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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

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

**Date of Report (Date of earliest event reported): March 21, 2013**

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**AMERICAN INTERNATIONAL GROUP, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**1-8787**  
(Commission  
File Number)

**13-2592361**  
(IRS Employer  
Identification No.)

**180 Maiden Lane**  
**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.)

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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 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## 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

(e) On March 21, 2013, the Compensation and Management Resources Committee (the Committee) of the Board of Directors of American International Group, Inc. (AIG) adopted the 2013 AIG Long-Term Incentive Plan (the 2013 LTIP), the AIG Clawback Policy (the Clawback Policy) and the 2013 AIG Short-Term Incentive Plan (the 2013 STIP).

The 2013 LTIP, which will be administered by the Committee, is intended to provide selected officers and employees of AIG with incentives to contribute to the long-term performance of AIG in a manner that appropriately balances risk and rewards. The 2013 LTIP provides for grants of performance share units that are earned based on achievement against one or more performance metrics established by the Committee in respect of a three-year performance period, with the first performance period running from January 1, 2013 through December 31, 2015. Earned performance share units will range from 0 to 150 percent of a participant's target award based on performance results for the applicable performance metrics. Once earned, the performance share units vest in three equal, annual installments commencing on January 1 of the year immediately following the end of the performance period and are settled in shares of AIG common stock (or, at AIG's election, cash equal to the fair market value thereof). Awards and payments under the 2013 LTIP are subject to forfeiture and/or repayment to the extent provided in the Clawback Policy or such other AIG clawback policy as in effect from time to time.

All 2013 LTIP awards will be granted under, and will be subject to the terms and conditions of, the American International Group, Inc. 2010 Stock Incentive Plan, as amended from time to time, or any successor plan approved by AIG's shareholders.

The Committee adopted the Clawback Policy, effective March 21, 2013, to encourage sound risk management and individual accountability. The Clawback Policy covers all executive officers and any other employee as determined by the Committee and applies to covered compensation for such executive officers and employees. Covered compensation generally includes any bonus, equity or equity-based award or other incentive compensation granted to an executive officer or employee while he or she is subject to the Policy. In the event that the Committee determines that a triggering event under the Clawback Policy has occurred, the Committee may require an executive officer or other covered employee to forfeit and/or repay all or any portion of any unpaid covered compensation or covered compensation paid in the twelve months (or such longer period of time as required by any applicable statute or government regulation) preceding the event. Triggering events generally include a material financial restatement; the award or receipt of covered compensation based on materially inaccurate financial statements or performance metrics that are materially inaccurately determined; a failure of risk management, including in a supervisory role, or material violation of AIG's risk policies; and an action or omission that results in material financial or reputational harm to AIG. The Clawback Policy applies in addition to any other remedies that may be available to AIG.

The 2013 STIP, which will be administered by the Committee, is a performance-based annual cash incentive plan covering a majority of AIG employees. The 2013 STIP is designed to strengthen AIG's pay-for-performance culture by providing for annual cash award opportunities tied to enterprise, business unit/function and individual performance. Under the 2013 STIP, grants of cash awards are earned based on achievement against one or more performance metrics established by the Committee in respect of an annual performance period, with the first performance period running from January 1, 2013 through December 31, 2013. Earned awards will range from 0 to 150 percent of a participant's target award based on performance results for the applicable performance metric(s) and AIG's company-wide relative performance rating process. Earned awards are determined in the first quarter following the annual performance period and generally paid in full following such determination; however, the Committee may defer the payment of all or a portion of any earned award until March 1 of the succeeding year. For the 2013 performance period, 50 percent of any earned award for participants in grade level 27 and above will be deferred.

Copies of the 2013 LTIP, form of 2013 Long-Term Incentive Plan Performance Share Units Award Agreement, Clawback Policy, 2013 STIP and form of 2013 Short-Term Incentive Plan Award Letter are attached as Exhibits 10.1, 10.2, 10.3, 10.4 and 10.5, respectively, to this Current Report on Form 8-K and are incorporated into this Item 5.02 by reference. The foregoing summary of the 2013 LTIP, Clawback Policy and 2013 STIP is qualified in its entirety by reference thereto.

**(d) Exhibits**

- 10.1      American International Group, Inc. 2013 Long-Term Incentive Plan
- 10.2      Form of 2013 Long-Term Incentive Plan Performance Share Units Award Agreement
- 10.3      American International Group, Inc. Clawback Policy
- 10.4      American International Group, Inc. 2013 Short-Term Incentive Plan
- 10.5      Form of 2013 Short-Term Incentive Plan Award Letter

**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: March 27, 2013

By: /s/ James J. Killerlane III

Name: James J. Killerlane III

Title: Associate General Counsel and Assistant Secretary

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**EXHIBIT INDEX**

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- 10.4 American International Group, Inc. 2013 Short-Term Incentive Plan
- 10.5 Form of 2013 Short-Term Incentive Plan Award Letter

AMERICAN INTERNATIONAL GROUP, INC.  
2013 LONG TERM INCENTIVE PLAN

**1. PURPOSE; DEFINITIONS**

This American International Group, Inc. 2013 Long Term Incentive Plan (this “**Plan**”) is designed to provide selected officers and key employees of American International Group, Inc. (“**AIG**” and together with its consolidated subsidiaries, determined in accordance with U.S. generally accepted accounting principles, the “**Company**”) with incentives to contribute to the long-term performance of AIG in a manner that appropriately balances risk and rewards.

Awards under this Plan are issued under the American International Group, Inc. 2010 Stock Incentive Plan (as amended from time to time or any successor stock incentive plan, including the American International Group, Inc. 2013 Omnibus Incentive Plan, the “**SIP**”), the terms of which are incorporated in this Plan. Capitalized terms used in this Plan but not otherwise defined in this Plan or in the attached Glossary of Terms in Annex A have the meaning ascribed to them in the SIP.

**2. PERFORMANCE PERIOD**

This Plan will operate for successive overlapping three-year performance periods (each, a “**Performance Period**”) beginning on January 1 of each year. The first Performance Period will be from January 1, 2013 through December 31, 2015. Each Performance Period will be for successive three calendar-year periods until the Plan is terminated by the Compensation and Management Resources Committee (including any successor, the “**Committee**”) of the Board of Directors of AIG (the “**Board**”).

**3. AWARDS AND PARTICIPANTS**

**A. Performance Share Units.** Awards issued under this Plan (“**Awards**”) consist of performance share units (“**PSUs**”) providing holders with the opportunity to earn shares of Common Stock (“**Shares**”) based on achievement of performance criteria during the Performance Period. PSUs will be subject to the terms and conditions of this Plan and the SIP and will be issued only to the extent permissible under relevant laws, regulatory restrictions and agreements applicable to the Company, and the Committee may establish another form of Award to the extent it determines appropriate for some or all Participants (as defined below).

**B. Participants.** The Committee will from time to time determine (1) the officers and key employees of the Company who will receive Awards (the “**Participants**”) and (2) the number of PSUs awarded to each Participant for a Performance Period. No Award of PSUs to a Participant for a Performance Period shall in any way obligate the Committee to (or imply that the Committee will) provide a similar Award (or any Award) to the Participant for any future Performance Period.

**C. Status of PSUs.** Each PSU constitutes an unfunded and unsecured promise of AIG to deliver (or cause to be delivered) one Share (or, at the election of AIG, cash equal to the Fair Market Value thereof) as provided in Section 5.E. Until such delivery, a holder of PSUs will have only the rights of a general unsecured creditor and no rights as a shareholder of AIG.

**D. Award Agreements.** Each Award granted under the Plan shall be evidenced by an award agreement that shall contain such provisions and conditions as the Committee deems appropriate; *provided that*, except as otherwise expressly provided in an award agreement, if there is any conflict between any provision of this Plan and an award agreement, the provisions of this Plan shall govern. By accepting an Award pursuant to this Plan, a Participant thereby agrees that the Award shall be subject to all of the terms and provisions of this Plan, the SIP and the applicable award agreement. Awards shall be accepted by a Participant signing the applicable award agreement, and returning it to the Company. Failure by a Participant to do so within 90 days from the date of the award agreement shall give the Company the right to rescind the Award.

#### 4. PERFORMANCE CRITERIA

The number of PSUs earned for any Performance Period will be based on one or more performance measures established by the Committee in its sole discretion with respect to such Performance Period (collectively, the "**Performance Measures**"). For each Performance Measure with respect to a Performance Period, the Committee will establish a "**Weighting**," "**Threshold**," "**Target**" and "**Maximum**."

#### 5. PSUS AWARDS

**A. Performance Awards.** A Participant's award agreement will set forth a PSU award opportunity, which will cover such target number of PSUs as determined by the Committee (the "**Target PSUs**").

**B. Performance Results.** At the end of the Performance Period, the Committee will assess performance against each Performance Measure and determine the Earned Percentage for each such Performance Measure as follows, subject to the terms and conditions of this Plan and unless determined otherwise by the Committee:

Performance	Earned Percentage
Performance less than Threshold	0%
Performance at Threshold	50%
Performance at Target	100%
Performance at or above Maximum	150%

The Earned Percentage for performance between Threshold and Target and between Target and Maximum will be determined on a straight-line basis. For the avoidance of doubt, the Committee retains discretion to reduce any Earned PSU Award to zero.

**C. Earned PSUs.** The number of PSUs earned for the Performance Period (the “*Earned PSUs*”) will equal the sum of the PSUs earned for each Performance Measure, calculated as follows:

$$\begin{array}{ccccccc} \text{PSUs earned} & & & & & & \\ \text{for a} & = & \text{Target} & \times & \text{Earned} & \times & \text{Weighting of} \\ \text{Performance} & & \text{PSUs} & & \text{Percentage} & & \text{Performance} \\ \text{Measure} & & & & & & \text{Measure} \end{array}$$

**D. Vesting of Earned PSUs.** Except as provided in Section 6, and subject to the other terms and conditions of this Plan and the applicable award agreement, Earned PSUs or a portion shall vest in three equal annual installments on January 1 of the year immediately following the end of the Performance Period and January 1 of each of the next two years (each, a “*Scheduled Vesting Date*”).

**E. Delivery of Earned PSUs.** Except as provided in Section 6, AIG will deliver (or cause to be delivered) to the Participant Shares (or, at the election of AIG, cash equal to the Fair Market Value thereof) in respect of any Earned PSUs, or portion thereof, as promptly as administratively practicable following the applicable Scheduled Vesting Date, *provided that* any delivery following the first Scheduled Vesting Date for a given Award of Earned PSUs shall be made as promptly as administratively practicable following the determination of Earned PSUs by the Committee, but no later than April 30th after such first Scheduled Vesting Date and delivery following the subsequent Scheduled Vesting Dates shall be made within 30 days following the applicable Scheduled Vesting Date. Subject to Section 6, a Participant must be Employed on the applicable Scheduled Vesting Date in order to be entitled to receive a delivery of any portion of the Earned PSUs.

