



American Electric Power Relocation Expense Policy Guidelines

**Newly Hired Exempt Employees
Salary Grade 17 and Below**

Effective Date: March 1, 2010

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Congratulations!

Congratulations on your move with American Electric Power!

As part of your new career decision, you and your family will face many new challenges and opportunities. This Relocation Policy is designed to provide the information and tools necessary to make your move as smooth and easy as possible.

Please read this material carefully to get an idea of the comprehensive assistance available to you. As you prepare for each step of your move, rely on this information for a source of guidance. The Company realizes that not all relocation-related costs are fully compensated under this policy. The policy is intended to help ease the relocation transition, but the Company also expects you to share the responsibility of planning and coordinating the relocation.

American Electric Power (the Company) has selected SIRVA Relocation LLC (SIRVA), a relocation management company, to assist in your transition. SIRVA is a globally recognized firm that specializes in assisting corporations and their relocating employees in all aspects of the relocation process. Once your relocation authorization has been received by SIRVA, your Relocation Counselor will contact you to begin the process.

Policy Component	Benefits-At-A-Glance
Relocation Allowance	<ul style="list-style-type: none"> <input type="checkbox"/> The Company will provide you with a Relocation Allowance to assist with anticipated expenses for home finding, temporary housing at the new location and final move expenses. This payment will be issued within one month of your employment date and appropriate taxes will be withheld <input type="checkbox"/> Relocation Allowance is based upon the distance to the new location <ul style="list-style-type: none"> ▪ Short move (<50 miles) = \$2,500 (less taxes) ▪ Long move (>50 miles) = \$6,500 (less taxes) <input type="checkbox"/> If distance is >350 miles, airfare for home finding trip(s) is reimbursed in addition to the Relocation Allowance with prior approval from Human Resources <input type="checkbox"/> Airfare reimbursement is considered additional income and will be taxed accordingly
Movement of Household Goods	<ul style="list-style-type: none"> <input type="checkbox"/> A professional van line will be selected and coordinated by SIRVA <input type="checkbox"/> The van line will pack, load, transport, and unload goods, including limited appliance servicing <input type="checkbox"/> Shipment of one automobile if your move is >500 miles <input type="checkbox"/> Up to \$100,000 of valuation coverage <input type="checkbox"/> Storage for up to 60 days <input type="checkbox"/> Storage costs beyond 30 days is considered additional income and will be taxed accordingly

DESCRIPTION OF BENEFITS

Policy Component	Benefits-At-A-Glance
Trip to Dispose of Former Residence	<ul style="list-style-type: none"> <input type="checkbox"/> The Company will reimburse en route expenses from the destination location to the departure location incurred by you, and if necessary, your spouse, to settle affairs related to the sale of your home that could not be taken care of prior to the move <input type="checkbox"/> Reimbursements will be considered additional income and taxed accordingly <input type="checkbox"/> Every attempt should be made to grant a "power of attorney" to a representative in the departure location to avoid such expenses
Tax Liability	<ul style="list-style-type: none"> <input type="checkbox"/> The Company does not offer tax assistance for any reimbursements made or for any allowances provided. This means that certain non-excludable amounts paid directly to you will be shown as taxable income to you and appropriate taxes will be withheld from payments and reimbursements at time of disbursement. The Company has considered this tax liability, along with other relocation expenses, in determining the amount of cash payments made to you.

Before You Get Started

Objective: The Company's relocation benefits are intended to:

- Facilitate your timely transition to the destination location.
- Minimize your out-of-pocket expenses while effectively managing the Company's costs.
- Comply with Internal Revenue Service (IRS) regulations.

Scope of Benefits: These benefits are designed for the sole purpose of providing support for relocations within the United States.

The Company reserves the right to amend, modify, suspend or terminate the relocation benefits and programs described at any time without advance notice. The Company retains the right to establish separate employee relocation policies and/or benefit packages in the event of unusual or uncommon circumstances.

The Company will have the final right of decision when interpreting the terms of the relocation benefits and programs or in any communication with you. This policy is not an offer, a contract, or part of either.

Exceptions to this policy may require approval from the Senior Vice President level.

Program Administration: The Company will authorize your relocation with SIRVA. SIRVA will explain the Company's relocation benefits and process, and answer any questions that arise. During the relocation process, you must act and make decisions that are both prudent and reasonable in nature.

Eligibility: This policy applies to full-time exempt newly-hired employees (Salary Grade 17 and Below) who are relocated at the request of the Company and who are selected by the Company to participate in the benefits described in this policy.

When family members are entitled to relocation benefits within this policy, the following definition of "family" will apply:

"The employee's spouse/domestic partner and dependent child(ren) who reside with the employee at the time of hire and who will reside with the employee at the destination location."

If the Company employs both you and your spouse/domestic partner, only one set of benefits apply.

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To be eligible for the benefits outlined in this policy, the move must be completed within 12 months of the effective date of hire. Benefits cease upon termination of employment.

Relocation Allowance

To assist you with expenses during your move to the new location, the Company will provide a Relocation Allowance. The payment of this Relocation Allowance will generally be made within 30 days of your hire date. This allowance is to assist with relocation expenses associated with your move, such as:

- Home finding trip
- Temporary housing
- Final travel to the new location

Expenses may include: airfare, mileage, rental car, lodging, meals, telephone, parking, tolls, childcare, and other miscellaneous expenses.

