
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): July 5, 2017

AMERICAN INTERNATIONAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-8787
(Commission
File Number)

13-2592361
(IRS Employer
Identification No.)

175 Water Street
New York, New York 10038
(Address of principal executive offices)

Registrant's telephone number, including area code: (212) 770-7000

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Section 5 — Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(c) On July 5, 2017, American International Group, Inc. (“AIG”) announced that it appointed Peter Zaffino as Executive Vice President and Global Chief Operating Officer, effective August 1, 2017.

Mr. Zaffino, age 50, has more than 25 years of experience in the insurance and reinsurance industry. He previously served, since 2011, as the Chief Executive Officer of Marsh LLC, a global insurance brokerage and risk management firm and a subsidiary of Marsh & McLennan Companies, Inc. (“MMC”), and also served as Chairman of the Risk and Insurance Services segment of MMC since 2015. Mr. Zaffino was also a member of MMC’s Executive Committee since 2008. Prior to his being named Chief Executive Officer of Marsh LLC, Mr. Zaffino as President and Chief Executive Officer of Guy Carpenter & Company, LLC, a global risk and reinsurance firm and also a subsidiary of MMC (“Guy Carpenter”), having previously held a number of senior roles at the firm. Prior to joining Guy Carpenter in 2001, he held several senior positions, including serving in an executive role with a GE Capital portfolio company.

In connection with Mr. Zaffino’s appointment, AIG and Mr. Zaffino entered into a letter agreement (the “Letter Agreement”) establishing Mr. Zaffino’s initial compensation, which will consist of an annual base salary of \$1.25 million, a short-term annual incentive target of \$3 million and an annual long-term incentive award of \$4.25 million. For 2017, consistent with AIG’s compensation program for other executive officers, Mr. Zaffino’s long-term incentive award is 70% in the form of performance share units earned based on achievement of performance criteria for the three-year performance period covering January 2017 through December 2019, and 30% in the form of restricted stock units earned based on continued employment through such three-year period.

In addition, in consideration of compensation foregone from his prior employer, Mr. Zaffino will receive a one-time, sign-on award having a target value of \$15 million (the “Sign-on Award”). Part of the Sign-on Award will be in the form of stock options (the “Stock Options”) to purchase 1,000,000 shares of AIG common stock (the “Shares”). The Stock Options will have an exercise price equal to the fair market value per Share on the grant date, a seven-year term and will vest as follows:

- Stock Options for 333,000 Shares will vest in equal, annual installments on each of the first three anniversaries of the grant date;
- Stock Options for 200,000 Shares will vest only if, for twenty consecutive trading days, the closing price per Share is at least \$10.00 over the closing price on August 1, 2017 (the “Reference Price”), but in no event will these Stock Options vest faster than in equal, annual installments on each of the first three anniversaries of the grant date;
- Stock Options for 200,000 Shares will vest only if, for twenty consecutive trading days, the closing price per Share is at least \$20.00 over the Reference Price; and
- Stock Options for 267,000 shares will vest only if, for twenty consecutive trading days, the closing price per Share is at least \$30.00 over the Reference Price.

The Stock Options are exercisable only after vesting and are issued under, and subject to the terms of, the AIG 2013 Omnibus Incentive Plan. The remainder of the Sign-on Award (\$15 million minus the grant date fair value of the Stock Options) will be paid in cash, fifty percent on February 28, 2018 and fifty percent on January 31, 2019, subject to Mr. Zaffino’s continued employment through such dates.

Any bonus, equity or equity-based award or other incentive compensation granted to Mr. Zaffino will be subject to the AIG Clawback Policy (and any other AIG clawback policies as may be in effect from time to time). Mr. Zaffino will be entitled to severance in accordance with AIG's Executive Severance Plan. Pursuant to the Letter Agreement, Mr. Zaffino's employment with AIG is contingent upon his agreement to fully liquidate any ownership position he holds in MMC and its affiliates as soon as practicable, but in no event later than with 10 business days after the expiration of MMC's blackout period in relation to second quarter 2017 earnings.

There are no arrangements or understandings between Mr. Zaffino and any other persons pursuant to which he was selected as an officer. Mr. Zaffino has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

The foregoing summary is qualified in its entirety by reference to the Letter Agreement and the related form of Stock Option award agreement, which are attached as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K, respectively, and which are incorporated by reference.

Section 7 — Regulation FD

Item 7.01 Regulation FD Disclosure.