## 6. VESTING AND PAYOUT UPON TERMINATION OF EMPLOYMENT AND CORPORATE EVENTS

**A. Termination Generally.** Except as otherwise provided in this Section 6, if a Participant’s Employment is Terminated for any reason, then any unvested Awards, or parts thereof, shall immediately terminate and be forfeited.

**B. Involuntary Termination, Retirement or Disability.** Subject to Section 6.G, in the case of a Participant’s involuntary Termination without Cause, Retirement or Disability, the Participant’s Award will immediately vest and the Shares (or cash) corresponding to the Earned PSUs



(based on the performance for the whole Performance Period) will be delivered to the Participant on the dates specified in Section 5.E that such Award would otherwise have been delivered if the Participant had continued to remain Employed. For the avoidance of doubt, an involuntary Termination without Cause as provided in this Section 6.B shall not include a resignation that a Participant may assert was a constructive discharge.

**C. Qualifying Resignation.** Subject to Section 6.G, in the case of a Participant's Qualifying Resignation after the first year of a Performance Period, the Participant's Award will immediately vest and the Shares (or cash) corresponding to the Earned PSUs (based on the performance for the whole Performance Period) will be delivered to the Participant on the dates specified in Section 5.E that such Award would otherwise have been delivered if the Participant had continued to remain Employed. For the avoidance of doubt, in the case of a Participant's Qualifying Resignation during the first year of a Performance Period, the Participant's Award shall immediately terminate and be forfeited.

**D. Death.** In the case of a Participant's death during a Performance Period or following a Performance Period but prior to the Committee's adjudication of performance under Section 5.B, the Participant's Award will immediately vest and the Shares (or cash) corresponding to the Target PSUs will be delivered to the Participant's estate as soon as practicable but in no event later than the end of the calendar year or, if later, within two and one-half months following the date of death. In the case of a Participant's death following the Committee's adjudication of performance for a Performance Period under Section 5.B, the Participant's Award will immediately vest and the Shares (or cash) corresponding to the Earned PSUs (based on performance for the whole Performance Period) will be delivered to the Participant's estate as soon as practicable but in no event later than the end of the calendar year or, if later, within two and one-half months following the date of death.

**E. Change in Control.** In the case of a Change in Control during a Performance Period and the Participant's involuntary Termination without Cause within twenty-four (24) months following such Change in Control, the Participant shall receive Shares (or cash) corresponding to the Target PSUs, unless the Committee determines to use actual performance through the date of the Change in Control, and such Shares (or cash) will immediately vest. In the case of a Change in Control following a Performance Period and the Participant's involuntary Termination without Cause within twenty-four (24) months following such Change in Control, the Participant shall receive Shares (or cash) corresponding to the Earned PSUs (based on performance for the whole Performance Period), and such Shares (or cash) will immediately vest. Any such vested amounts will be delivered by the end of the calendar year or, if later, within two and one-half months following the Participant's separation from service, *provided that* no delivery will be delayed as a result of the Change in Control.

**F. Election to Accelerate or Delay Delivery.** The Committee may, in its sole discretion, determine to accelerate or defer delivery of any Shares (or cash) underlying the Awards granted under the Plan or permit a Participant to elect to accelerate or defer delivery of any such Shares (or cash), in each case in a manner that conforms to the requirements of Section 409A and is consistent with the provisions of Section 8.E.

**G. Release of Claims.** In the case of a Participant's involuntary Termination without Cause, Qualifying Resignation or Retirement, the Company will require the Participant to execute a release substantially in the form attached as Annex B (the "**Release**"), subject to any provisions that the Committee may amend or add to the release in order to impose restrictive covenants requiring (x) confidentiality of information, non-disparagement and non-solicitation of Company employees for 12 months following the Termination and (y) in the case of a Qualifying Resignation, non-competition for twelve (12) months following the Termination, in each case as a condition to receiving delivery of any Shares (or cash) under any Awards, and the release must be executed by the Participant and become irrevocable prior to or during the calendar year of the date on which a delivery of Shares (or cash) with respect to the Earned PSUs is scheduled to be delivered pursuant to Section 4.D; *provided that* if the release is executed after such time, the delivery of Shares (or cash) with respect to such calendar year will be forfeited; *provided, further,* that if the local laws of a country or non-U.S. jurisdiction in which Participant performs services render invalid or unenforceable all or a portion of the Release (subject to additional provisions as described above), the General Counsel of AIG or his or her designee shall have the discretion to create a release that incorporates as much of the Release as possible while also complying with such local laws.

## 7. ADMINISTRATION OF THIS PLAN

**A. General.** This Plan shall be administered by the Committee and the person or persons designated by the Committee to administer the Plan from time to time. Actions of the Committee may be taken by the vote of a majority of its members. The Committee may allocate among its members and delegate to any person who is not a member of the Committee any of its administrative responsibilities. The Committee will have the power to interpret this Plan, to make regulations for carrying out its purposes and to make all other determinations in connection with its administration (including, without limitation, whether a Participant has become subject to Disability), all of which will, unless otherwise determined by the Committee, be final, binding and conclusive. The Committee may, in its sole discretion, reinstate any Awards made under this Plan that have been terminated and forfeited because of a Participant's Termination, if the Participant complies with any covenants, agreements or conditions that the Committee may impose; *provided, however,* that any delivery of Shares (or cash) under such reinstated Awards will not be made until the scheduled times set forth in this Plan.

**B. Non-Uniform Determinations.** The Committee's determinations under this Plan need not be uniform and may be made by it selectively with respect to persons who receive, or are eligible to receive, Awards (whether or not such persons are similarly situated). Without limiting the generality of the foregoing, the Committee will be entitled, among other things, to make non-uniform and selective determinations as to the persons to become Participants.

**C. Determination of Employment.** The Committee will have the right to determine the commencement or Termination date of a Participant's Employment with the Company solely for purposes of this Plan, separate and apart from any determination as may be made by the Company with respect to the individual's employment.

**D. Amendments.** The Committee will have the power to amend this Plan and the performance criteria established pursuant to Section 4 in any manner and at any time, including in a manner adverse to the rights of the Participants. The Committee shall also have the power, in its sole discretion, to reduce the amount of any Target PSUs or Earned PSUs at any time including, for the avoidance of doubt, after the Performance Period has ended.

**E. No Liability.** No member of the Board of Directors of AIG or any employee of the Company performing services with respect to the Plan (each, a "**Covered Person**") will have any liability to any person (including any Participant) for any action taken or omitted to be taken or any determination made, in each case, in good faith with respect to this Plan or any Participant's participation in it. Each Covered Person will be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under this Plan and against and from any and all amounts paid or Shares delivered by such Covered Person, with the Company's approval, in settlement thereof, or paid or delivered by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person, *provided that* the Company will have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company will have sole control over such defense with counsel of the Company's choice. To the extent any taxable expense reimbursement under this paragraph is subject to Section 409A, (x) the amount thereof eligible in one taxable year shall not affect the amount eligible in any other taxable year; (y) in no event shall any expenses be reimbursed after the last day of the taxable year following the taxable year in which the Covered Person incurred such expenses; and (z) in no event shall any right to reimbursement be subject to liquidation or exchange for another benefit. The foregoing right of indemnification will not be available to a Covered Person to the extent that a court of competent jurisdiction in a final

judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or willful misconduct. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which Covered Persons may be entitled under AIG's Amended and Restated Certificate of Incorporation or Bylaws, as a matter of law, or otherwise, or any other power that the Company may have to indemnify such persons or hold them harmless.

**F. Clawback/Repayment.** Notwithstanding anything to the contrary herein, Awards and any payments or deliveries under this Plan will be subject to forfeiture and/or repayment to the extent provided in the AIG Clawback Policy, as in effect from time to time.

## **8. GENERAL RULES**

**A. No Funding.** The Company will be under no obligation to fund or set aside amounts to pay obligations under this Plan. A Participant will have no rights to any Awards or other amounts under this Plan other than as a general unsecured creditor of the Company.

**B. Tax Withholding.** The delivery of Shares (or cash) under this Plan is conditioned on a Participant's satisfaction of any applicable withholding taxes in accordance with Section 3.2 of the American International Group, Inc. 2010 Stock Incentive Plan, as amended from time to time, or such similar provision of any successor stock incentive plan.

**C. No Rights to Other Payments.** The provisions of this Plan provide no right or eligibility to a Participant to any other payouts from AIG or its subsidiaries under any other alternative plans, schemes, arrangements or contracts AIG may have with any employee or group of employees of AIG or its subsidiaries.

**D. No Effect on Benefits.** Grants and the delivery of Shares (or cash) under this Plan will constitute a special discretionary incentive payment to the Participants and will not be required to be taken into account in computing the amount of salary or compensation of the Participants for the purpose of determining any contributions to or any benefits under any pension, retirement, profit-sharing, bonus, life insurance, severance or other benefit plan of AIG or any of its subsidiaries or under any agreement with the Participant, unless AIG or the subsidiary with which the Participant is Employed specifically provides otherwise.

### **E. Section 409A.**

(1) Awards made under the Plan are intended to be "deferred compensation" subject to Section 409A, and this Plan is intended to, and shall be interpreted, administered and construed to, comply with Section 409A. The Committee will have full authority to give effect to the intent of this Section 8.E.

(2) If any payment or delivery to be made under any Award (or any other payment or delivery under this Plan) would be subject to the limitations in Section 409A(a)(2)(b) of the Code, the payment or delivery will be delayed until six months after the Participant's separation from service (or earlier death) in accordance with the requirements of Section 409A.

(3) Each payment or delivery in respect of any Award will be treated as a separate payment or delivery for purposes of Section 409A.

**F. Severability.** If any of the provisions of this Plan is finally held to be invalid, illegal or unenforceable (whether in whole or in part), such provision will be deemed modified to the extent, but only to the extent, of such invalidity, illegality or unenforceability and the remaining provisions will not be affected thereby; *provided that* if any of such provisions is finally held to be invalid, illegal, or unenforceable because it exceeds the maximum scope determined to be acceptable to permit such provision to be enforceable, such provision will be deemed to be modified to the minimum extent necessary to modify such scope in order to make such provision enforceable hereunder.

**G. Entire Agreement.** This Plan contains the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, promises, covenants, arrangements, communications, representations and warranties between them, whether written or oral with respect to the subject matter hereof.

**H. Waiver of Claims.** Each Participant recognizes and agrees that prior to being selected by the Committee to receive an Award he or she has no right to any benefits under this Plan. Accordingly, in consideration of the Participant's receipt of any Award hereunder, he or she expressly waives any right to contest the amount of any Award, the terms of this Plan, any determination, action or omission hereunder by the Committee or the Company or any amendment to this Plan.

