



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

June 10, 2010

Ms. Mary T. Barra  
Vice President — Human Resources  
General Motors Company  
300 Renaissance Drive  
MC 482-C32-D82  
Detroit, Michigan 48265

***Re: Reconsideration Request Regarding Proposed Compensation Structures  
for Certain Executive Officers and Most Highly Compensated  
Employees (“Covered Employees 26 – 100”)***

Dear Ms. Barra:

Pursuant to the Department of the Treasury’s Interim Final Rule on TARP Standards for Compensation and Corporate Governance (the “Rule”), on April 16, 2010, the Special Master issued an initial determination (the “Initial Determination”) with respect to 2010 compensation structures for employees who are either executive officers of General Motors Company (“GM”) or one of GM’s 100 most highly compensated employees, excluding those employees subject to Section 30.10 of the Rule (“Covered Employees 26 – 100”). Under the Rule, GM is permitted, within 30 days of the issuance of the Initial Determination, to request that the Special Master reconsider that determination. 31 C.F.R. § 30.16(c)(1). The request must specify a factual error or relevant new information not previously considered, and must demonstrate that such error or lack of information “resulted in a material error in the initial determination.” *Id.*

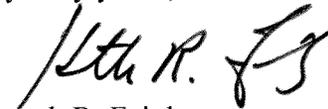
On May 14, 2010, GM submitted a request for reconsideration (the “Reconsideration Request”) of the Initial Determination, noting that GM would soon report earnings for the first quarter of 2010. The Reconsideration Request cites the pending earnings report as relevant new information not previously considered, and requests that the Special Master reconsider the requirement, set forth in Annex A of the Initial Determination, that “[n]o payment or stock compensation grant under a 2010 incentive plan may be made prior to the conclusion of the applicable performance period.” Specifically, GM requests that it be permitted to grant restricted stock units for the 2010 calendar year before the year has ended based on performance to-date and subject to continued performance for the remainder of 2010.

The Rule requires that the Special Master, upon receipt of a written request for reconsideration, provide a final determination within 30 days setting forth the facts and analysis that formed the basis for the determination. *Id.* at § 30.16(c)(2). The Special Master has reviewed the Reconsideration Request in light of the relevant standards set forth in the Rule. For the reasons set forth below, the Reconsideration Request is denied, and the Initial Determination shall become final effective the date of this letter.

While GM's first quarter earnings report is encouraging, it does not present the type of new information that would support a reconsideration of the Initial Determination under the Rule. The Special Master has determined that the Initial Determination, when viewed in light of the new information provided by the earnings report, does not contain a "material error" that must be remedied, as required under the Rule. To the contrary, the Special Master continues to believe that 2010 incentive compensation should be granted only after the applicable performance period has ended and performance has been objectively assessed. Also, it should be noted that the approved 2010 compensation structures for Covered Employees 26 – 100 permit the use of stock salary, which GM is free to utilize if it determines that a larger portion of 2010 compensation should be paid in the form of equity to effectively motivate its leadership team.

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 any compensation structure for the subject employees 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: Mr. Gregory E. Lau