On July 5, 2017, AIG issued a press release announcing Mr. Zaffino's appointment as Executive Vice President and Global Chief Operating Officer. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 hereto, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Furthermore, Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 hereto, shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

- 10.1 Letter Agreement, dated July 3, 2017, between American International Group, Inc. and Peter Zaffino
- 10.2 Form of Stock Option Award Agreement, between American International Group, Inc. and Peter Zaffino
- 99.1 Press Release of American International Group, Inc., dated July 5, 2017 (furnished and not filed for purposes of Item 7.01)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN INTERNATIONAL GROUP, INC.

(Registrant)

Date: July 6, 2017

By: /s/ James J. Killerlane III

Name: James J. Killerlane III

Title: Associate General Counsel and Assistant Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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99.1	Press Release of American International Group, Inc., dated July 5, 2017 (furnished and not filed for purposes of Item 7.01)



CLAUDINE MACARTNEY
CHIEF HUMAN RESOURCES OFFICER

175 Water Street, 21st
Floor New York, NY
10038
T: 212.458.2012

July 3, 2017

Peter Zaffino
316 Mansfield Avenue
Darien, CT 06820

Dear Peter,

We are pleased to confirm the terms of your joining American International Group, Inc. (“AIG” or the “Company”):

- *Start Date.* Your start date will be on or before August 1, 2017 (your “Start Date”).
- *Position.* You will serve as Executive Vice President and Global Chief Operating Officer, a grade 30 position. In this capacity, you will report directly to the Chief Executive Officer of AIG (the “CEO”) and be a member of the AIG Executive Leadership Team. For the avoidance of doubt, you will be appointed an officer of AIG by AIG’s Board of Directors at its July 12, 2017 meeting and will not be an officer of AIG until such time.
- *Location & Employer.* You will be based in New York, NY and employed directly by AIG Employee Services, Inc. (your “Employer”).
- *Total Direct Compensation.* Your initial annual target direct compensation will be US \$8,500,000, as follows:
 - Base Salary. Your initial base cash salary will be at a rate of US \$1,250,000 per year.
 - Short Term Incentive. Your initial annual incentive target will be US \$3,000,000.

Annual incentives are currently determined and paid in accordance with AIG’s Short-Term Incentive Plan (“STIP”). For 2017, your Short-Term Incentive (“STI”) award will be based on a combination of individual-based performance metrics, which the CEO will establish with you subject to approval and ratification by the Compensation and Management Resources Committee of the Board of Directors (the “CMRC”), and

Company-based performance metrics. Your individual award can range between 0 –200% of your STI target and will be made at the discretion of the Company subject to approval and ratification by the CMRC. Your STI award is contingent on your being an active employee on the date grants determinations are made and will be subject to the terms and conditions of the STIP as in effect from time to time.

For 2017, your STI award will not be prorated and will be payable when STI awards are regularly paid to similarly-situated active employees.

- Long Term Incentive. As soon as practicable following your Start Date, a recommendation on your behalf will be made to the CMRC that, under the AIG Long Term Incentive Plan (the “LTIP”), you be granted a Long Term Incentive (“LTI”) award with a target value of US \$4,250,000 for 2017. This recommendation and grant is contingent on your being an active employee of the Company on the date of CMRC approval of the grant and will be subject to the terms and conditions of the relevant LTIP and the award agreement governing the grant.

Your 2017 LTI award will consist of 70% Performance Share Units (“PSUs”) and 30% Restricted Stock Units (“RSUs”). PSUs will provide you the opportunity to earn shares of AIG Common Stock based on the degree of AIG’s achievement of its performance criteria during the three-year performance period beginning January 2017. Following the performance period, in the first quarter of 2020, the number of PSUs earned (from 0% to 200%) will be determined in accordance with the LTIP. Earned PSUs will be delivered in shares of AIG Common Stock as soon as practicable following the performance determination. RSUs provide you the opportunity to receive shares of AIG Common Stock based on continued employment with the Company until the end of the three-year period beginning January 2017. RSUs will vest on January 1, 2020 and be delivered as soon as practicable following vesting. Your LTI award will also include dividend equivalents, as provided in the LTIP.

Your LTI award will be subject to the terms and conditions of the LTIP and the award agreement governing the grant (including, without limitation, the six-month notice requirement and reservation of the right of the Company to pay in cash) applicable to other senior management grantees.