**I. No Third Party Beneficiaries.** Except as expressly provided herein, this Plan will not confer on any person other than the Company and the Participant any rights or remedies hereunder. The exculpation and indemnification provisions of Section 7.E will inure to the benefit of a Covered Person's estate and beneficiaries and legatees.

**J. Successor Entity; AIG's Assigns.** Unless otherwise provided in the applicable award agreement and except as otherwise determined by the Committee, in the event of a merger, consolidation, mandatory share exchange or other similar business combination of AIG with or into any other entity ("**Successor Entity**") or any transaction in which another person or entity acquires all of the issued and outstanding Common Stock of AIG, or all or substantially all of the assets of AIG, outstanding Awards may be assumed or a substantially equivalent award may be substituted by such Successor Entity or a parent or subsidiary of such Successor Entity. The terms of this Plan will be binding and inure to the benefit of AIG and its successors and assigns.

**K. Nonassignability.** No Award (or any rights and obligations thereunder) granted to any person under the Plan may be sold, exchanged, transferred, assigned, pledged, hypothecated or otherwise disposed of or hedged, in any manner (including through the use of any cash-settled instrument), whether voluntarily or involuntarily and whether by operation of law or otherwise, other than by will or by the laws of descent and distribution, except as may be otherwise provided in the award agreement. Any sale, exchange, transfer, assignment, pledge, hypothecation, or other disposition in violation of the provisions of this Section 8.K will be null and void and any Award which is hedged in any manner will immediately be forfeited. All of the terms and conditions of this Plan and the award agreements will be binding upon any permitted successors and assigns.

**L. Right to Discharge.** Nothing contained in this Plan or in any Award will confer on any Participant any right to be continued in the employ of AIG or any of its subsidiaries or to participate in any future plans.

**M. Consent.** If the Committee at any time determines that any consent (as hereinafter defined) is necessary or desirable as a condition of, or in connection with, the granting of any Award or the delivery of any Shares under this Plan, or the taking of any other action thereunder (each such action, a “*plan action*”), then such plan action will not be taken, in whole or in part, unless and until such consent will have been effected or obtained to the full satisfaction of the Committee; *provided that* if such consent has not been so effected or obtained as of the latest date provided by this Plan for payment of such amount or delivery and further delay is not permitted in accordance with the requirements of Section 409A, such amount will be forfeited and terminate notwithstanding any prior earning or vesting.

The term “*consent*” as used in this paragraph with respect to any plan action includes (1) any and all listings, registrations or qualifications in respect thereof upon any securities exchange or under any federal, state, or local law, or law, rule or regulation of a jurisdiction outside the United States, (2) any other matter, which the Committee may deem necessary or desirable to comply with the terms of any such listing, registration or qualification or to obtain an exemption from the requirement that any such listing, qualification or registration be made, (3) any and all other consents, clearances and approvals in respect of a plan action by any governmental or other regulatory body or any stock exchange or self-regulatory agency and (4) any and all consents required by the Committee.

**N. Subject to Any AIG Section 162(m) Plan.** AIG may, in any year, propose a Section 162(m) compliant performance incentive award plan (the “*AIG Section 162(m) Plan*”). If an AIG Section 162(m) Plan is proposed and approved by AIG stockholders in accordance with Section 162(m)(4)(C) of the Code and Treasury Regulation Section 1.162-27(e)(4), this Plan will function as a sub-plan under the AIG Section 162(m) Plan, whereby

performance compensation amounts payable under the AIG Section 162(m) Plan can be paid in part by accruing awards with respect to a Performance Period.

**O. No Liability With Respect to Tax Qualification or Adverse Tax Treatment.** Notwithstanding anything to the contrary contained herein, in no event shall the Company be liable to a Participant on account of the failure of any Award or amount payable under this Plan to (a) qualify for favorable United States or foreign tax treatment or (b) avoid adverse tax treatment under United States or foreign law, including, without limitation, Section 409A.

## 9. DISPUTES

**A. Governing Law.** This Plan 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. The Plan shall also be subject to all applicable non-U.S. laws as to Participants located outside of the United States. In the event that any provision of this Plan is not permitted by the local laws of a country or jurisdiction in which a Participant performs services, such local law shall supersede that provision of this Plan with respect to that Participant. The benefits to which a Participant would otherwise be entitled under this Plan may be adjusted or limited to the extent that the Committee determines is necessary or appropriate in light of applicable law or local practice.

**B. Arbitration.** Subject to the provisions of this Section 9, any dispute, controversy or claim between the Company and a Participant, arising out of or relating to or concerning this Plan or any Award, will be finally and exclusively settled by arbitration in New York City before, and in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association (the “AAA”) then in effect. Prior to arbitration, all claims maintained by a Participant must first be submitted to the Committee in accordance with claims procedures determined by the Committee.

**C. Jurisdiction. The Company and each Participant hereby irrevocably submit to the exclusive jurisdiction of a state or federal court of appropriate jurisdiction located in the Borough of Manhattan, the City of New York over any suit, action or proceeding arising out of or relating to or concerning this Plan or any Award that is not otherwise arbitrated or resolved according to Section 9.B.** The Company and each Participant acknowledge that the forum designated by this section has a reasonable relation to this Plan and to such Participant’s relationship with the Company, that the agreement as to forum is independent of the law that may be applied in the action, suit or proceeding and that such forum shall apply even if the forum may under applicable law choose to apply non-forum law.

**D. Waiver.** The Company and each Participant waive, to the fullest extent permitted by applicable law, any objection which the Company and such Participant now or hereafter may have to personal jurisdiction or to

the laying of venue of any such suit, action or proceeding in any court referred to in Section 9.C. The Company and each Participant undertake not to commence any action, suit or proceeding arising out of or relating to or concerning this Plan or any Award in any forum other than a forum described in Section 9.C. Notwithstanding the foregoing, nothing herein shall preclude the Company from bringing any action, suit or proceeding in any other court for the purpose of enforcing the provisions of this Section 9. The Company and each Participant agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such suit, action or proceeding in any such court shall be conclusive and binding upon the Participant and the Company.

**E. Service of Process.** Each Participant irrevocably appoints the Secretary of AIG at 80 Pine Street, New York, New York 10005, U.S.A. as his or her agent for service of process in connection with any action, suit or proceeding arising out of or relating to or concerning this Plan or any Award that is not otherwise arbitrated or resolved according to Section 9.B. The Secretary will promptly advise the Participant of any such service of process.

**F. Confidentiality.** Each Participant must keep confidential any information concerning any grant or Award made under this Plan and any dispute, controversy or claim relating to this Plan, except that (i) a Participant may disclose information concerning a dispute or claim to the court that is considering such dispute or to such Participant's legal counsel (*provided that* such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute) or (ii) a Participant may disclose information regarding an Award to the Participant's personal lawyer or tax accountant, *provided that* such individuals agree to keep the information confidential.

#### **10. TERM OF PLAN**

This Plan will continue until suspended or terminated by the Committee in its sole discretion. Any termination of this Plan will be done in a manner that the Committee determines complies with Section 409A.



Glossary of Terms

“**Cause**” means (1) a Participant’s conviction, whether following trial or by plea of guilty or *nolo contendere* (or similar plea), in a criminal proceeding (A) on a misdemeanor charge involving fraud, false statements or misleading omissions, wrongful taking, embezzlement, bribery, forgery, counterfeiting or extortion, or (B) on a felony charge or (C) on an equivalent charge to those in clauses (A) and (B) in jurisdictions which do not use those designations; (2) a Participant’s engagement in any conduct which constitutes an employment disqualification under applicable law (including statutory disqualification as defined under the Securities Exchange Act of 1934); (3) a Participant’s violation of any securities or commodities laws, any rules or regulations issued pursuant to such laws, or the rules and regulations of any securities or commodities exchange or association of which the Company or any of its subsidiaries or affiliates is a member; or (4) a Participant’s material violation of the Company’s codes or conduct or any other AIG policy as in effect from time to time. The determination as to whether “**Cause**” has occurred shall be made by the Committee in its sole discretion. The Committee shall also have the authority in its sole discretion to waive the consequences of the existence or occurrence of any of the events, acts or omissions constituting “**Cause**.”

“**Change in Control**” means the occurrence of any of the following events:

(1) individuals who, on January 1, 2013, constitute the Board (the “**Incumbent Directors**”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to January 1, 2013, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of AIG’s proxy statement in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of AIG as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director;

(2) Any “person” (as such term is defined in Section 3(a)(9) of the Exchange Act and as used in Sections 13(d)(3) and 14(d)(2) of the Exchange Act), is or becomes a “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of AIG representing 50% or more of the combined voting power of AIG’s then outstanding securities eligible to vote for the election of the Board (“**AIG Voting Securities**”); provided, however, that the event described in this paragraph (2) shall not be deemed to be a Change in Control by virtue of an acquisition of AIG Voting Securities: (A) by AIG or any subsidiary of AIG (B) by any employee benefit plan (or related trust) sponsored or maintained by AIG or any subsidiary of AIG or (C) by any underwriter temporarily holding securities pursuant to an offering of such securities;

(3) The consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction involving AIG (a “**Business Combination**”) that results in any person (other than the United States Department of Treasury) becoming the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect directors of the entity resulting from such Business Combination;

(4) The consummation of a sale of all or substantially all of AIG's assets (other than to an affiliate of AIG); or

(5) AIG's stockholders approve a plan of complete liquidation or dissolution of AIG.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any person acquires beneficial ownership of more than 50% of the AIG Voting Securities as a result of the acquisition of AIG Voting Securities by AIG which reduces the number of AIG Voting Securities outstanding; provided that if after such acquisition by AIG such person becomes the beneficial owner of additional AIG Voting Securities that increases the percentage of outstanding AIG Voting Securities beneficially owned by such person, a Change in Control shall then occur.

**"Disability"** means that a Participant, who after receiving short term disability income replacement payments for six months, (i) is determined to be disabled in accordance with the Company's long term disability plan in which employees of the Company are generally able to participate, if one is in effect at such time, to the extent such disability complies with 26 C.F.R. §1.409A-3(i)4(i)(B), or (ii) to the extent such Participant is not participating in the Company's long term disability plan, or no such long term disability plan exists, is determined to have medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months as determined by, as applicable, the Company's long term disability insurer or the department or vendor directed by the Company to determine eligibility for unpaid medical leave.

**"Employed"** and **"Employment"** means (a) actively performing services for the Company, (b) being on a Company-approved leave of absence, whether paid or unpaid, or (c) receiving long term disability benefits, in each case while in good standing with the Company.