The amount of the allowance is based upon the distance from your former home to the new work location as follows:

- If the distance is less than 50 miles (short move) = \$2,500 (less taxes)
- If the distance is 50 miles or more (long move) = \$6,500 (less taxes)

If the distance is greater than 350 miles, the reasonable cost of airfare will be reimbursed (**for home finding trips only**) in addition to the Relocation Allowance, with prior approval from Human Resources.

Reimbursement of airfare will be considered additional income and taxed accordingly

The Company has selected this option to provide you with greater flexibility in the planning of your move. Although you are not required to submit expense reports for these expenses it is recommended that you maintain adequate record keeping for tax reporting and your own financial management.

Movement of Household Goods

SIRVA has selected a moving company to assist you with the movement of household goods and will coordinate the details. The cost of moving household goods from your former residence to your new home will be paid directly by SIRVA. One extra pick-up and delivery en route to the new location will be provided. Any additional pick-ups and deliveries or other special situations, will be at your expense.

The moving company selected will perform all packing, loading, transporting, unloading and unpacking required, including limited appliance servicing. Movement of your household goods is to be scheduled during normal business hours and any exceptions require prior approval from management. The mover will provide all required packing materials and remove the debris upon completion of the move.

Special arrangements for shipping antiques or other items of extreme value must be approved in advance and supporting documentation such as insurance appraisals are required for verification. The Company does not cover the costs of appraisals.

Excludes Items, Services and Costs: Movement of the following items are not covered by the Company:

- Aerosol products or flammable materials

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- Animals including household pets
- Any items requiring excessive or special van accommodations
- Boats, campers or trailers 14 feet in length or longer
- Farm equipment
- Firewood, logs, patio blocks or other construction materials
- Frozen foods or other perishables
- Furnishings from a second home
- Jewelry
- Liquors or carbonated beverages
- Money
- Personal papers, records, tickets, securities or legal documents
- Pets
- Plants
- Stamps, coins or other valuable collections

In addition to the above list, the following are services or costs that are not normally covered by the Company and must be approved in advance by Human Resources:

- Additional labor for dismantling and re-assembling large yard items (i.e. swimming pools, spas, storage sheds, satellite antennas, swing sets, farm equipment, etc.)
Draining and filling of waterbeds
- Overtime charges for weekend or holiday moves

Pre-Move Survey: Prior to the start of packing, the moving company representative will complete a survey, by phone or in person, of those household goods you will be moving. This survey is used to determine what services, materials and equipment will be required to complete your move. If, after the survey has been completed, you decide to move additional items of significant size or weight, you must notify the moving company representative so that the proper materials are available and proper space is allowed on the moving van.

Inventory List: Read the inventory list prepared by the movers very carefully before you sign the document. You will want to be sure it is accurate and includes all goods intended for shipment. When your goods arrive, you or a responsible family member must be present to check off every item brought into your home.

Storage In-Transit: If you must vacate your previous residence before you have procured permanent housing at the new location, the Company will pay for storage costs of household goods for up to 60 days. Additional storage will be at your expense unless an extension is approved in advance by Human Resources. All storage costs provided by the Company beyond the first 30 days will be reported as income to you and taxed accordingly.

If the length of storage is anticipated to exceed the 60-day limit, it is recommended that you request an estimate from your Relocation Counselor. Storage costs are figured on a daily basis and rates may vary based on weight, length of time in storage, location, and time of year.

Your mover will designate an agent to arrange storage of your goods. Make sure you obtain the name, address, and telephone number of the warehouse where your goods will be stored.

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The cost of damage to your goods due to acts of nature (hurricanes, tornados, etc.) is not covered.

Valuation: All premiums to cover loss or damage to furniture and household goods caused by fire, theft, collision, or water while in transit and/or storage on a replacement value basis or less based on the weight of the shipment. The limit of coverage is \$100,000, without a declaration by you of greater value, which will require an added premium. You should confirm with the moving coordinator the length of time in which to file a claim following the delivery of goods. If your belongings are placed in a self-storage facility, a claim can only be filed for damages/missing items noted at time of delivery since self-storage facilities are not completely secure and often are prone to theft and vandalism. It is recommended that you also inspect all seasonal items (i.e. holiday ornaments, lawn mowers, etc.) soon after the move to avoid issues that may arise after the period to file a claim has lapsed.

Damaged Goods: If you discover any damage to your goods, set the damaged goods and container aside and immediately notify your Relocation Counselor for directions on how to file a claim. Cost consideration is not given for sentimental value you may have for your item(s).

Automobiles and Recreational Vehicles: If the distance to new location is greater than 500 miles, and the number of each item below is within reason for the size of your family, the Company will pay to ship:

- One automobile provided it is in working order
- Boat(s) 14 feet or less in length, including the trailer
- Motorcycles
- Riding mowers or garden tractors
- Snowmobiles

Tax Impact: If the IRS "tests" are met, the cost to move your household goods and up to 30 days of storage is not taxable; therefore these amounts will not be shown as income to you. Any additional days of storage provided will be shown as income to you.

Trip To Dispose of Former Residence

The Company will reimburse en route expenses from the destination location to the departure location that are incurred by you, and if necessary, your spouse, to settle affairs related to the sale of your home that could not be taken care of prior to the move.

Every attempt should be made to grant a "power of attorney" to a representative in your departure location to avoid such expenses.