- Sign-on Arrangements. In consideration of compensation foregone from your current employer, as soon as practicable following your Start Date, a recommendation on your behalf will be made to the CMRC that you be granted an award in the amount of US \$15,000,000 (“Sign-on Award”). The Sign-on Award will comprise grants of stock options and cash, with the following vesting conditions:

- *Stock Options.* On the Start Date, AIG will grant you stock options (“*Stock Options*”) on 1,000,000 shares of Company common stock with an exercise price equal to the fair market value of a share of Company common stock on the Start Date and a seven-year term. The Stock Options will be granted under the AIG 2013 Omnibus Incentive Plan. The Stock Options will vest as follows:
 - *Time Options.* 333,000 stock options will vest in equal annual installments on the first three anniversaries of the Start Date, respectively, subject to your continued employment through such dates (“*3-Year Pro-rata Vesting*”), except as provided below (the “*Time Options*”).
 - *Performance Options.* As to the other 667,000 Stock Options (the “*Performance Options*”):
 - 200,000 Performance Options will vest upon the Company attaining a closing common stock price, for at least twenty consecutive trading days, of at least \$10.00 above the closing stock price on the Start Date (the “*Reference Price*”) and satisfaction of the 3-Year Pro-rata Vesting;
 - Another 200,000 Performance Options will vest upon the Company attaining a closing common stock price, for at least twenty consecutive trading days, of at least \$20.00 above the Reference Price; and
 - Another 267,000 Performance Options will vest upon the Company attaining a closing stock price, for at least twenty consecutive trading days, of at least \$30.00 above the Reference Price.
- *Cash Award.* The remaining balance of the Sign-on Award (US \$15,000,000 minus the grant date fair value of the Stock Options as reasonably determined by AIG) will be granted in cash (the “*Cash Award*”) and vest and be paid as follows: fifty percent (50%) of the Cash Award will vest and be paid on February 28, 2018 and fifty percent (50%) of the Cash Award will vest and be paid on January 31, 2019, subject to your continued employment through such dates, except as provided below.
- *Treatment of Sign-on Award.*

- *Stock Options.* Upon your termination of employment by the Company without Cause, by you for Good Reason, or due to your death or Disability (each as defined in AIG's 2012 Executive Severance Plan, the "ESP", with the addition that Good Reason shall include any material, adverse change to your job duties and responsibilities), any unvested portion of the Time Options will immediately 100% vest and remain exercisable for three years, and any unvested portion of the Performance Options will immediately 100% time-vest as to the portion subject to 3-Year Pro-rata Vesting and as to the unvested portion of all of the Performance Options continue to be eligible to vest and become exercisable for such three-year period, *provided* that such three-year period will not extend beyond the seven-year term. Upon a termination of your employment by you not for Good Reason (and not due to Disability), the vested portion of the Stock Options will remain exercisable for ninety days (and the unvested portion forfeited and canceled), *provided* that such ninety-day period will not extend beyond the seven-year term. Upon a termination of your employment by the Company for Cause, all Stock Options (whether vested or unvested) will be forfeited and cancelled. The Stock Options will be subject to compliance with the same restrictive covenants as set forth in the LTIP (and, with respect to post-termination exercise as a result of a termination without Cause or for Good Reason, as set forth in the ESP).
- *Cash Award.* Upon your termination of employment by the Company without Cause, by you for Good Reason, or due to your Disability (each as defined in the ESP with the addition that Good Reason shall include any material, adverse change to your job duties and responsibilities), any unvested portion of the Cash Award will immediately 100% vest and be paid on the original vesting schedule. Upon your termination of employment due to your death, any unvested portion of the Cash Award will immediately 100% vest and be paid as soon as administratively practicable.
- *Benefits.* You will be entitled to benefits consistent with senior executives of AIG and reimbursement of reasonable business expenses, in each case in accordance with applicable AIG policies as in effect from time to time.
- *Executive Severance Plan.* Beginning as of your Start Date, you will participate in the ESP.
- *Notice Period.* You agree that if you voluntarily resign, you will give six months' written notice to the Company of your resignation, which may be working notice or paid non-working notice at the Company's sole discretion and which notice period is waivable by the Company at the Company's sole discretion.

- *Clawback Policy.* Any bonus, equity or equity-based award or other incentive compensation granted to you will be subject to the AIG Clawback Policy (and any other AIG clawback policies as may be in effect from time to time).
- *Indemnification and Cooperation.* During and after your employment, AIG will indemnify you in your capacity as a director, officer, employee or agent of AIG to the fullest extent permitted by applicable law and AIG's charter and by-laws, and will provide you with director and officer liability insurance coverage (including post-termination/post-director service tail coverage) on the same basis as AIG's other executive officers. AIG agrees to cause any successor to all or substantially all of the business or assets (or both) of AIG to assume expressly in writing and to agree to perform all of the obligations of AIG in this paragraph.