**"Qualifying Resignation"** for a Participant means voluntary Termination initiated by the Participant (while such Participant is in good standing with the Company), that would not otherwise satisfy the definition of Retirement below, after attainment of age plus years of service equal to 60; *provided that* such Termination occurs on or after age 50 with at least five years of service.

**"Retirement"** for a Participant means voluntary Termination initiated by the Participant (while such Participant is in good standing with the Company) (i) on or after age 60 with five years of service or (ii) on or after age 55 with 10 years of service

**"Termination"** or **"Terminate,"** with respect to a Participant, means the termination of the Participant's Employment.

Form of Release Referred to in Section 6.G of the Plan.

*NOT personalized to each Participant.*

(1) [Employee Name] ("**Employee**"), for good and sufficient consideration, the receipt of which is hereby acknowledged, hereby waives and forever releases and discharges any and all claims of any kind Employee may have against American International Group, Inc., its affiliate or subsidiary companies, or any officer, director or employee of, or any benefit plan sponsored by, any such company (collectively, the "**Released Parties**") which arise from Employee's employment with any of the Released Parties or the termination of Employee's employment with any of the Released Parties. [Specifically, but without limiting that release, Employee hereby waives any rights or claims Employee might have pursuant to the Age Discrimination in Employment Act of 1967, as amended (the "**Act**") and under the laws of any and all jurisdictions, including, without limitation, the United States. Employee recognizes that Employee is not waiving any rights or claims under the Act that may arise after the date that Employee executes this Release.] Nothing herein modifies or affects any vested rights that Employee may have under the [American International Group, Inc. Retirement Plan, or the American International Group, Inc. Incentive Savings Plan] [*and other plans applicable to Employee*]; nor does this Release confer any such rights, which are governed by the terms of the respective plans (and any agreements under such plans).

(2) Employee acknowledges that Employee has not filed any complaint, charge, claim or proceeding, if any, against any of the Released Parties before any local, state or federal agency, court or other body (each individually a "**Proceeding**"). Employee represents that Employee is not aware of any basis on which such a Proceeding could reasonably be instituted.

(3) Employee acknowledges and agrees that Employee has complied with and will continue to comply with the non-disparagement, non-solicitation and confidentiality provisions set forth in the Employee's award agreement pursuant to Section 3.D of the Plan, [*a copy of which is attached hereto as Exhibit A*], and further agrees that AIG's remedies at law for a breach or threatened breach of any of the non-disparagement, non-solicitation and confidentiality provisions in the Employee's award agreement would be inadequate. In recognition of this fact, the Employee agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, AIG, without posting any bond, shall be entitled to obtain equitable relief from a court of competent jurisdiction in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available;

(4) [Employee acknowledges and understands that Employee is hereby being advised to consult with an attorney prior to executing this Release. Employee also acknowledges and understands that Employee has [twenty-one (21)] days to consider the terms of this Release before signing it. However, in no event may Employee sign this Release before Employee's termination date.]

(5) [Upon the signing of this Release by Employee, Employee understands that Employee shall have a period of seven (7) days following

Employee's signing of this Release in which Employee may revoke this Release. Employee understands that this Release shall not become effective or enforceable until this seven (7) day revocation period has expired, and that neither the Released Parties nor any other person has any obligation [pursuant to the American International Group, Inc. 2013 Long Term Incentive Plan] until eight (8) days have passed since Employee's signing of this Release without Employee having revoked this Release. If Employee revokes this Release, Employee will be deemed not to have accepted the terms of this Release.]

(6) Any dispute arising under this Release shall be governed by the law of the State of New York, without reference to the choice of law rules that would cause the application of the law of any other jurisdiction

\_\_\_\_\_  
DATE

\_\_\_\_\_  
[Employee]

AMERICAN INTERNATIONAL GROUP, INC.  
2013 LONG TERM INCENTIVE PLAN

**PERFORMANCE SHARE UNITS AWARD AGREEMENT**

**1. Status of Award; Defined Terms.** American International Group, Inc. (“*AIG*”) has awarded you performance share units (this “*Award*”) pursuant to the AIG 2013 Long Term Incentive Plan (the “*Plan*”). This Award Agreement (“*Award Agreement*”), which sets forth the terms and conditions of your Award, is made pursuant to the Plan and this Award and Award Agreement are subject to the terms of the Plan. Capitalized terms not defined in this Award Agreement have the meanings ascribed to them in the Plan.

**2. Award of PSUs.**

2.1 AIG hereby awards you the number of performance share units (“*PSUs*”) specified in Schedule A (the “*Target PSUs*”). Each PSU constitutes an unfunded and unsecured promise of AIG to deliver (or cause to be delivered) one Share (or, at the election of AIG, cash equal to the Fair Market Value thereof) in accordance with the Plan.

2.2 The actual number of PSUs that will be earned is subject to the Committee’s assessment of achievement based on the Performance Measures established for the Performance Period.

2.3 After the end of the Performance Period, the Committee will determine the percentage of your Target PSUs that will be earned (such earned PSUs, the “*Earned PSUs*”). The number of Shares covered by your Earned PSUs may range from 0% to 150% of your Target PSUs. Your Earned PSUs will be subject to vesting and will be paid in accordance with the schedule set forth in the Plan.

**3. 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 trade secret information of a confidential, proprietary or secret nature. Subject to and in addition to any confidentiality or non-disclosure requirements to which you were subject prior to the date you execute this Award Agreement, effective as of the date you execute this Award Agreement, for the remainder of your Employment and any time thereafter, you agree that (i) all confidential, proprietary, 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 information.

**4. Non-Solicitation.** Your Employment with the Company requires exposure to and use of confidential trade secret information (as set forth in Paragraph 3). Subject to and in addition to any non-solicitation requirements to

which you were subject prior to the date you execute this Award Agreement, effective as of the date you execute this Award Agreement, you agree that (i) for the remainder of 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 trade secret information, and (ii) for the remainder of your Employment with the Company and for a period of one (1) year after Employment terminates for any reason, you will not solicit or in any manner encourage or provide assistance to any employee, consultant 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.

**5. Non-Disparagement.** You agree that during and after your Employment with AIG, you will not disparage AIG or any of its subsidiaries or affiliates or any of their officers, directors or employees to any person or entity not affiliated with AIG; provided, however, that nothing herein prohibits you from giving truthful testimony as required by law.

**6. 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.

**7. Entire Agreement.** The Plan is incorporated herein by reference. This Award Agreement, the Plan, the personalized information in Schedule A, and such other documents as may be provided to you pursuant to this Award Agreement regarding the Performance Measures and the number of your Earned PSUs, 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.

**8. Notices.** Any notice or communication required to be given or delivered to the Company under the terms of this Award Agreement shall be in writing (which may include an electronic writing) and addressed to the Corporate Secretary of AIG at its principal corporate offices as specified in Section 9E of the Plan 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 shall be in writing (including an electronic writing) and addressed to you your company email address or your home address on file in AIG's payroll or personnel records. All notices shall 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).

**9. 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.

**IN WITNESS WHEREOF**, AMERICAN INTERNATIONAL GROUP, INC. has caused this Award Agreement to be duly executed and delivered as of the Date of Award specified in Schedule A.

AMERICAN INTERNATIONAL GROUP, INC.

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By: Jeffrey Hurd  
Executive Vice President and Chief Human Resources  
Officer

**Schedule A**  
**AIG 2013 Long Term Incentive Plan**

Recipient: [First Name] [Last Name]  
Employee ID: [Employee ID]  
Performance Period: [Performance Period]  
Target PSUs: [Number of PSUs]  
Date of Award: [Award Date]

Receipt  
Acknowledged:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Address:

\_\_\_\_\_  
Street

\_\_\_\_\_  
City,

State

\_\_\_\_\_  
Zip Code

In order to be eligible to receive your 2013 LTIP award, you must agree to and either electronically consent or sign the Award Agreement within **90 days** of the receipt of this communication. **If you do not electronically consent to or sign the Award Agreement within 90 days, you may forfeit your Award.** There are several ways to submit your signed Award Agreement (please include all four pages of the Award Agreement when you submit it):

1. You may scan the Award Agreement and email it to Joyce Chan at [globalcompensation@aig.com](mailto:globalcompensation@aig.com). Please put the words "2013 LTIP Award Agreement" in the subject line. OR
2. You may fax the Award Agreement to Joyce Chan 1-877-831-4545. Please put the words "2013 LTIP Award Agreement" in the subject line. OR
3. You may mail it to: Joyce Chan  
AIG Global Compensation  
180 Maiden Lane, 22nd Floor  
New York, NY 10038



## AMERICAN INTERNATIONAL GROUP, INC.

## CLAWBACK POLICY

(Effective March 21, 2013)

**Purpose**

American International Group, Inc. (“**AIG**”) is establishing this AIG Clawback Policy (this “**Policy**”) to encourage sound risk management and increase individual accountability. This Policy has been approved by the Compensation and Management Resources Committee (as constituted from time to time, and including any successor committee, the “**Committee**”) of AIG’s Board of Directors (the “**Board**”) and is effective prospectively from March 21, 2013 (the “**Effective Date**”).

**Administration**

The Committee will administer this Policy. Actions of the Committee pursuant to this policy may be taken by the vote of a majority of its members. The Committee is authorized, subject to the provisions of this Policy, to make such determinations and interpretations and to take such actions in connection with this Policy as it deems necessary or advisable. The Board may, in its sole discretion, at any time and from time to time, administer this Policy, in which case the Board will have all of the authority and responsibility granted to the Committee herein. All determinations and interpretations made by the Committee or the Board will be final, binding and conclusive.

**Policy****1. Coverage**

**A. Covered Employees.** All executive officers are designated as “**Covered Employees**”. In addition, the Committee may designate other employees as “**Covered Employees**” (or remove such designation) from time to time, including without limitation any employee who is identified by AIG as a “covered employee” under the Interagency Guidance on Sound Incentive Compensation Policies (or such other similar designation under any government regulation that may be applicable to AIG in the future) or any employee who receives AIG equity or equity-based awards. For purposes of this Policy, the term “executive officer” means any current or former executive officer of AIG for purposes of the Securities Exchange Act of 1934, as amended.

**B. Covered Compensation Arrangements.** This Policy will apply to any bonus, equity or equity-based award or other incentive compensation granted (1) for any Covered Employee who is an executive officer, on or after the Effective Date and (2) for any other Covered Employee, during the period in which he or she is designated as a Covered Employee (such compensation, “**Incentive Compensation**”). For the avoidance of doubt, the following will not be considered Incentive Compensation: (i) salary, tax-qualified retirement benefits, “other” compensation arising from reasonable relocation or expatriate expenses, elective deferrals of salary, programs provided to salaried employees generally in which the level of benefits is not determined by the employee’s level of compensation and programs that provide a *de minimis* amount of compensation, as determined by the Committee; and (ii) incentive compensation awarded pursuant to a structure determined by the Special Master for TARP Executive Compensation (which is subject to clawback provisions specified by the Special Master).

