ability to decide on a case-by-case basis whether any modification of those stricter vesting provisions may be appropriate based on specific facts and circumstances.

AIG hired the employee in 2010 to head one of its subsidiaries, and specifically to prepare the subsidiary for an IPO or sale. We further understand from AIG that since the employee joined the company it has considered a number of transactions that would have permitted the employee to continue on as head of the subsidiary. AIG, however, currently plans to close a transaction that it considers more favorable than the previously considered transactions, but that may also result in the termination of the employee's services due to the acquiring entity's staffing needs. If AIG pursues this course, the employee's termination may occur prior to the third anniversary of the date of the 2011 LTRS award (the second anniversary of the date of the 2011 LTRS award has already occurred). AIG considers that the employee has succeeded in accomplishing the goals for which the employee was hired, and wishes to avoid penalizing the employee for that success.

In light of the facts communicated by AIG, the Office of the Special Master approves AIG's request to permit the continued vesting of the unvested portion of employee 1087's 2011 LTRS award if, prior to the third anniversary of the award date, the employee has a termination of service resulting from a change in control event as described in paragraph (4) of the definition of "long-term restricted stock", 31 C.F.R. § 30.1. For the avoidance of doubt, this approval permits continued vesting, but does not contemplate acceleration of the timing of transferability or payment, as applicable, of the portion of the award otherwise required, by the terms of the Determination Letter, to vest not earlier than the third anniversary of the award date.

The approval in this letter applies only to the employee referenced above and shall not be relied upon by anyone with respect to any other facts or circumstances. Such conclusion is limited to the authority vested in the Office of the Special Master by Section 30.16(a)(3) of the Rule, and shall not constitute, or be construed to constitute, the judgment of the Office of the Special Master or the Department of the Treasury with respect to the compliance of the proposed compensation payments or structure or any other compensation payments or structure for the subject employee with any other provision of the Rule. Moreover, my evaluation and conclusion with respect to this employee have relied upon, and are qualified in their entirety by, the accuracy of the facts as described above and the materials submitted by AIG to the Office of the Special Master, and the absence of any material misstatement or omission in such materials.

Very truly yours,

Patricia Geoghegan

Patricia Geoghegan
Office of the Special Master
for TARP Executive Compensation

cc: Mitchell D. Schultz
Marc R. Trevino, Esq.