You agree (whether during or after your employment with AIG) to reasonably cooperate with AIG in connection with any litigation or regulatory matter or with any government authority on any matter, in each case, pertaining to AIG and with respect to which you may have relevant knowledge, provided that, in connection with such cooperation, AIG will reimburse your reasonable expenses and you shall not be required to act against your own legal interests.

- *Tax Matters.* Tax will be withheld by your Employer and/or AIG as appropriate under applicable tax requirements for any payments or deliveries under this letter. To the extent any taxable expense reimbursement or in-kind benefits under this letter is subject to Section 409A of the U.S. Internal Revenue Code of 1986, the amount thereof eligible in one taxable year shall not affect the amount eligible for any other taxable year, in no event shall any expenses be reimbursed after the last day of the taxable year following the taxable year in which you incurred such expenses and in no event shall any right to reimbursement or receipt of in-kind benefits be subject to liquidation or exchange for another benefit. Each payment under this letter will be treated as a separate payment for purposes of Section 409A.
- *No Guarantee of Employment or Target Direct Compensation.* This offer letter is not a guarantee of employment or target direct compensation for a fixed term.
- *Entire Agreement.* This offer letter constitutes AIG and your Employer's only statement relating to its offer of employment to you and supersedes any previous communications or representations, oral or written, from or on behalf of AIG or any of its affiliates.
- *Miscellaneous Representations.* You confirm and represent to AIG, by signing this letter, that: (a) you have not taken (or failed to return) any confidential information belonging to your prior employer or any other entity, and, to the extent you remain in possession of

any such information, you will never use or disclose such information to AIG or any of its employees, agents or affiliates; (b) you understand and accept all of the terms and conditions of this offer; and (c) you acknowledge that your Employer is an intended third party beneficiary of this offer letter.

- *Related-Party Transaction Review.* This offer and your employment with your Employer are contingent on: (a) approval by the Nominating and Corporate Governance Committee of the Board of Directors, pursuant to the AIG Related-Party Transactions Approval Policy, of any ownership position retained by you in Marsh & McLennan Companies, Inc. (“MMC”) and its affiliates, as well as any competitor company and/or primary broker, and (b) agreement by you to fully liquidate any such ownership position as soon as practicable, but in no event later than within ten (10) business days after the expiration of MMC’s “blackout period” in relation to second quarter 2017 earnings.
- *Non-Solicitation.* This offer and your employment with your Employer are contingent on your entering into the enclosed Non-Solicitation and Non-Disclosure Agreement.
- *Employment Dispute Resolution.* You are a participant in the Company’s Employment Dispute Resolution (“EDR”) program, which provides for various ways to address work- related disputes, including mediation and arbitration, through the American Arbitration Association (“AAA”). Information on the company’s EDR Program is available to employees via the Company Intranet and can be made available to you prior to your date of hire upon request.
- *Background Investigation.* This offer is contingent upon the successful results of a background investigation, which may include, but may not be limited to, verification of employment, professional certifications, designations or licenses, criminal and credit history, and educational background.

We look forward to having you as a member of AIG's leadership team.

Sincerely,

American International Group, Inc.

By: /s/ Claudine Macartney
Claudine Macartney
Chief Human Resources Officer

I agree with and accept the foregoing terms.

/s/ Peter Zaffino

NON-SOLICITATION AND NON-DISCLOSURE AGREEMENT

1. The individual executing this agreement (the "Employee") is or will soon be an at-will employee of American International Group, Inc. or one of its subsidiaries (the "Company"). As such, the Employee is free to resign from employment at any time and for any reason. Likewise, the Company may terminate the Employee's employment at any time for any reason. This Agreement is not a guarantee of any fixed term employment.
2. This Agreement is a term and condition of the Employee's at-will employment with the Company. Employment with the Company is conditioned upon the Employee's execution of this Agreement.
3. This Agreement is necessary for the protection of the legitimate and protectable business interests of the Company and its affiliates (collectively, "AIG") in their customers, customer goodwill, accounts, prospects, employee training, and confidential and proprietary information. The Employee's employment requires exposure to and use of Confidential Information (as defined in Paragraph 5). Accordingly, the Employee agrees that during and after the Employee's employment with AIG, the Employee will not, directly or indirectly, on the Employee's own behalf or on behalf of any other person or any entity other than AIG solicit, contact, call upon, communicate or attempt to communicate with any customer or client or prospective customer or client of AIG, where to do so would require the use or disclosure of Confidential Information (for purposes of this Agreement, "customer or client" shall not include insurance brokers). The Employee further agrees that during the Employee's employment with AIG and for a period of one (1) year after employment terminates for any reason, the Employee will not, directly or indirectly, regardless of who initiates the communication, solicit, participate in the solicitation or recruitment of, or in any manner encourage or provide assistance to, any employee, consultant, registered representative, or agent of AIG to terminate his or her employment or other relationship with AIG or to leave its employ or other relationship with AIG for any engagement in any capacity or for any other person or entity.
4. During the term of employment, the Employee will have access to and become acquainted with Confidential Information. The Employee agrees that during the Employee's employment and any time thereafter, all Confidential Information will be treated by the Employee in the strictest confidence and will not be disclosed or used by the Employee in any manner other than