**C. Covered Events.** For purposes of this policy, a “**Covered Event**” means the occurrence of any of the following events for a Covered Employee who is an executive officer:

1. A material restatement of all or a portion of AIG’s financial statements occurs (a “**Material Restatement Event**”);
2. Incentive Compensation was awarded to, or received by, the Covered Employee based on materially inaccurate financial statements or on performance metrics that are materially inaccurately determined (regardless of whether the Covered Employee was responsible for the inaccuracy) (an “**Inaccurate Metrics Event**”);
3. A failure by the Covered Employee to properly identify, assess or sufficiently raise concerns about risk, including in a supervisory role, that results in a material adverse impact on AIG, any of AIG’s business units or the broader financial system;
4. An action or omission by the Covered Employee constitutes a material violation of AIG’s risk policies as in effect from time to time; or
5. An action or omission by the Covered Employee results in material financial or reputational harm to AIG.

For any Covered Employee who is not an executive officer, a “**Covered Event**” shall mean any combination of clauses (1) through (5) that the Committee, in its sole discretion, has determined to be appropriate.

## **2. Exercise of Clawback Authority**

If the Committee determines that a Covered Event has occurred, the Committee may require the forfeiture and/or repayment of all or any portion of the following:

1. Any outstanding and unpaid Incentive Compensation, whether vested or unvested, that was awarded to the Covered Employee, and
2. Any Incentive Compensation that was paid to and received by the Covered Employee (including gains realized through the exercise of stock options or stock appreciation rights) during the twelve (12) month period preceding the date of the Covered Event or such longer period of time as required by any applicable statute or government regulation.

The existence and date of a Covered Event and the amount of any forfeiture and/or repayment will be determined by the Committee in its sole discretion; *provided* that, notwithstanding the foregoing, if a Material Restatement Event occurs, the Committee will consider all facts and circumstances that the Committee determines relevant and contributed to the restatement, including whether anyone responsible engaged in misconduct, and considering issues of accountability; and *provided further* that, if an Inaccurate Metrics Event occurs, the amount of Incentive Compensation subject to forfeiture and/or recoupment will be limited to the excess portion that the Covered Employee would not have received if such financial statements or performance metrics had been accurate (as determined in the sole discretion of the Committee).

Any forfeiture and/or recoupment under this Policy will be in addition to any other remedies that may be available under applicable law or AIG policy, including termination of employment.

### 3. Limitations

The authority set forth in Section 2 of this Policy shall be limited to the extent that it would violate any applicable statute or government regulation or, unless otherwise required by applicable statute or government regulation, (1) result in substantial adverse tax or accounting consequences for AIG, (2) prejudice AIG's interests in any related proceeding or investigation or (3) reasonably result in expenses that exceed the amount that would be forfeited and/or recouped in exercising such authority. In each case, the Committee will determine the extent of such limit in its sole discretion.

### 4. Implementation

**A. Executive Officers.** To implement this Policy for any Covered Employee who is an executive officer, all awards under an Incentive Compensation plan, program or agreement (or the plan, program or arrangement itself) with respect to such Covered Employee will include the following language, adjusted as necessary in the sole discretion of the Committee, to address the particular arrangement:

"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."

**B. Other Covered Employees.** To implement this Policy for any other Covered Employee, all awards under an Incentive Compensation plan, program or agreement (or the plan, program or arrangement itself) with respect to such Covered Employee will include the following language, adjusted as necessary (including deletion of any clauses that shall not constitute a Covered Event for such Covered Employee) in the sole discretion of the Committee, to address the particular arrangement:

"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 any of the following events has occurred (each such event, a "Covered Event" for purposes of the policy):

- (i) a material restatement of all or a portion of the AIG's financial statements occurs and the Board or Committee determines that recovery of payments under this award is appropriate after reviewing all relevant facts and circumstances that contributed to the restatement, including whether you engaged in misconduct, and considering issues of accountability;

- (ii) payments under this award were based on materially inaccurate financial statements or on performance metrics that are materially inaccurately determined, regardless of whether you were responsible for the inaccuracy;
- (iii) your failure to properly identify, assess or sufficiently raise concerns about risk, including in a supervisory role, resulted in a material adverse impact on AIG, any of AIG's business units or the broader financial system;
- (iv) any action or omission by you constituted a material violation of AIG's risk policies as in effect from time to time; or
- (v) any action or omission by you resulted in material financial or reputational harm to AIG."

#### **5. Acknowledgement by Covered Employees**

The Board, the Committee or their delegate shall provide notice and seek written acknowledgement of this Policy from each Covered Employee as soon as practicable after the later of (i) the Effective Date and (ii) the date on which the employee is designated as a Covered Employee; *provided* that failure to obtain such acknowledgement shall have no impact on the enforceability of this Policy.

#### **6. Amendment and Termination**

The Committee may terminate this Policy at any time. The Committee may also, from time to time, suspend, discontinue, revise or amend this Policy in any respect whatsoever. Nothing in this Policy will be deemed to limit or restrict AIG from providing for forfeiture and/or repayment of compensation (including Incentive Compensation) under circumstances not set forth in this Policy.

#### **7. Indemnification**

No member of the Board or employee of AIG exercising such person's responsibilities under this Policy (each such person, an "**Indemnitee**") will have liability to any person for any action taken or omitted to be taken or any determination made in good faith with respect to this Policy. Each Indemnitee will be indemnified and held harmless by AIG against and from any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Indemnitee in connection with or resulting from any action, suit or proceeding to which such Indemnitee may be a party or in which such Indemnitee may be involved by reason of any action taken or omitted to be taken under this Policy and against and from any and all amounts paid by such Indemnitee, with AIG's approval, in settlement thereof, or paid by such Indemnitee in satisfaction of any judgment in any such action, suit or proceeding against such Indemnitee, *provided* that AIG will have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once AIG gives notice of its intent to assume the defense, AIG will have sole control over such defense with counsel of AIG's choice. The foregoing right of indemnification will not be available to an Indemnitee to the extent that a court of competent jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Indemnitee giving rise to the indemnification claim resulted from such Indemnitee's bad faith, fraud or willful misconduct. The foregoing right of indemnification will not be exclusive of any other rights of indemnification to which Indemnitees may be entitled under AIG's Amended and Restated Certificate of Incorporation or By-laws, as a matter of law, or otherwise, or any other power that AIG may have to indemnify such persons or hold them harmless.

**American International Group, Inc.**  
**2013 Short-Term Incentive Plan**

**1. Purpose**

The purpose of the American International Group, Inc. 2013 Short-Term Incentive Plan (the “**Plan**”) of the American International Group, Inc. (“**AIG**” and together with its consolidated subsidiaries, the “**Company**”) is to strengthen our pay-for-performance culture by rewarding employees for overall AIG, “Business/Functional Segment” and individual performance during the Performance Year (as defined in Section 3 below) and to provide the Company with effective means of attracting, retaining and motivating employees and encouraging the continued commitment of participants on behalf of the Company and its Business/Functional Segments. Incentive Awards under the Plan will be in the form of cash. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Glossary of Terms set forth in Appendix C.

**2. Eligibility**

All full and part-time employees of the Company, excluding external contractors, independent contractors, temporary workers and independent agents (the “**Participants**”) are eligible to participate in the Plan, unless the employee is a participant in another variable pay or sales plan that the business has determined is in lieu of the Plan during the Performance Year. Being eligible for any bonus plan that is required to be provided under local law shall not cause an employee who satisfies the definition above to lose eligibility for this Plan (unless the business expressly elects to so exclude such employee). Subject to Sections 7 and 11 and Appendix B, in order to be eligible to be a Participant in this Plan for a Performance Year, the employee must be employed by the Company in the Performance Year. Employees who have an employment contract with AIG or its subsidiaries for ongoing employment of unlimited duration and that is not confined to a specific, finite project will not be excluded from being eligible to participate in this Plan.

**3. Performance Year**

The Plan will operate for successive one calendar year (January 1 – December 31) periods (each, a “**Performance Year**”) until the Plan is terminated by the CMRC (as defined in Section 4 below). The first Performance Year will be from January 1, 2013 through December 31, 2013.

**4. Funding Approval and Plan Administration**

A. In General

The aggregate Funding of the Plan (the amount that represents the sum of the Business/Functional Segment Short-Term Incentive Pools) is approved by the members of the Compensation and Management Resources Committee of AIG’s Board of Directors (the “**CMRC**”). Compensation Center of Excellence (“**Compensation COE**”) under the direction of the Executive Group then allocates portions of the Funding to each of the Business/Functional Segments (the “**Business/Functional Segment Funding**”).

## B. Funding Approval

The Funding approval process begins with an assessment by the CMRC of the Company's overall performance against pre-determined goals and objectives. Next, the CMRC determines how each Business/Functional Segment performed against its pre-determined goals. If a Business/Functional Segment's performance exceeded its pre-determined goals, funding of the Business/Functional Segment's Short-Term Incentive Pool above 100% will only be permitted if the Company's overall performance meets or exceeds the minimum threshold of the Company's goals and objectives.

The CMRC determines the performance metrics and a threshold, target and maximum achievement level for each metric within the first ninety (90) days of a Performance Year. For Business/Functional Segments that are business units, the performance metrics are specific to the business unit. For Business/Functional segments that are the global functional units, the performance metrics are a mix of AIG and functional unit metrics. Following the end of the Performance Year, the CMRC will measure and certify performance against the performance metrics. The CMRC's assessment of performance against the pre-determined goals will be expressed in the form of a "Modifier" ranging from 0% to 125%. The Modifier will be determined based upon whether performance is at minimum, target or maximum achievement levels. Each Business/Functional Segment may be assigned a Modifier that, when applied to the targeted amount of the Short-Term Incentive Pool for that Business/Functional Segment, will be used to establish the Business/Functional Segment's Short-Term Incentive Pool. Once the process described above is complete, the CMRC will approve the aggregate Funding at the Company level.

Additionally, final pool sizes are subject to adjustment at the discretion of the Executive Group and the CMRC to ensure that the Plan rewards all Participants appropriately and in the intended manner.

Excluded from the Funding are any guaranteed bonuses pursuant to an individual offer letter or employment agreement.