Reimbursable trip expenses include:

- Transportation
- Lodging
- Meals
- Miscellaneous

Reimbursements will be considered additional income and taxed accordingly.

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Tax Liability

Most reimbursements made to or on your behalf that are directly related to relocation are considered taxable income. The Internal Revenue Service has taken the position that all reimbursements made by the Company are considered "compensation for services" except for shipment of household goods, storage-in-transit for up to 30 days, and travel to the new location (excluding meals) provided the IRS "tests" have been met.

Internal Revenue Service Regulations: The Revenue Reconciliation Act of 1993 resulted in a number of changes in how moving expenses are to be treated and which of those expenses will continue to be tax deductible. To begin with, the following criteria must be met:

- The commute from your departure residence to the new work place must be at least 50 miles farther than the commute from your departure residence to the old place of work by the shortest, most commonly traveled route.
- You must be employed full time for 39 weeks. The 39 weeks must occur during a 12-month period that begins when you arrive at the new location. This requirement is waived in case of death, disability, involuntary termination or retransfer at the Company's request.
- Except for some circumstances that involve your ability to move your family to the new location, the requirement calls for expenses to be incurred within one year of arrival in the general area of the new job location.
- Any expense that you incur must be "reasonable" in nature to be deductible. Expenses that are excessive will not be deductible.
- The move itself must be related to either continuing work at a new job location or starting a new job at a new location.

Definition of Moving Expenses: After the above criteria have been met, the IRS recognizes the following as "moving expenses:"

- Costs related to the movement of household goods and personal effects from the former residence to the new residence.

Payment of these "moving expenses," either directly or through reimbursement from the Company will be excluded from your reported income.

The determination of whether an item is or is not deductible by you on your individual income tax return is a personal decision you must make. The way that an item is treated by the Company for purposes of income tax withholding does not constitute tax advice.

Tax Table: Below is a chart indicating which expenses are excludable from your W2 income.

Policy Component	Excludable
Relocation Allowance	No
Airfare reimbursement (if applicable)	No
Trip to Dispose of Former Residence	No
Movement of Household Goods ¹ :	
- Van line services	Yes
- Valuation	Yes
- Storage of household goods to 30 days	Yes
- Storage of household goods after 30 days	No
- Automobile(s)	Yes

¹ Provided IRS "tests" are met



American Electric Power Relocation Expense Policy Guidelines

**Newly Hired Exempt Employees
Salary Grades 18-25**

Effective Date: March 1, 2010

INTRODUCTION

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Congratulations!

Congratulations on your new position with American Electric Power!

As part of your new career decision, you and your family will face many new challenges and opportunities. The AEP relocation policy provides for reimbursement of certain, designated expenses which are directly related to the domestic relocation of an eligible employee, who is requested by the Company to relocate to a new work location. The policy is designed to help relieve you of the financial and physical burdens which normally accompany relocation.

This relocation policy is designed to provide the information and tools necessary to make your move as smooth and easy as possible. Please read the material carefully to get an idea of the comprehensive assistance available to you and your family. As you prepare for each step of your move, rely on this information for a source of guidance.

American Electric Power (the Company) has contracted with SIRVA Relocation LLC (SIRVA) an international relocation services firm, to assist you in finding potential buyers for your home. In addition, SIRVA will assist you in locating a home for purchase at the new work location area and provide assistance in the movement of your household goods through its Moving Services unit.

Once your Relocation Authorization form has been received by SIRVA, your Relocation Counselor will contact you to begin the process.



SIRVA's "MoveOurHome" website provides helpful tools and resources to guide you through the relocation process along with operational and expense details pertaining to your individual relocation. The MoveOurHome website is separated into four functional areas:

- Find
- Plan
- Move
- Live

Within each area you will find multiple functions available. The MoveOurHome website is at your fingertips at www.moveourhome.com.

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Important Notice

In order to take maximum advantage of the relocation program benefits, as well as minimize costs to the Company, **do not contact any real estate companies or agents before first talking to your SIRVA Relocation Counselor.** Should you have a preferred Realtor, you must first request SIRVA to contact the preferred Realtor in order to verify that the Realtor meets all of SIRVA's requirements.

By using a Realtor referred by SIRVA, both you and the Company will benefit. You will be insured of working with a Realtor that understands your needs and the objectives of the Company's program.