in connection with the discharge of the Employee's job responsibilities without the prior written consent of AIG or unless required by law. The Employee further agrees that Employee will not remove or destroy any Confidential Information either during the Employee's employment or at any time thereafter and will return to AIG any Confidential Information in Employee's possession at the end of Employee's employment (or earlier if so requested by the Company). The Employee also agrees that during and after the Employee's employment with AIG, the Employee will not make any disparaging comments about AIG or any of its officers, directors or employees to any person or entity not affiliated with AIG. Nothing herein shall prevent the Employee from making or publishing any truthful statement (a) when required by law, subpoena or court order, (b) in the course of any legal, arbitral or regulatory proceeding, (c) to any governmental authority, regulatory agency or self-regulatory organization, or (d) in connection with any investigation by AIG.

5. "Confidential Information" refers to an item of information or a compilation of information in any form (tangible or intangible), related to AIG's business that AIG has not made public or authorized public disclosure of, and that is not generally known to the public through proper means. Confidential Information includes, but is not limited to: (a) business plans and analysis, customer and prospective customer lists, personnel, staffing and compensation information, marketing plans and strategies, research and development data, financial data, operational data, methods, techniques, technical data, know-how, innovations, computer programs, un-patented inventions, and trade secrets; and (b) information about the business affairs of third parties (including, but not limited to, customers and prospective customers) that such third parties provide to Company in confidence. The presence of non-confidential items of information within an otherwise confidential compilation of information will not remove the compilation itself (the information in its compiled form) from the protection of this Agreement. Employee acknowledges that items of Confidential Information are Company's valuable assets and have economic value, actual or potential, because they are not generally known by the public or others who could use them to their own economic benefit and/or to the competitive disadvantage of the Company.

6. The covenants contained in Paragraphs 3 and 4 of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies of each jurisdiction in which enforcement is sought. The Employee acknowledges that these restrictions are reasonably necessary for the protection of AIG. The Employee also acknowledges that irreparable harm and damages would result to AIG if the provisions of Paragraph 3 or 4 were not complied with and agrees that AIG shall be entitled to legal, equitable or other remedies, including, without limitation, injunctive relief and specific performance to protect against the inevitable disclosure of AIG's Confidential Information, any failure to comply with the provisions of Paragraph 3 or 4 of this Agreement, or any threatened breach of any term of this Agreement. The Employee further agrees that the Employee shall be liable for the attorneys' fees and costs incurred by AIG as a result of the Employee's breach of Paragraph 3 or 4 of this Agreement.

7. Invention Assignment: (a) Employee hereby assigns all right, title and interest in any intellectual property, including but not limited to discoveries, ideas, inventions, works, reports, rules, processes, lists, data and other materials along with all improvements thereto (whether or not patentable or registerable under copyright or similar statutes) conceived, produced or developed by Employee, either alone or in conjunction with others, pursuant to, or in furtherance of Employee's employment with the Company (collectively "Intellectual Property"). Moreover, if requested, Employee agrees to execute any documents required to perfect the Company's interest in the above referenced intellectual property, and to otherwise fully cooperate with such process during and after Employee's employment with the Company.

(b) This assignment shall include all such Intellectual Property that: (1) relates in any way to the Company's business, or to actual or anticipated research and development of the Company; or (2) results in any way from the performance by Employee of duties and responsibilities as an employee of the Company. Employee further agrees that all original works of authorship which were made by Employee (either alone or with others) within the scope of and during the period of Employee's employment with the Company and which are protectable by copyright laws, are "works made for hire" as that term is defined in the United States Copyright Act.

(c) Notwithstanding the above, this Section does not apply to inventions that qualify under state law as inventions that cannot be required to be assigned.

8. This Agreement (together with the AIG Code of Conduct) sets forth the entire agreement regarding the subject matter contained in this Agreement, supersedes any and all prior agreements and understandings regarding this subject matter, and may be modified only by a written agreement signed by the Employee and the Company. To the extent that any provision of this Agreement is inconsistent with the Code of Conduct, this Agreement governs. If any term of this Agreement is rendered invalid or unenforceable, the remaining provisions shall remain in full force and shall in no way be affected, impaired or invalidated. Should a court determine that any provision of this Agreement is unreasonable, whether in period of time, geographical area, or otherwise, the Employee agrees that such provision of the Agreement should be interpreted and enforced to the maximum extent that such court deems reasonable.

9. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAWS PROVISIONS (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE APPLICATION OF ANY LAW OTHER THAN THE STATE OF NEW YORK. ANY DISPUTE CONCERNING THIS AGREEMENT SHALL PROCEED IN ACCORDANCE WITH THE TERMS OF THE COMPANY'S EMPLOYMENT DISPUTE RESOLUTION PROGRAM.

IN WITNESS WHEREOF, the Employee has agreed to the terms set forth above by signing below.

/s/ Peter Zaffino
Employee

7/5/17
Date:

AMERICAN INTERNATIONAL GROUP, INC.
STOCK OPTION AWARD AGREEMENT

1. **Award of Stock Options.** American International Group, Inc. (“**AIG**”) has awarded you stock options (the “**Awards**”) to purchase 1,000,000 shares of Common Stock (“**Shares**”) with an exercise price equal to \$•. This award agreement (“**Award Agreement**”), dated •, 2017 (the “**Date of Grant**”), sets forth the terms and conditions of the Awards. Capitalized terms not defined in the Award Agreement have the meanings ascribed to them in the American International Group, Inc. 2013 Omnibus Incentive Plan (the “**Plan**”).

2. **Vesting; Expiration.** The Awards comprise four sets of stock options (the “**Stock Options**”) as follows: the Time-Vesting Options, the \$10 Performance Options, the \$20 Performance Options and the \$30 Performance Options. For purposes of this Award Agreement, the \$10 Performance Options, the \$20 Performance Options and the \$30 Performance Options are collectively referred to as the “**Performance Options**.” Notwithstanding anything to the contrary in the Plan or herein, the Stock Options will expire and no longer be exercisable as of •, 2024¹ (the “**Expiration Date**”), subject to earlier termination as provided in this Award Agreement, or otherwise in accordance with the Plan.

3. **Awards.**

3.1 **First Award.** Stock Options to purchase 333,000 Shares (the “**Time-Vesting Options**”) will vest in equal, annual installments on each of the first three anniversaries of the Date of Grant, such that 111,000 Time Options will vest on •, 2018, 111,000 Time Options will vest on •, 2019 and 111,000 Time Options will vest on •, 2020.

3.2 **Second Award.** Stock Options to purchase 200,000 Shares (the “**\$10 Performance Options**”) will vest in equal, annual installments on each of the first three anniversaries of the Date of Grant, or, if later, on the close of the twentieth consecutive trading day on the New York Stock Exchange on which the closing price of Common Stock is at least \$10.00 over \$• (the “**Reference Price**”).

3.3 **Third Award.** Stock Options to purchase 200,000 Shares (the “**\$20 Performance Options**”) will vest on the close of the twentieth consecutive trading day on the New York Stock Exchange on which the closing price of Common Stock is at least \$20.00 over the Reference Price.

3.4 **Fourth Award.** Stock Options to purchase 267,000 Shares (the “**\$30 Performance Options**”) will vest on the close of the twentieth consecutive trading day on the New York Stock Exchange on which the closing price of Common Stock is at least \$30.00 over the Reference Price.

4. **Vesting in the Event of Termination.**

4.1 **Termination Generally.** Except as otherwise provided in this Section 4, if your Employment terminates for any reason, vested Stock Options will remain exercisable for 90 days following your date of termination (but in no case later than the Expiration Date) and any unvested Stock Options will immediately terminate and be forfeited.

¹ Seventh anniversary of the Date of Grant.

4.2 Termination for Cause. In the case of your termination of Employment by the Company for Cause, all Stock Options (whether vested or unvested) will immediately terminate and be forfeited. For purposes of this Award Agreement, “**Cause**” has the meaning set forth in the American International Group, Inc. 2012 Executive Severance Plan (the “**ESP**”).

4.3 Involuntary Termination, Retirement or Disability. Subject to Section 4.4, in the case of your termination of Employment by the Company without Cause or by you for Good Reason, your death or Disability, (i) any vested Stock Options will remain exercisable for three years following your date of termination (or date of death or Disability, if applicable), (ii) any unvested Time-Vesting Options will immediately vest and remain exercisable for three years following your date of termination (or date of death or Disability, as applicable), (iii) if unvested, the \$10 Performance Options will be deemed to have attained the three-anniversary time-vesting requirement, and (iv) any unvested Performance Options will continue to be eligible to vest (relative to the Reference Price, in the case of the \$10 Performance Options) and become exercisable for three years following your date of termination (or date of death or Disability, as applicable), *provided* that no Stock Options will remain exercisable beyond the Expiration Date. For purposes of this Award Agreement, “**Good Reason**” and “**Disability**” have the meanings set forth in the ESP.