## C. Plan Administration

The Plan is administered by the CMRC who, in its sole discretion and subject to Section 22, may allocate among its members and delegate to any person who is not a member of the CMRC any of its powers, responsibilities or duties under the Plan, including, but not limited to delegating (i) all or a portion of the day-to-day administration of the Plan to the Compensation COE and (ii) Plan interpretation issues to a committee (the "**Plan Interpretation Committee**") consisting of the highest level executive overseeing each of Compensation and Benefits, Human Resources Legal, and Employee Relations. The CMRC will have the power to construe, interpret and implement this Plan, to make rules for carrying out its purposes and to make all other determinations in connection with its administration, all of which will, unless otherwise determined by the CMRC, be final, binding and conclusive.

## **5. Individual Participant Target and Performance Measurement**

For each Performance Year, each Participant will be assigned an annual "**Incentive Target Amount**" by the CMRC or the applicable Business/Functional Segment in which the Participant

is Employed, expressed as a flat local currency amount, which takes into consideration the Participant's job grade, business, local market, job scope, responsibilities and experience. The Participant's performance during the Performance Year will be determined by the CMRC or the applicable Business/Functional Segment in which the Participant is Employed in accordance with Appendix A (the "**Performance Measurement Methodology**"), which will result in a Relative Performance Rating ("**RPR**") for the Participant and an Incentive Opportunity Percent that corresponds to the RPR.

## **6. Calculation of Incentive Payment/Determination of Awards**

A. As described in this Section 6, each Participant's Incentive Award Recommendation will take into account the Participant's RPR, the Incentive Target Amount, the Incentive Opportunity Range as described in Appendix A and the Short-Term Incentive Pool that was approved for the Participant's Business/Functional Segment as outlined in Section 4B.

B. Subject to the Funding limit described in Section 4, once the Participant's performance has been determined, the CMRC or the Participant's manager, as applicable, uses discretion, taking into account the Participant's RPR, to multiply the Participant's Incentive Target Amount by the Incentive Opportunity Percent to arrive at the Participant's Incentive Award Recommendation. The Participant's Incentive Award Recommendation will then be adjusted by the applicable Modifier that was determined in Section 4B. Following the application of the Modifier, the CMRC or the Participant's manager, as applicable, has the discretion to further revise the Participant's Incentive Award Recommendation. In the event an individual is hired after the Performance Year commences, the individual may become a Participant in the Plan and be assigned an annual Incentive Target Amount which is based on the job grade, business, local market, job scope, responsibilities for the position, as well as the Participant's experience; provided, however, the amount of the Incentive Award may be pro-rated to reflect the portion of the Performance Year that such Participant worked for the Company.

C. The total Incentive Award Recommendations (after each has been adjusted by the applicable Business/Functional Segment Modifier) must not exceed the Funding approved by the CMRC pursuant to Section 4B. The CMRC or the applicable Business/Functional Segment is responsible for allocating awards among the Participants based on the applicable Business/Functional Segment's Short-Term Incentive Pool in accordance with the guidelines set forth in Appendix A.

D. The Compensation COE will conduct validation analyses to determine that the Plan is generally operated in accordance with the Performance Measurement Methodology in Section 5 and Appendix A, and in accordance with paragraphs 6A and 6B as well as to determine whether the Incentive Award percentages are differentiated for each RPR level as a whole in accordance with the range for that level. It will also prepare an exception report for the Executive Group's review.

E. Aggregate Business/Functional Segment recommendations are presented to the CMRC for approval no later than March 31st following the Performance Year. On such date or dates following such CMRC approval as the CMRC determines in its sole discretion, but no later than April 30th following the Performance Year (the "**Award Date**"), each Participant will be granted

an Incentive Award equal to the Participant's final Incentive Award Recommendation as adjusted by the applicable Modifier, payable pursuant to Section 7. The CMRC expressly reserves the right not to pay an Incentive Award to any, some or all Participants for a Performance Year.

#### **7. Vesting; Payout of Incentive Award**

A Participant must be Employed by the Company on the Award Date to be eligible to receive his or her Incentive Award except to the extent provided in Section 11 and Appendix B. Each Incentive Award will be fully-vested on the Award Date. Except as provided in the paragraph below, Incentive Awards will be paid 100% in cash on the Award Date.

Prior to March 31 of a Performance Year, the CMRC may determine that all or a specified percentage of a Participant's Incentive Award will be a "**Deferred Award**," in which case such Incentive Award will be paid in cash on March 1 of the year following the year in which the Award Date occurs. For the 2013 Performance Year, 50% of Incentive Awards for Participants in grade level 27 and above will be Deferred Awards.

To the extent a Participant does not receive a payment for a Performance Year on or before March 15 of the calendar year following the year in which the Award Date occurs, the Participant shall forfeit all rights to payment.

#### **8. Limitation of Incentive Payment under Certain Conditions**

In the event any Incentive Award payment received or to be received by any Participant under this Plan would be subject to the excise tax imposed by Section 4999 of the Code or any similar or successor provision to Section 4999 (the "**Excise Tax**") then, at the discretion of the Chief Human Resources Officer such Incentive Award payment shall be reduced up to the largest amount which would result in no portion of the Incentive Award payment being subject to the Excise Tax. The determination of any such reduction pursuant to this Section 8 will be made by the Executive Vice President, Human Resources (or, in the event no individual with such a title is employed by the Company, then the most senior Human Resources executive overseeing the entire global Human Resources function of the Company), and such determination will be conclusive and binding upon the Company, the Participant and the CMRC for all purposes.

#### **9. Plan Termination/Amendment**

The Plan may be amended or modified, with or without prior notification of the Participants, at any time in the sole discretion of the CMRC. The Plan will continue until suspended or terminated by the CMRC in its sole discretion; *provided that* all Incentive Awards made under the Plan before its suspension or termination will remain in effect until such awards have been satisfied or terminated in accordance with the terms and provisions of the Plan and the applicable award. Notwithstanding the foregoing, the CMRC's rights and powers to amend the Plan shall be delegated to individuals holding the following positions, Executive Vice President Human Resources (or, in the event no individual with such a title is employed by the Company, then the most senior Human Resources executive overseeing the entire global Human Resource Function of the Company) or the Vice President Global Compensation and Benefits (or, in the event no individual with such a title is employed by the Company, then the most senior executive



overseeing the Company's Compensation and Benefits Function), either of which has the right to amend the Plan with respect to (i) amendments required by relevant law, regulation or ruling, (ii) amendments that are not expected to have a material financial impact on the Company, (iii) amendments that can reasonably be characterized as technical or ministerial in nature or (iv) amendments that have previously been approved in concept by the CMRC. Notwithstanding the foregoing delegation, the positions noted above shall not have the power to make an amendment to the Plan that could reasonably be expected to result in a termination of the Plan or a change in the structure or the powers, duties or responsibilities of the CMRC, unless such amendment is approved or ratified by the CMRC.

#### **10. Effective Date**

The Plan is effective as of the 2013 Performance Year, and will continue thereafter until terminated by the CMRC; provided, however, that the existence of the Plan at any time or from time to time does not guarantee or imply the payment of any Incentive Awards hereunder, or the establishment of any future plans or the continuation of this Plan.

#### **11. Termination of Employment/Breaks in Service**

In the event (i) a Participant's Employment terminates during the Performance Year or prior to the Award Date, or (ii) a Participant is Employed, but not actively performing services for the Company for a portion of the Performance Year, or on the actual payment date of an Incentive Award, for certain reasons specified in Appendix B, the amount of an Incentive Award, if any, that the Participant will receive and payment thereof will be determined (and, if applicable, modified) in accordance with Appendix B.

In the event a Participant is involuntarily Terminated without Cause pursuant to Appendix B, AIG will require the Participant to execute a release, as described below, in order to impose restrictive covenants requiring confidentiality of information, non-disparagement and non-solicitation of Company employees for 12 months following Termination without Cause as a condition to receiving payment of all or a portion of the Incentive Award. Such release shall be the release required by the severance plan or program applicable to the Participant's Termination without Cause; provided, however, to the extent that no such established severance plan or program is deemed applicable by the CMRC or its delegate, then the release shall be a release generally in the form set forth in Appendix D, subject to any provisions that the CMRC or its delegate may amend or add to the release. Such release must be executed by the Participant, submitted to the Company and become irrevocable prior to the date on which any Incentive Award shall be paid, but in no event shall the release be executed later than March 10<sup>th</sup> of the year following the year in which the Termination without Cause occurred; provided that if the release is executed after such time, the payment with respect to such Incentive Award will be forfeited; provided, further, that if the local laws of a country or non-U.S. jurisdiction in which Participant performs services would not permit all or a portion of the release in Appendix D to be structured or executed in the applicable form attached hereto, the General Counsel of AIG or his or her designee shall have the discretion to create a release that incorporates as much of the Appendix D release as possible, while also complying with such local laws.

## **12. Taxes**

The Company will comply with all applicable tax reporting, withholding and other requirements globally with respect to amounts paid under this Plan, in amounts and in a manner determined in the sole discretion of the Company. As a condition to the payment of any amount under this Plan, or in connection with any other event related to this Plan, that gives rise to a federal or other governmental tax withholding obligation (1) the Company may deduct or withhold (or cause to be deducted or withheld) from any payment to a Participant whether or not pursuant to this Plan or (2) the CMRC will be entitled to require that the Participant remit cash to the Company (through payroll deduction or otherwise), in each case, in an amount sufficient in the opinion of the Company to satisfy such withholding obligation.

## **13. Effect on Benefit Plans**

The Incentive Award payment is deemed compensation under certain of the Company's compensation and benefit plans, but it is not deemed compensation for other programs; provided, however that for purposes of the Company's benefit programs, this Plan will be deemed a short-term incentive, annual, year-end bonus program. The Summary Plan Description and plan summaries of each of the Company's compensation and benefit plans will govern whether and the extent to which the Incentive Award payment will affect the Participant's benefits under such plans, and the Company reserves the right to amend those compensation and benefit plans at any time.

## **14. Other Payments or Awards**

Nothing contained in the Plan will be deemed in any way to limit or restrict the Company from adopting or continuing in effect any compensation arrangements or making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

## **15. Governing Law; Section 409A**

The Plan will be governed and enforced in accordance with the appropriate country and local regulations. With respect to Participants working in the United States, this Plan 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.

The Plan shall also be subject to all applicable non-U.S. laws as to Participants located outside of the United States. In the event that any provision of this Plan is not permitted by the local laws of a country or jurisdiction in which a Participant works, such local law shall supersede that provision of this Plan with respect to that Participant. The Plan Interpretation Committee or its designee shall have the discretion to operate the Plan with respect to such Participant in a manner that incorporates as much of the Plan's current terms as possible while also complying with such local laws.