Policy Component	Benefits-At-A-Glance
Relocation Allowance	<ul style="list-style-type: none"> <input type="checkbox"/> To assist in covering expenses for home finding, temporary housing including return trips home and rent back situations <input type="checkbox"/> Relocation Allowance is based upon the distance to the new location <ul style="list-style-type: none"> ▪ Short move (<50 miles) = \$5,000 (less taxes) ▪ Long move (>50 miles) = \$15,000 (less taxes) <p>The Company has selected this option to provide you with greater flexibility in the planning and budgeting of your move. Although you are not required to submit expense reports for these expenses, except airfare, it is recommended that you maintain adequate record keeping for tax reporting and your own financial management.</p>
Paid Time Off	<ul style="list-style-type: none"> <input type="checkbox"/> You are eligible for up to five days off, with pay, for home finding trips and up to three days off, with pay, for the final move trip to the new work location, as needed <input type="checkbox"/> Additional time off with pay may be available at the discretion of your supervisor <input type="checkbox"/> New Hires: Please note that you must be on the payroll to be eligible for the paid time off
Home Finding Assistance	<ul style="list-style-type: none"> <input type="checkbox"/> Professional assistance provided by SIRVA <input type="checkbox"/> Expenses covered by Relocation Allowance <input type="checkbox"/> If distance is >350 miles, airfare for home finding trip(s) is reimbursed in addition to the Relocation Allowance with prior approval from Human Resources <input type="checkbox"/> Airfare reimbursement is considered additional income and will be taxed accordingly
New Home Purchase Assistance with Mortgage Assistance	<ul style="list-style-type: none"> <input type="checkbox"/> Included in this relocation policy is a no closing cost loan program, which is provided to the Company by SIRVA in conjunction with SIRVA Mortgage <input type="checkbox"/> If you choose not to participate in the no closing cost loan program, you may contact Huntington National Bank, or any other lending institution <input type="checkbox"/> If you choose another lender, you will receive reimbursement of normal and customary non-recurring buyer's closing costs up to 4% of the purchase price, less taxes, based on actual closing costs.
Lease Break Penalty	<ul style="list-style-type: none"> <input type="checkbox"/> If a lease cancellation charge is unavoidable, you will be reimbursed for the penalty up to two months' rent <input type="checkbox"/> The Company will reimburse your security deposit if it is forfeited due to canceling the lease <input type="checkbox"/> Reimbursements are considered additional income and taxed accordingly

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Policy Component	Benefits-At-A-Glance
Temporary Housing	<ul style="list-style-type: none"> <input type="checkbox"/> Expenses covered by the Relocation Allowance
Home Sale Assistance	<ul style="list-style-type: none"> <input type="checkbox"/> Professional assistance provided by SIRVA <input type="checkbox"/> Two Broker Market Analyses (BMAs) are ordered immediately <input type="checkbox"/> The two "Most Probable Sales Prices" listed on the BMAs are averaged together and the home is listed at no more than 105% of this average <input type="checkbox"/> BMAs must be within 5% of each other or a third BMA is ordered and the two closest are averaged together <input type="checkbox"/> SIRVA will assist with a marketing strategy <input type="checkbox"/> SIRVA will close with you when a qualified buyer has been secured and the Option to Purchase has been executed <input type="checkbox"/> If home not eligible for Home Sale Assistance Program or you choose to sell property outside of the program, Company will reimburse up to 10% of the home sale price, less taxes, for reasonable and customary seller's costs.
Movement of Household Goods	<ul style="list-style-type: none"> <input type="checkbox"/> Professional van line coordinated by SIRVA <input type="checkbox"/> Includes packing, loading, transporting, unloading and unpacking your goods, including normal appliance servicing <input type="checkbox"/> Shipment of one automobile if your move is >500 miles; a second automobile may be shipped with prior management approval <input type="checkbox"/> Valuation to \$100,000; additional coverage may be requested, if needed <input type="checkbox"/> Storage up to 60 days <input type="checkbox"/> Storage costs beyond 30 days will be included as income and taxed accordingly
Final Trip to the New Location	<ul style="list-style-type: none"> <input type="checkbox"/> The Company will reimburse en route expenses from the old location to the new location incurred by you and your family <input type="checkbox"/> Reimbursable expenses include: <ul style="list-style-type: none"> ▪ Lodging ▪ Meals ▪ Mileage <input type="checkbox"/> Reimbursements (non-excludable) will be included as income and taxed accordingly
Tax Liability	<ul style="list-style-type: none"> <input type="checkbox"/> The Company does not offer tax assistance for any reimbursements made or for any allowances provided. This means that certain non-excludable amounts paid directly to you will be shown as taxable income to you and appropriate taxes will be withheld from payments and reimbursements at the time of disbursement. The Company has considered this tax liability, along with other relocation expenses, in determining the amount of cash payments made to you.

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Before You Get Started

Objective: The Company's relocation benefits are intended to:

- ❑ Facilitate your timely transition to the new location.
- ❑ Minimize your out-of-pocket expenses while effectively managing the Company's costs.
- ❑ Comply with Internal Revenue Service regulations.

Scope of Benefits: These benefits are designed for the sole purpose of providing support for relocations within the United States.

The Company reserves the right to amend, modify, suspend or terminate the relocation benefits and programs described at any time without advance notice. The Company retains the right to establish separate employee relocation policies and/or benefit packages in the event of unusual or uncommon circumstances.

The Company will have the final right of decision when interpreting the terms of the relocation benefits and programs or in any communication with you. This policy is not an offer, a contract, or part of either.

Exceptions to this policy may require approval from the Senior Vice President level

Program Administration: The Company will authorize your relocation with SIRVA. Once notified, SIRVA will explain the Company's relocation benefits and process, and answer any questions that arise. During the relocation process, you must act and make decisions that are both prudent and reasonable in nature.

Eligibility: This policy applies to newly hired exempt employees at Salary Grades 18-25 who are relocated at the request of the Company. The relocation must be considered permanent or indefinite (i.e., there is no predetermined intention to return or transfer the employee back to the previous location or to another location within a one-year period), and the move must be completed within 12 months of the effective date of hire. Benefits cease upon termination of employment.

The new employee will be required to enter into a Relocation Services – Employment Contract (Attachment I) with the Company. The Agreement states upon voluntary termination from the Company within one year of employment you will, upon request from the Company, be required to reimburse the Company for all payments made to you or on your behalf.

When family members are entitled to relocation benefits within this policy, the following definition of "family" will apply:

"The employee's spouse/domestic partner and dependent child(ren) who reside with the employee at the time of hire and who will reside with the employee at the destination location."