4.4 Release of Claims. In the case of your termination of Employment by the Company without Cause or by you for Good Reason, as a condition to the treatment of outstanding Stock Options set forth in Section 4.3, you will be required to execute the ESP form of release (the “**Release**”) modified to cover the treatment of outstanding Stock Options pursuant to Section 4.3, which Release will include, without limitation, a non-competition requirement for six months following your date of termination. The Release must be executed by you and become irrevocable within 90 days of your Retirement, and you may not exercise any Stock Options prior to the effective date of the Release.

5. Status of Awards. The Stock Options are granted pursuant to and under the Plan. Subject to the terms of this Award Agreement, the Awards will be subject to the terms and conditions of the Plan.

6. Exercisability of Vested Options. Vested Options may be exercised in accordance with procedures set forth in Section 2.3.5 of the Plan, including procedures established by AIG. Stock Options that are not vested may not be exercised.

7. Non-Disclosure. During the term of your Employment, the Company has permitted and will continue to permit you to have access to and become acquainted with information of a confidential, proprietary and/or trade secret nature. During your Employment and any time thereafter, you agree that (i) all confidential, proprietary and/or trade secret information received, obtained or possessed at any time by you concerning or relating to the business, financial, operational, marketing, economic, accounting, tax or other affairs at the Company or any client, customer, agent or supplier or prospective client, customer, agent or supplier of the Company will be treated by you in the strictest confidence and will not be

disclosed or used by you in any manner other than in connection with the discharge of your job responsibilities without the prior written consent of the Company or unless required by law, and (ii) you will not remove or destroy any confidential, proprietary and/or trade secret information and will return any such information in your possessions, custody or control at the end of your Employment (or earlier if so requested by the Company). Nothing herein shall prevent you from making or publishing any truthful statement (a) when required by law, subpoena or court order, (b) in the course of any legal, arbitral or regulatory proceeding, (c) to any governmental authority, regulatory agency or self-regulatory organization, or (d) in connection with any investigation by the Company.

8. Non-Solicitation. Your Employment with the Company requires exposure to and use of confidential, proprietary and/or trade secret information (as set forth in Paragraph 7). You agree that (i) during your Employment with the Company and any time thereafter, you will not, directly or indirectly, on your own behalf or on behalf of any other person or entity, solicit, contact, call upon, communicate with or attempt to communicate with any customer or client or prospective customer or client of the Company where to do so would require the use or disclosure of confidential, proprietary and/or trade secret information, and (ii) during your Employment with the Company and for a period of one (1) year after Employment terminates for any reason, you will not, directly or indirectly, regardless of who initiates the communication, solicit, participate in the solicitation or recruitment of, or in any manner encourage or provide assistance to any employee, consultant, registered representative, or agent of the Company to terminate his or her Employment or other relationship with the Company or to leave its employ or other relationship with the Company for any engagement in any capacity or any other person or entity.

9. Non-Disparagement. You agree that during and after your Employment with the Company, you will not make disparaging comments about AIG or any of its subsidiaries or affiliates or any of their officers, directors or employees to any person or entity not affiliated with the Company. Nothing herein shall prevent you from making or publishing any truthful statement (a) when required by law, subpoena or court order, (b) in the course of any legal, arbitral or regulatory proceeding, (c) to any governmental authority, regulatory agency or self-regulatory organization, or (d) in connection with any investigation by AIG.

10. Notice of Termination of Employment. Except where local law prohibits enforcement, you agree that if you voluntarily resign you will give at least six months' written notice to the Company of your voluntary Termination, which may be working notice or non-working notice at the Company's sole discretion and which notice period is waivable by the Company at the Company's sole discretion.

11. Clawback/Repayment. Notwithstanding anything to the contrary contained herein, in consideration of the grant of this award, you agree that this award and any payments hereunder will be subject to forfeiture and/or repayment to the extent provided for in the AIG Clawback Policy, as in effect from time to time, if it is determined in accordance with the policy that a Covered Event (as defined in such policy) has occurred.

12. Entire Agreement. The Plan is incorporated herein by reference. This Award Agreement and the Plan constitute the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersede all prior understandings and agreements with respect to such subject matter.