Each payment made under the Plan shall be deemed to be a separate payment for purposes of Section 409A, and amounts payable shall be deemed not to be a "deferral of compensation" subject to Section 409A to the extent provided in the "short-term deferral" exception in Treasury

Regulation Section 1.409A-1(b)(4). For the avoidance of doubt, all Incentive Awards under the Plan are intended to satisfy such short-term deferral exception. To the extent any payment under the Plan constitutes “deferred compensation” subject to Section 409A, the Plan will be interpreted, administered and construed to comply with Section 409A with respect to such payment. The CMRC will have full authority to give effect to the intent of this paragraph of Section 15.

#### **16. No Right of Employment**

Nothing in this Plan will be construed as creating any contract of employment or conferring upon the Participant any right to continue in the employ or other service of the Company, or any of its subdivisions or subsidiaries, or limit in any way the right of the Company to change such Participant’s compensation or benefits or to terminate the employment or other service of such Participant with or without cause.

#### **17. Section Headings**

The section headings contained herein are for convenience only, and in the event of any conflict, the text of the Plan, rather than the headings will control.

#### **18. Severability**

If any term or provision contained herein is finally held to be, to any extent, invalid, illegal or unenforceable (whether in whole or in part), such provision will be deemed modified only to the extent of such invalidity, illegality or unenforceability and the remaining provisions will not be affected thereby.

#### **19. Entire Understanding**

The Plan contains the entire understanding of the Company and the Participants with respect to the subject matter thereof and supersedes all prior promises, covenants, arrangements, agreements, communications, representations and understanding between the Company and the Participant.

#### **20. Successor and Assigns**

The terms of this Plan will inure to the benefit of the Company and any successor entity.

#### **21. Repayment and Clawback**

Notwithstanding anything to the contrary herein, in consideration of the grant of an Incentive Award, the award and any payments under this Plan 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.

#### **22. Subject to Any AIG Section 162(m) Plan**

AIG may, in any year, propose a Section 162(m) compliant performance incentive award plan (the “**AIG Section 162(m) Plan**”). If an AIG Section 162(m) Plan is proposed and approved by

the AIG stockholders in accordance with Section 162(m)(4)(C) of the Code and Treasury Regulation Section 1.162-27(e)(4), this Plan will function as a sub-plan under the AIG Section 162(m) Plan, whereby performance compensation amounts payable under the AIG Section 162(m) Plan can be paid in part by accruing awards with respect to a Performance Period.

**23. No Funding**

The Company will be under no obligation to fund or set aside amounts to pay obligations under this Plan. A Participant will have no rights to awards or other amounts under this Plan other than as a general, unsecured creditor of the Company.

**Performance Measurement Methodology for Assessing a Participant's Performance**

For each Performance Year, each Participant's Incentive Target Amount will be determined generally based on the Participant's job grade, business, local market, job scope, responsibilities and experience. The actual Incentive Award Recommendation (above or below target) is determined through a performance management process which measures and rewards an employee's performance against a "peer performance group." A Participant's peer performance group consists of employees in similar job grades, functions and levels of responsibility within and across Business/Functions. Through "Roundtable" discussions (discussions among supervisors of those who are members of a peer performance group), a Participant's performance is discussed and measured against the others in the peer performance group, and each Participant is ultimately assigned a RPR. The RPR levels, descriptions and distribution percentages set forth in chart below may be amended from time to time in the sole discretion of the CMRC.

Each RPR level has a guideline Incentive Opportunity Range, as described in the table below, generally to be used as a guideline by management in determining an Incentive Opportunity Percent that will be applied, based on management discretion, to the Participant's Incentive Target Amount to calculate the Incentive Award Recommendation. The RPR guidelines assist the CMRC and/or manager in allocating incentive amounts among eligible employees.

Only a limited percentage of employees within a performance peer group may be assigned to each RPR level, and generally each performance peer group will achieve optimal distribution of ratings, as is set forth in the table.

## Performance Rating Descriptions and Incentive Opportunity Guidelines

RPR Category & Opportunity Guidelines*	Description	Distribution of Ratings*
<p><b>Top Performance (1)</b> Incentive Opportunity Range %: 130% - 150%</p>	<p><b>Relative Performance Rating</b> Consistently exceeded goals and objectives relative to peer group to achieve superior results and contributions. Evidence of superior peer group contribution to achieving business unit, function, group and Company objectives.</p>	<p>10% of Peer Group</p>
<p><b>Excellent Performance (2)</b> Incentive Opportunity Range %: 120% to 140%</p>	<p><b>Relative Performance Rating</b> Consistently exceeded performance standards and expectations relative to peer group to achieve strong results and contributions.</p>	<p>20% of Peer Group</p>
<p><b>Solid Performance (3)</b> Incentive Opportunity Range %: 80% to 120%</p>	<p><b>Relative Performance Rating</b> Consistently met performance standards and expectations relative to peer group to deliver results.</p>	<p>50% of Peer Group</p>
<p><b>Developmental Performance (4)</b> Incentive Opportunity Range %: 20% to 80%</p>	<p><b>Relative Performance Rating</b> Inconsistently met performance standards and expectations relative to peer group; and/or limited contribution relative to peer group in achieving Business/Functional unit, function and/or Company objectives.</p>	<p>20% of Peer Group</p>
<p><b>Unsatisfactory Performance (5)</b> Incentive Opportunity Range %: 0%</p>	<p><b>Relative Performance Rating</b> Did not perform to the performance standard of his/her peer group.</p>	
<p><b>New to Company –</b> (too soon to rate) Incentive Opportunity Range %: 80% to 120%</p>	<p>All new employees who are new to the Company after <b>June 30th</b> will be excluded from the current year's RPR process.</p>	

\* AIG has the discretion to change these percentages from time to time.

**Treatment of Incentive Award Upon Various Types of Breaks in Service or Terminations of Employment**

Type of Break in Service or Termination of Employment	Amount the Participant Receives
<p><b>Short-Term &amp; Long-Term Medical Leaves of Absence</b> (STD &amp; LTD)</p> <p><b>Family Medical &amp; Domestic Partner Leave</b></p> <p><b>Non-Medical Leave of Absence</b> (Personal Leave)</p> <p><b>Military Leave of Absence</b></p>	<p>If a Participant is on an approved leave of absence during which the Participant is receiving salary continuation from a Company payroll (a "Paid Leave of Absence"), such Paid Leave of Absence will not be deemed a break a service or a termination of employment for purposes of this Plan. Time on a Paid Leave of Absence will be treated the same as time during which the Participant performs services for the Company.</p> <p>If a Participant is on an approved leave of absence during which the Participant is NOT receiving salary continuation from a Company payroll, including a period of long term disability leave during which a Participant may be receiving long term disability insurance payments from a long term disability insurer (an "Unpaid Leave of Absence"), their Incentive Award will be prorated based on the number of months during the Performance Year that the Participant was actively employed or on a Paid Leave of Absence with the Company, but will not include the number of months that the Participant was on an Unpaid Leave of Absence.</p> <p>Incentive Awards are paid on the Normal Schedule.</p>
<p align="center"><b>Retirement</b></p>	<p><i>During the Performance Year:</i> If the Termination occurs after March 31st and before the end of the Performance Year, the Incentive Award is prorated based on the number of months during the Performance Year that the Participant was actively employed or on a Paid Leave of absence with the Company and the amount of the Incentive Award is based on 100% of the Incentive Target Amount for the Participant for such Performance Year and actual performance of the applicable Business/Functional Segment as determined by the CMRC. Paid on the Normal Schedule. If the last day worked occurs on or before March 31<sup>st</sup>, the Participant will not receive any prorated Incentive Award payment for the current Performance Year.</p> <p><i>After the End of the Performance Year but prior to the Award Date:</i> If a Participant Retires after the end of the Performance Year, the Incentive Award is not prorated, but is paid in full based on individual and business or global function performance for such Performance Year. Paid on the Normal Schedule.</p>
<p align="center"><b>Death</b></p>	<p><i>If a Participant Dies While Actively Employed or on a Paid Leave of Absence:</i></p> <p><i>During the Performance Year:</i> If the date of death occurs after March 31st and before the end of the Performance Year, the Incentive Award is prorated based on the number of months during the Performance Year that the Participant was actively employed or on a Paid Leave of Absence</p>

Type of Break in Service or Termination of Employment	Amount the Participant Receives
	<p>with the Company and the amount of the Incentive Award is based on 100% of Incentive Target Amount for the Participant for such Performance Year. Paid as soon as administratively possible after the date of death, but in no event later than March 15<sup>th</sup> following such Performance Year. If the date of death occurs on or before March 31<sup>st</sup>, the Participant will not receive any pro-rated Incentive Award payment for the current Performance Year.</p> <p><i>After the End of the Performance Year but prior to the Award Date:</i> If a Participant dies after the end of the Performance Year, the Incentive Award is not prorated, but is paid 100% of the Incentive Target Award in effect on the date of death. Paid as soon as administratively possible after the date of death, but in no event later than March 15<sup>th</sup> following the year in which the death occurred.</p>
<p><b>Resignation, Voluntary Quit, Constructive Discharge</b></p>	<p>If the last day worked is prior to the Award Date, Incentive Award is forfeited.</p>
<p><b>Involuntary Termination without Cause</b></p>	<p><i>During the Performance Year or After the Performance Year but prior to the Award Date:</i></p> <p>For Participants in the 2012 Executive Severance Plan, paid in accordance with such plan.</p> <p>For other Participants, payable pursuant to the AIG, Inc. Severance program, or other severance arrangement applicable to such termination as follows: If the last day worked occurs after March 31<sup>st</sup> and before the end of the Performance Year, the Incentive Award is prorated based on the number of months during the Performance Year that the Participant was actively employed or on a Paid Leave of absence with the Company and the amount of the Incentive Award is based on 80% of the Incentive Target Amount for the Participant for such Performance Year and actual performance of the applicable Business/Functional Segment as determined by the CMRC. Paid on the Award Date (but no later than March 15<sup>th</sup> following the Performance Year).</p> <p>To the extent there is an inconsistency between this Plan and the applicable severance program, the severance program will prevail. To the extent the CMRC or its delegate determines that no established severance program or arrangement is applicable to a Participant's Termination without Cause, then, in accordance with Section 11, the Participant will need to execute a release generally in the form set forth in Appendix D, subject to any provisions that the CMRC or its delegate may amend or add to the release.</p>



**Glossary of Terms**

**AIG** – The American International Group, Inc.

**American International Group, Inc. Short-Term Incentive Plan (the “Plan”)** – this plan (also referred to as “Compensation Plan 483”).

**Breaks in Service** – Refers to the cessation of actively performing services for the Company, either on a temporary or permanent basis. Included are: Resignation, Termination, Leaves of Absence, Retirement, and Death. See Appendix B.