If the Company employs both you and your spouse, full benefits are available for only you.

Expense Reimbursement

Reimbursement for eligible moving-related expenses will be handled by SIRVA. Within 30 days of incurring an eligible expense, you must fill out a relocation expense reporting form and attach original receipts for all expenditures.

The relocation expense form is then submitted to SIRVA's Expense Management Department. After SIRVA receives the form, the expenses will be checked for accuracy and consistency with the Company's relocation policy. Under no circumstances should relocation expenses be

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submitted on a business related expense form.

Your SIRVA Relocation Counselor will explain all the details of the expense reimbursement process. If at any time you are unsure whether or not an expense is reasonable in nature, appropriate and/or eligible for reimbursement under this policy, you should contact SIRVA prior to incurring the expense.

Relocation Allowance

To assist you in your move to the new location, the Company will provide a Relocation Allowance. This payment is generally issued with 30 days of your hire date. The Relocation Allowance is intended to cover expenses related to:

- Home finding trips
- Temporary housing, including return trips home
- A "rent back" situation (the cost associated with renting your old home from the outside buyer after the sale but prior to your vacate/move date)

Expenses may include: airfare, mileage, rental car, lodging, meals, telephone, parking, tolls, childcare, and other miscellaneous expenses.

The amount of the allowance is based upon the distance from your former home to the new work location as follows:

- If the distance is less than 50 miles (short move) = \$5,000 (less taxes)
- If the distance is 50 miles or more (long move) = \$15,000 (less taxes)

If the distance is greater than 350 miles, the reasonable cost of airfare will be reimbursed (**for home finding trips only**) in addition to the Relocation Allowance, with prior approval from Human Resources. Reimbursement of airfare will be included as income and taxed accordingly.

The Company has selected this option to provide you with greater flexibility in the planning and budgeting of your move. Although you are not required to submit expense reports for these expenses it is recommended that you maintain adequate record keeping for tax reporting and your own financial management.

Home Finding Assistance

SIRVA specializes in helping you locate the right home in the right neighborhood quickly and easily. To assist the Company in controlling relocation costs, you must allow SIRVA to make the first contact with the real estate agent(s) in the new location. SIRVA only recommends agents with a proven track record of successfully finding and selling homes. If you have a real estate agent you would like to recommend, it is important that you do not contact that agent. Instead, let your Relocation Counselor know who the agent is and where the agent can be reached. Your Relocation Counselor will then contact the agent to obtain his/her credentials and, if qualifications are acceptable, will select that agent.

You, members of your immediate family, or other Company employees should not directly or indirectly benefit financially from the fees that the Company pays for services or other costs related to your relocation. It is for that reason that the Company will not reimburse a relocating employee, an immediate family member, another relative of the employee, or another Company employee (or his/her spouse) for any fees for services performed as a real estate agent or broker for the purchase or sale of the relocating employee's primary residence.

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The SIRVA Relocation Counselor will contact you to review the program, explain the benefits and offer assistance. This assistance includes:

- ❑ Conducting a telephone interview with you to discuss your housing needs and wants at the new location. After this discussion, the Relocation Counselor will use the information acquired to recommend a realtor who is a relocation specialist in the area and who is knowledgeable regarding homes within the price range you have requested.
- ❑ Explaining "agency" and clarifying who the realtor is representing and why.
- ❑ Discussing realtor expectations so you fully understand what the realtor is expected to do for you and in what time frame.
- ❑ Reviewing purchase guidelines to help you make a good decision on the home you decide to purchase, including: disclosure hazards such as synthetic stucco, lead paint and other toxic hazards.
- ❑ Explaining comparable market analysis and encouraging you to have the realtor assist you in putting one together on the home you are purchasing. This will help you determine the best price for the property and eliminate purchasing an overpriced home.
- ❑ Assisting with negotiations—it can be very helpful to have the opinion of an uninvolved specialist when you are negotiating the purchase price of a new home.
- ❑ Reviewing the purchase agreement (contract). The Relocation Counselor will be available to look over the purchase agreement to determine that it is written in your best interests.

Encouraging you to be prequalified with a lender. In many markets, sellers are requiring buyers to be prequalified at the time the offer to purchase is made.

Home Finding Trip: The Company provides up to five paid days off, as needed, for you to locate living accommodations at the new location. This timeframe includes travel time. All expenses are covered under your Relocation Allowance. However, if the distance is greater than 350 miles (one-way) to the new location, airfare will be reimbursed, less taxes, in addition to the Relocation Allowance. Before departing on a home finding trip you are encouraged to seek pre-approval for a mortgage from SIRVA Mortgage or another national lender.

New Home Purchase/Mortgage Assistance

SIRVA will, through its affiliate, SIRVA Mortgage, provide various mortgage-related services for you if are purchasing a home in the new location. The assistance includes:

- ❑ Counseling on various types of loan programs available and the impact of those programs based upon your specific financial situation and relocation mortgage benefits.
- ❑ Pre-approval for mortgage financing, including credit review, so you are more aware of the value of a home you can acquire in the new location. You are encouraged to be pre-approved before embarking on a home finding trip. This benefit is without cost or obligation.