13. Notices. Any notice or communication required to be given or delivered to AIG under the terms of this Award Agreement will be in writing (which may include an electronic writing) and addressed to the Corporate Secretary of AIG at its principal corporate offices at 80 Pine Street, New York, New York 10005, or, with respect to the acceptance of an Award, as specified in Schedule A or the Compensation Plan Grant Acceptance website. Any notice required to be given or delivered to you will be in writing (including an electronic writing) and addressed to you at your AIG email address or your home address on file in AIG's payroll or personnel records. All notices will be deemed to have been given or delivered upon: personal delivery; electronic delivery or three (3) business days after deposit in the United States mail by certified or registered mail (return receipt requested) or one (1) business day after deposit with any return receipt express courier (prepaid).

14. Governing Law. This Award Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to principles of conflict of laws.

15. Signatures. Execution of this Award Agreement by the Company and/or you may be in the form of an electronic, manual or similar signature, and such signature shall be treated as an original signature for all purposes.

IN WITNESS WHEREOF, AMERICAN INTERNATIONAL GROUP, INC. has caused this Award Agreement to be duly executed and delivered as of the date hereof.

AMERICAN INTERNATIONAL GROUP, INC.

By: _____
W. Don Cornwell
Chair, Compensation and Management Resources
Committee

By your signature, you (i) acknowledge that a complete copy of this Award Agreement and the Plan have been made available to you and (ii) agree to all of the terms and conditions set forth in this Award Agreement and the Plan.

Peter Zaffino

FOR IMMEDIATE RELEASE



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AIG APPOINTS PETER ZAFFINO AS GLOBAL CHIEF OPERATING OFFICER

NEW YORK, July 5, 2017 – American International Group, Inc. (NYSE: AIG) announced today the appointment of Peter Zaffino as Executive Vice President, Global Chief Operating Officer effective August 1, 2017. Mr. Zaffino joins AIG after serving as Chief Executive Officer of Marsh LLC – a leading global insurance brokerage and risk management firm and subsidiary of Marsh & McLennan Companies, Inc. (MMC) – and as Chairman of the Risk and Insurance Services segment of MMC since 2015. He was also a member of MMC’s Executive Committee since 2008.

In his role at AIG, Mr. Zaffino will lead the day-to-day business of all country operations, including U.S. Commercial field operations and AIG’s Multinational organization, as well as Global Business Services, Administration and Communications. Working closely with the CEO and Executive Leadership Team, he will develop AIG’s long-term strategy and operating plan, and be responsible for executing the Commercial and Consumer strategies to achieve growth and profitability objectives.

Brian Duperreault, AIG’s President and Chief Executive Officer, said: “Peter is one of the most talented executives operating in the insurance industry. AIG’s field operations will benefit from Peter’s experience across all aspects of the business, most recently with one of the world’s largest brokers. Adding his deep insurance knowledge and expertise to the leadership team at AIG will accelerate our efforts to build and expand on this great franchise.”

Mr. Zaffino said: “I worked closely with Brian during his tenure at MMC. We are both driven to help our organizations achieve their greatest potential. This comes with a dedication to operational excellence and empowering those closest to our clients to create valuable risk solutions for customers wherever they are in the world. I look forward to joining the talented team at AIG and contributing to the success of the company’s next chapter.”

Mr. Zaffino has over 25 years of experience in the insurance and reinsurance industry. Prior to being named Marsh CEO in 2011, he was President and CEO of Guy Carpenter & Company, LLC, a leading global risk and reinsurance specialist and a subsidiary of MMC, having previously held a number of senior



roles at the firm. Prior to joining Guy Carpenter in 2001, he held several senior positions, including serving in an executive role with a GE Capital portfolio company. Mr. Zaffino earned a BA in economics from Boston College and an MBA in finance from New York University's Leonard N. Stern School of Business.

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Certain statements in this press release constitute forward-looking statements. These statements are not historical facts but instead represent only AIG's belief regarding future events, many of which, by their nature, are inherently uncertain and outside AIG's control. It is possible that actual results will differ, possibly materially, from the anticipated results contemplated by these statements. Factors that could cause actual results to differ, possibly materially, from those in the forward-looking statements are discussed throughout AIG's periodic filings with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934.

American International Group, Inc. (AIG) is a leading global insurance organization. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG's core businesses include Commercial Insurance and Consumer Insurance, as well as Other Operations. Commercial Insurance comprises two modules – Liability and Financial Lines, and Property and Special Risks. Consumer Insurance comprises four modules – Individual Retirement, Group Retirement, Life Insurance and Personal Insurance. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>. These references with additional information about AIG have been provided as a convenience, and the information contained on such websites is not incorporated by reference into this press release.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.