**Business/Functional Segments** – business unit segments and functional unit segments approved by the CMRC, each of which has its own performance metrics and funding. For example, business unit segments for 2013 are Property Casualty, Life & Retirement and United Guaranty Corporation, and the functional unit segments for 2013 are Investments & Financial Services; Chief Administrative Office; Communications; Enterprise Risk Management; Global Finance; Global Legal, Regulatory & Compliance; Internal Audit Division; Human Resources and Operations & Systems. Functional unit segments are established on a global basis and include any employees who work within the function either at the parent or any subsidiary level.

**Business/Functional Segment Short-Term Incentive Pool** – the funding allocated to each discreet Business/Functional Segment based on actual performance as measured against pre-established metrics. As noted above, any employees who work within a functional unit either at the parent or any subsidiary level, on a global basis, will participate in the global Business/Functional Segment Short-Term Incentive Pool applicable to that functional unit, not the pool applicable to the subsidiary or entity that employs them or for which they work.

**CMRC** – the AIG Compensation and Management Resources Committee of the Board of Directors.

**Code** – the U.S. Internal Revenue Code of 1986, as amended.

**Compensation COE** – the Compensation Center of Excellence.

**Company** – American International Group, Inc. and its consolidated subsidiaries.

**Disability** – means a Participant, who after receiving short term disability income replacement payments for six months, is (i) determined to be disabled in accordance with AIG’s long term disability plan in which employees of AIG are generally able to participate, if one is in effect at such time, to the extent such disability complies with 26 C.F.R. §1.409A-3(i)4(i)(B), or (ii) to the extent such Participant is not participating in AIG’s long term disability plan, or no such plan exists, is determined to have medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months as determined by AIG’s long term disability insurer or the department or vendor directed by AIG to determine eligibility for unpaid medical leave.

**Employed and Employment** – means (a) actively performing services for the Company, (b) being on a Company approved leave of absence whether paid or unpaid, or (c) receiving long term disability benefits for up to three years from the date short term disability leave commenced, in each case while in good standing with the Company.

**Executive Group** – the group of senior executives selected by the President and CEO to be a member of this deliberative group.

**Funding** – the total funding for all the Business/Functional Segments as described in Section 4 and any additional unallocated funds approved by the CMRC.

**Incentive Award** – the amount that will be paid under this Plan to a Participant with respect to a Performance Year.

**Incentive Award Recommendation** – the amount that the CMRC or management recommends that a Participant's Incentive Award should be, and will be calculated by multiplying the Incentive Opportunity Percent by the Participant's Incentive Target Amount.

**Incentive Opportunity Percent** – the percent that the CMRC or a Manager selects generally based on the Incentive Opportunity Range applicable to a Participant and that is communicated to the Participant by the CMRC or the Manager that will be multiplied against the Participant's Incentive Target Award to determine a Participant's Incentive Award Recommendation for a Performance Year.

**Incentive Opportunity Range** – represents the guideline opportunity for each Participant with a given RPR to receive a percentage of the Participant's Incentive Target Award.

**Incentive Target Amount** – For each Performance Year, each Participant will be assigned a targeted incentive award amount generally based on the job grade for the Participant's position, as well as the Participant's business, local market, job scope, responsibilities and experience. The Participant's Incentive Award Recommendation will generally fall within the Incentive Opportunity Range established for each performance category, and may be at, above, or below the Incentive Target Amount.

**Modifier** – is the adjustment factor (expressed as a percentage) that expresses, relative to 100% (from 0% to 125%), the performance of a Business/Functional Segment, as determined by the CMRC. For the avoidance of doubt, a Modifier for a functional unit segment may be based, in whole or in part, on the performance of such functional unit segment and/or the performance of one or more business unit segments.

**Normal Schedule** – means the date specified in Section 7 that an Incentive Award would otherwise have been paid if the Participant had continued to remain Employed by the Company. For the avoidance of doubt, the Normal Schedule for a Deferred Award is March 1 of the year following the year in which the Award Date occurs.

**Paid Leave of Absence** – an approved leave of absence during which the Participant is receiving salary continuation from a Company payroll.

**Participants** – all employees eligible to participate.

**Peer Group** – a group of employees with similar job grades, roles and levels of responsibility. During a Roundtable discussion, the individual’s performance is compared to that of others in the defined peer group.

**Performance Measurement Methodology** – the methodology used to determine each Participant’s Incentive Award, discussed in more detail in Appendix A.

**Pro-Rated** – any amount to be pro-rated under this Plan will be multiplied by a fraction, the numerator of which is the number of months (rounding up for partial months) during the Performance Year that the Participant actively performed services for the Company (including any period designated by the Company as Working Notice) or was on short-term disability leave (including parental leave), and the denominator of which is the number of months in the Performance Year.

**RPR** – the Relative Performance Rating is an individual’s performance rating compared to a peer performance group, as measured through the Performance Management Process, discussed in more detail in Appendix A.

**Retirement** – means, solely for purposes of this Plan, (i) in the United States, voluntary Termination initiated by the Participant (while such Participant is in good standing with the Company) (x) on or after age 60 with five years of service or (y) on or after age 55 with 10 years of service, and (ii) outside of the United States, a Participant’s termination of employment after the Participant has achieved certain service and/or age milestones in accordance with the local policy on retirement for the entity that employs such Participant.

**Roundtable** – a forum where managers come together to review and discuss employee performance and determine how the performance of individual employees compares to the performance of peers. The goal of the Roundtables is to identify the individuals who will be rated into the performance categories set forth in Appendix A.

**Section 409A** – Refers to Section 409A of the Code, including any amendments or successor provisions to that section, and any regulations and other administrative guidance.

**Short-Term Incentive Pool** – the total amount approved to be paid as short-term Incentive Awards to Participants in the Plan.

**Termination** – With respect to a Participant, means the cessation of the Participant’s Employment with the Company.

**Termination Without Cause** – means involuntary Terminations due to reduction in force, position elimination, or office closing.

**Unpaid Leave of Absence** – an approved leave of absence during which the Participant is not receiving salary continuation from a Company payroll, including a period of long term disability leave during which a Participant may be receiving long term disability insurance payments from a long term disability insurer.

**Form of Release Referred to in Section 11 of the Plan**

*NOT personalized to each Participant.*

(1) [Employee Name] ("*Employee*"), for good and sufficient consideration, the receipt of which is hereby acknowledged, hereby waives and forever releases and discharges any and all claims of any kind Employee may have against American International Group, Inc., its affiliate or subsidiary companies, or any officer, director or employee of, or any benefit plan sponsored by, any such company (collectively, the "*Released Parties*") which arise from Employee's employment with any of the Released Parties or the termination of Employee's employment with any of the Released Parties. [Specifically, but without limiting that release, Employee hereby waives any rights or claims Employee might have pursuant to the Age Discrimination in Employment Act of 1967, as amended (the "*Act*") and under the laws of any and all jurisdictions, including, without limitation, the United States. Employee recognizes that Employee is not waiving any rights or claims under the Act that may arise after the date that Employee executes this Release.] Nothing herein modifies or affects any vested rights that Employee may have under the [American International Group, Inc. Retirement Plan, or the American International Group, Inc. Incentive Savings Plan] [*and other plans applicable to Employee*]; nor does this Release confer any such rights, which are governed by the terms of the respective plans (and any agreements under such plans).

(2) Employee acknowledges that Employee has not filed any complaint, charge, claim or proceeding, if any, against any of the Released Parties before any local, state or federal agency, court or other body (each individually a "*Proceeding*"). Employee represents that Employee is not aware of any basis on which such a Proceeding could reasonably be instituted.

(3) Confidentiality/Non-Disclosure. During the term of Employee's employment, the Company permitted Employee to have access to and become acquainted with trade secret information of a confidential, proprietary or secret nature. Subject to and in addition to any confidentiality or non-disclosure requirements to which Employee was subject prior to the date the Employee executes this Release, effective as of the date Employee executes this Release, Employee acknowledges and agrees that (i) all confidential, proprietary, trade secret information received, obtained or possessed at any time by Employee 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 Employee in the strictest confidence and will not be disclosed or used by Employee in any manner without the prior written consent of the Company or unless required by law, and ii) Employee has not during the term of Employee's employment and will not remove or destroy any such confidential information.

(4) Non-Solicitation. Employee acknowledges and agrees that Employee's employment with the Company required exposure to and use of confidential trade secret information (as set forth in Paragraph 3). Subject to and in addition to any non-solicitation requirements to which Employee was subject prior to the date Employee executes this Release, effective as of the date Employee executes this Release, Employee acknowledges and agrees that (i) Employee will not, directly or indirectly, on Employee's 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 trade secret information, and (ii) for a period of one (1) year after employment terminates for any reason, Employee will not solicit or in any manner encourage or provide assistance to any employee, consultant 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.

(5) Non-Disparagement. Employee acknowledges and agrees that Employee will not disparage AIG or any of its subsidiaries or affiliates or any of their officers, directors or employees to any person or entity not affiliated with AIG; provided, however, that nothing herein prohibits the Employee from giving truthful testimony as required by law.

(6) Employee agrees that AIG's remedies at law for a breach or threatened breach of Section 3, 4 and 5 of this Release would be inadequate. In recognition of this fact, Employee agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, AIG, without posting any bond, shall be entitled to obtain equitable relief from a court of competent jurisdiction the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available in the event of a breach or threatened breach of such provision.

(7) [Employee acknowledges and understands that Employee is hereby being advised to consult with an attorney prior to executing this Release. Employee also acknowledges and understands that Employee has twenty-one (21) days to consider the terms of this Release before signing it. However, in no event may Employee sign this Release before Employee's termination date.]

(8) [Upon the signing of this Release by Employee, Employee understands that Employee shall have a period of seven (7) days following Employee's signing of this Release in which Employee may revoke this Release. Employee understands that this Release shall not become effective or enforceable until this seven (7) day revocation period has expired, and that neither the Released Parties nor any other person has any obligation [pursuant to the American International Group, Inc. Short-Term Incentive Plan] until eight (8) days have passed since Employee's signing of this Release without Employee having revoked this Release. If Employee revokes this Release, Employee will be deemed not to have accepted the terms of this Release.]

(9) Any dispute arising under this Release shall be governed by the [law of the State of New York], without reference to the choice of law rules that would cause the application of the law of any other jurisdiction.

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DATE

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[Employee]

[Date]

**Private & Confidential**

[Name]  
[Address]  
[Address]

Re: Short-Term Incentive Award

Dear [Name]:

I am pleased to advise you that American International Group, Inc. (“**AIG**”) has granted you a cash incentive award of \$— for the — Performance Year under the AIG 2013 Short-Term Incentive Plan. Because you are in grade level 27 and above, one half of your cash incentive award (\$—), less any applicable tax withholdings, was paid on **[Award Date]**. The remaining half (\$—) is fully vested and will be paid, less any applicable tax withholdings, on **[March 1 of the year following the Award Date]**.

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.

Sincerely,

[ ]