No Closing Cost Mortgage with SIRVA Mortgage: Non-recurring closing costs normally paid by you are eliminated through this relocation policy. Included in your relocation policy is a no closing cost loan program, which is provided to the Company by SIRVA in conjunction with SIRVA Mortgage. Policy requirements include that:

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- You must make the new home purchase within 12 months of your effective date of relocation.
- The residence purchased must be the permanent residence of you and your family.
- The home purchased cannot be a mobile home or boat.

You will be responsible for recurring costs such as prepaid interest, real estate taxes, and private mortgage insurance (PMI).

Lender Other Than SIRVA Mortgage: If you choose not to participate in the no closing cost loan program, you may contact Huntington National Bank, or any other lending institution. On an exception basis, you will receive reimbursement of normal and customary non-recurring buyer's closing costs up to 4% of the purchase price, less taxes, based on actual closing costs. In order to receive reimbursement, you must submit a relocation expense reporting form accompanied by appropriate documentation (e.g. a copy of the final signed settlement statement).

Normal and Customary Non-Recurring Closing Costs: Typically, the following items are considered to be normal and customary non-recurring closing costs:

- Title Insurance or fees for examination of title, as required by lender.
- Normal and customary escrow or closing fees charged by the title company and/or lender to close the sale. This does not include items such as taxes and insurance that must be paid in advance into escrow accounts.
- Normal and customary attorneys' fees.

The Company will not pay for a charge made by a lending agency as inducement for it to take a mortgage or participate in buydown points or a loan discount rate. Any additional seller's costs that you agree to will be at your own expense.

New Construction: In some areas, it is customary for buyers to incur closing expenses in connection with a building or construction loan. These upfront costs during construction are reimbursable. Closing costs incurred following completion of construction are reimbursable provided the transaction is completed within one-year of your start date.

Lease Break Penalty

Lease Cancellation Charges: If you rented your primary residence at the former location and a lease cancellation charge is unavoidable, you will be reimbursed for the penalty up to a maximum amount equal to two months' rent. You will also be reimbursed for the loss of a deposit due to canceling the lease. A copy of the lease agreement, indicating the penalty, and a paid receipt are required for reimbursement. No reimbursement will be made for forfeiture of a lease deposit as a result of negligence by you or for penalties arising from damage repair, painting, or cleaning costs.

- Reimbursements will be treated as taxable income and taxed accordingly.

Securing a New Lease: In order to avoid any future penalties to either you or the Company, a transfer clause can be inserted into any lease that you sign at the new location. The following clause is recommended:

"In the event the renter is transferred, or decides to purchase or build a home during the term of this lease, this lease may be terminated upon thirty (30) days written notice to landlord with no penalty to renter. Renter will provide a copy of the employer's relocation authorization."

DESCRIPTION OF BENEFITS

Non-Reimbursable Expenses: The following rental expenses are not reimbursed:

- Cleaning fees
- First and/or last month's rent
- Utility deposits

In addition to the expenses listed above, the Company will not reimburse any refundable rental expense.

Temporary Housing

If you are unable to move into your new permanent residence but are needed to report to work in the new location, your temporary housing accommodation expenses are covered by the Relocation Allowance. The allowance is also to be used toward transportation costs for trips home during your temporary housing period.

Home Sale Assistance

Confidential information—absolutely may not be distributed or used without the prior written consent of SIRVA Relocation LLC.

The Home Sale Assistance program is designed to provide professional assistance to secure a sale on your home in the shortest period of time, at a fair market value, and with the least amount of inconvenience. In addition, the process provides the most favorable tax treatment to both you and the Company. Your Relocation Counselor will explain the process and all details.

Qualifications for the Home Sale Program: To qualify for Home Sale Assistance, the home must be owned by you and be your principal residence at the time of hire. In addition:

- Your home cannot be listed prior to initiation in SIRVA's program.
- The program procedures outlined by this policy and SIRVA must be followed.
- You must warrant that you own and occupy the residence and that it is classified as a single-family residence, condominium, or town house with no adverse conditions that will prevent its marketability.

If you do not meet the eligibility requirements for the Home Sale Assistance program or choose not to participate in the program, with prior approval from the AEP Relocation Coordinator, you will receive up to 10% of the home sale price, less taxes, for reasonable and customary seller's costs.

Ineligible Properties: The following kinds of properties do not qualify for Home Sale Assistance:

- Cooperative units
- Farms
- Homes with acreage in excess of five acres or acreage that does not conform to the immediate area
- Houseboats
- Income producing properties
- Manufactured/Mobile homes whether on owned or leased lots
- Multi-family dwellings (except a two-family residence when one part is the principal residence of the employee)

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- Properties in which inspections conducted disclose defects which rendered the property unmarketable and/or the employee does not repair to the satisfaction of SIRVA
- Properties on which clear title cannot be delivered
- Properties that have EIFS (Exterior Insulating Finishing Systems), also known as synthetic stucco
- Properties which do not qualify for conventional mortgage financing
- Properties which have been on the market at any time within six months of the date of the employee's initiation into the program (subject to exception between the Company and SIRVA)
- Residences acquired for commercial or speculative purposes
- Residences containing or located near hazardous materials (e.g. lead, asbestos, urea formaldehyde foam insulation)
- Residences that are not FNMA/FHLMC approved
- Residences undergoing renovation or construction
- Resort properties
- Summer/Vacation homes
- Vacant land

You must comply with SIRVA's disclosure procedures. This includes the completion of all real estate disclosure forms that may be required.

