



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 23, 2010

Mr. Gregory E. Lau
Executive Director — Global Compensation
General Motors Company
300 Renaissance Drive
MC 482-C32-B61
Detroit, Michigan 48265-3000

***Re: Supplemental Determination Regarding 2010 Compensation
Payments and Structures for Senior Executive Officers and
Most Highly Compensated Employees***

Dear Mr. Lau:

This letter addresses certain matters related to determinations of the Special Master for TARP Executive Compensation under the Department of the Treasury's Interim Final Rule on TARP Standards for Compensation and Corporate Governance (the "Rule"), regarding the compensation of the senior executive officers and certain most highly compensated employees of General Motors Company ("GM").

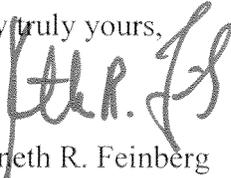
Pursuant to the Rule, on March 23, 2010, the Special Master issued an initial determination (the "Initial Determination") with respect to 2010 compensation structures and payments for the senior executive officers and the next 20 most highly compensated employees ("Top 25 Employees") of GM. Under the Rule, an initial determination of the Special Master shall be treated as final unless the TARP recipient requests a reconsideration within 30 days. Because GM did not request such a reconsideration, the Initial Determination became final effective April 22, 2010.

Following the Initial Determination, on June 17, 2010, GM requested approval to alter the 2010 compensation structures for two of the Top 25 Employees. In particular, GM sought to increase the amount of stock salary and long-term restricted stock granted to these employees in light of the substantial additional responsibilities assumed by each employee since the date of the Initial Determination. GM proposed increasing 2010 stock salary for these employees by \$97,917 and \$103,000, respectively. Long-term restricted stock grants for 2010 would increase by \$33,333 and \$100,000, respectively. Cash salaries would remain unchanged. The proposed changes represent increases of less than 13% in total direct compensation over the 2010 compensation structures approved for each of these employees in the Initial Determination.

The Rule requires that the Special Master determine whether the 2010 compensation structures for Top 25 Employees “will or may result in payments that are inconsistent with the purposes of Section 111 of EESA or TARP, or are otherwise contrary to the public interest.” 31 C.F.R. § 30.16(a)(3)(ii) (the “Public Interest Standard”). The Rule also requires that the Special Master consider six principles when making these compensation determinations. In particular, the compensation structures and the amounts payable thereunder should reflect “the current or prospective contributions of an employee to the value of the TARP recipient” and “the need for the TARP recipient to remain a competitive enterprise, to retain ... talented employees who will contribute to the TARP recipient’s future success, and ultimately to be able to repay TARP obligations.” *Id.* at § 30.16(b)(1). Additionally, the compensation structures and amounts payable thereunder “should be consistent with, and not excessive, taking into account compensation structures and amounts for persons in similar positions or roles at similar entities that are similarly situated.” *Id.*

The Special Master has determined that the 2010 compensation changes proposed by GM will not, by virtue of their structural design or the amounts potentially payable thereunder, result in payments inconsistent with the Public Interest Standard. The revised compensation structures and payments will become effective on the date of each employee’s promotion. In all other respects, the revised compensation structures and payments must adhere to the applicable terms and conditions set forth in Exhibit II of the Initial Determination.

The conclusions reached herein are limited to the authority vested in me by Section 30.16(a)(3) of the Rule, and shall not constitute, or be construed to constitute, the judgment of the Office of the Special Master or the Department of the Treasury with respect to the compliance of the proposed compensation structure or any other compensation structure for the subject employee with any other provision of the Rule. Moreover, my evaluation and conclusion have relied upon, and are qualified in their entirety by, the accuracy of the materials submitted by GM to the Office of the Special Master, and the absence of any material misstatement or omission in such materials.

Very truly yours,


Kenneth R. Feinberg
Office of the Special Master
for TARP Executive Compensation

cc: Ms. Mary T. Barra