If any inspection discloses a significant problem, the Company reserves the right to exclude the home from the Home Sale Assistance program. In such event, you would be eligible for direct reimbursement of certain home selling expenses.

SIRVA's Home Sale Assistance Program: Your Relocation Counselor will provide all necessary information on the sale of the home and will be an advocate throughout the course of the move. The steps that will occur are different from a typical real estate transaction and may generate several questions. Your Relocation Counselor will provide assistance and answers to any specific questions you may have.

Real Estate Agent Selection and Market Analysis: The Relocation Counselor will select two real estate agents who have a documented record of successfully selling homes in the immediate neighborhood and within the general price range of the home. These real estate agents will independently inspect the home and complete a Broker's Market Analysis (BMA) to establish the Most Likely (Probable) Sales Price.

You, members of your immediate family, or other Company employees should not directly or indirectly benefit financially from the fees that the Company pays for services or other costs related to your relocation. It is for that reason that the Company will not reimburse you, an immediate family member, another relative of the employee, or another Company employee (or his/her spouse) for any fees for services performed as a real estate agent or broker for the sale of your primary residence.

If you have a real estate agent you would like to recommend, it is important that you do not contact that agent. Instead, let the Relocation Counselor know who the agent is and where the agent can be reached. The Relocation Counselor will then contact the agent to obtain their credentials and, if qualifications are acceptable, will select that agent as one of the agents to

DESCRIPTION OF BENEFITS

prepare and present a marketing plan.

The brokers will send the completed BMAs to the Relocation Counselor who will review the results for thoroughness, accuracy, and logic of conclusions. Once the Relocation Counselor approves of the BMAs, the Most Likely (Probable) Sales Prices listed on the BMAs are averaged together and the home will be listed at no more than 105% of this average. If the Most Likely (Probable) Sales Prices are not within 5%, a third analysis will be ordered. The two closest Most Likely (Probable) Sales Prices will be averaged together and the home will be listed at no more than 105% of this average. The Relocation Counselor will then review the results with you, at which time you and SIRVA shall agree to proceed with the Option to Purchase.

Option to Purchase: You will enter into an Option to Purchase with SIRVA instead of listing your home under your name. This agreement enables SIRVA to list the property in SIRVA's name, facilitate the move and defray many relocation costs. Once the property is listed for sale, SIRVA will pay you a small monetary consideration as determined by SIRVA ("option payment") for your signing the Option to Purchase. Upon the sale of the home to SIRVA, the option payment will be credited to the purchase price. The option will last for six months and is renewable at the end of that period of time with your consent. During this option period SIRVA will expose the home to the marketplace. Most typically, the home will be listed with a real estate agent by SIRVA who will, through exposure to the public, determine what a buyer will pay at arm's length for the home. The Option to Purchase must be executed and returned to SIRVA prior to proceeding with the program.

Seller's Disclosure Statement: Along with the Option to Purchase you will be given a Seller's Disclosure Statement for execution. This document must be executed prior to proceeding with the program. SIRVA will also conduct an examination of the title to the property. It is your responsibility to be able to transfer title, which shall be good and marketable.

Listing the Property: The choice of the listing agent and the price at which the home is listed are subjects that the Relocation Counselor will discuss with you. Although SIRVA will list the home for sale (if that is mutually desired) your input with regard to the agent and the list price will be given great consideration by the Relocation Counselor. The home will be listed at a price not to exceed 105% of the average of the Most Likely (Probable) Sales Prices as determined from the Broker Market Analyses.

Market Strategy: Your Relocation Counselor will discuss the best strategy for marketing the home, suggesting any repairs, maintenance, and/or decorating that you may want to do to maximize the home's value and expedite the marketing process. The Company will not reimburse these costs.

Exposure of the Home to the Marketplace: SIRVA will be responsible for marketing the home, generally by listing the home with a real estate agent. Your Relocation Counselor will monitor all sales activity on the property to ensure that all of the best marketing procedures are being used for maximum exposure to the marketplace. Your Relocation Counselor and the real estate agent will keep you informed of all activity and feedback on the house during the marketing process.

Inspections and Repairs: If necessary, SIRVA will order customary inspections (i.e. termite, well/septic/pool/hot tub, if applicable) on the home and advise you of the results. SIRVA reserves the right to order any inspections deemed necessary. SIRVA follows the Worldwide Employee Relocation Council's (ERC) Home Inspection Guidelines that identify structural, safety and inoperable items, regardless of local/state codes.

Any repairs necessary will be at your expense and must be completed prior to closing with

DESCRIPTION OF BENEFITS

SIRVA. All final reports must be satisfactory. If any inspection discloses a significant problem, the Company reserves the right to exclude the home from the Home Sale Assistance program.

Offer to Purchase: At the point that SIRVA believes it has established fair market value, generally, when a buyer has made an offer on the home, the Relocation Counselor will notify you of the amount of the offer. If you agree that the amount constitutes fair market value, SIRVA will exercise its Option to Purchase at that amount. You may decide that the amount being offered is not sufficient for fair market value. In that event, SIRVA will continue the exposure of the home to the marketplace in order to determine whether there is a more accurate definition of fair market value.

Closing the Sale: Once SIRVA has exercised the Option to Purchase, a closing will be scheduled with you approximately three days prior to closing with the outside buyer. You will be responsible for all costs and risks associated with the home up to and including the date of closing with SIRVA. These include but are not limited to: prorations for taxes, interest on the mortgage, utilities, homeowner's insurance, agreed upon repairs required from any inspections, and any other costs associated with the ownership of the home. After the date of the closing, SIRVA will be responsible for all of those items regarding the home.

At the closing between SIRVA and you, SIRVA will provide a Promissory Note for the amount of equity due to you. As set forth in the Contract of Sale, you will receive the final net proceeds (the equity) in the property within approximately 10 calendar days from the date of the Promissory Note. Net proceeds are defined as the sales price of the home minus liens, mortgages, appropriate prorations, and agreed to repair amounts, etc., if any. As provided in the Contract of Sale, there are no real estate commissions or other standard closing costs that will be deducted from the proceeds.

You are responsible for disclosing all known conditions and defects of the property. If you fail to disclose, you may be responsible for all costs incurred by SIRVA as a result of the non-disclosure.

Vacating the Property: In the event you are unable to vacate the property at the time of closing with SIRVA, the home may be leased back to you during the approximate three day period prior to closing with an outside buyer, at a minimum per diem of \$50. A \$500 security deposit will be withheld from the net proceeds and will be returned after SIRVA inspects the home following the vacate date. Under the lease, you would be responsible for utilities, general maintenance and insurance on household goods through the date of vacating and/or transfer of possession to SIRVA. The Relocation Counselor will provide instructions for transferring utilities, keys, etc.

Obligations in the Contract of Sale with SIRVA: Your obligation to SIRVA with regard to the condition of the home at closing will be similar to that which would occur in the sale to any other buyer. In fact, in the event that SIRVA sells the property and incurs any expenses, costs, or liabilities with regard to a condition of the property that existed at the date of the closing with SIRVA, you may be held responsible for those items.

Movement of Household Goods

SIRVA has selected a moving company to assist you with the movement of household goods and will coordinate the details. The cost of moving household goods from your former residence to your new home will be paid directly by SIRVA. One extra pick-up and delivery en route to the new location will be provided. Any additional pick-ups and deliveries or other special situations, will be at your expense.

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The moving company selected will perform all packing, loading, transporting, unloading and unpacking required, including normal appliance servicing. Movement of your household goods is to be scheduled during normal business hours and any exceptions require prior approval from management. The mover will provide all required packing materials and remove the debris upon completion of the move.

Special arrangements for shipping antiques or other items of extreme value must be approved in advance and supporting documentation such as insurance appraisals are required for verification. The Company does not cover the costs of appraisals.

Excluded Items, Services and Costs: Movement of the following items are not covered by the Company:

- Aerosol products or flammable materials
- Animals including household pets
- Any items requiring excessive or special van accommodations
- Boats, campers or trailers 14 feet in length or longer
- Farm equipment
- Firewood, logs, patio blocks or other construction materials
- Frozen foods or other perishables
- Furnishings from a second home
- Jewelry
- Liquors or carbonated beverages
- Money
- Personal papers, records, tickets, securities or legal documents
- Pets
- Plants
- Stamps, coins or other valuable collections

In addition to the above list, the following are services or costs that are not normally covered by the Company and must be approved in advance by Human Resources:

- Additional labor for dismantling and re-assembling large yard items (i.e. swimming pools, spas, storage sheds, satellite antennas, swing sets, farm equipment, etc.)
Draining and filling of waterbeds
- Overtime charges for weekend or holiday moves

Pre-Move Survey: Prior to the start of packing, the moving company representative will complete a survey, by phone or in person, of those household goods you will be moving. This survey is used to determine what services, materials and equipment will be required to complete your move. If, after the survey has been completed, you decide to move additional items of significant size or weight, you must notify the moving company representative so that the proper materials are available and proper space is allowed on the moving van.

Inventory List: Read the inventory list prepared by the movers very carefully before you sign the document. You will want to be sure it is accurate and includes all goods intended for shipment. When your goods arrive, you or a responsible family member must be present to

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check off every item brought into your home.

Storage In-Transit: If you must vacate your previous residence before you have procured permanent housing at the new location, the Company will pay for storage costs of household goods for up to 60 days. Additional storage will be at your expense unless an extension is approved in advance by Human Resources. All storage costs provided by the Company beyond the first 30 days will be reported as income to you and taxed accordingly.

If the length of storage is anticipated to exceed the 60-day limit, it is recommended that you request an estimate from your Relocation Counselor. Storage rates may vary based on weight, length of time in storage, location, and time of year.

Your mover will designate an agent to arrange storage of your goods. Make sure you obtain the name, address, and telephone number of the warehouse where your goods will be stored.

The cost of damage to your goods due to acts of nature (hurricanes, tornados, etc.) is not covered.

Valuation: All premiums to cover loss or damage to furniture and household goods caused by fire, theft, collision, or water while in transit and/or storage on a replacement value basis or less based on the weight of the shipment. The limit of coverage is \$100,000, without a declaration by you of greater value, which will require an added premium. You should confirm with the moving coordinator the length of time in which to file a claim following the delivery of goods. If your belongings are placed in a self-storage facility, a claim can only be filed for damages/missing items noted at time of delivery since self-storage facilities are not completely secure and often are prone to theft and vandalism. It is recommended that you also inspect all seasonal items (i.e. holiday ornaments, lawn mowers, etc.) soon after the move to avoid issues that may arise after the period to file a claim has lapsed.

Damaged Goods: If you discover any damage to your goods, set the damaged goods and container aside and immediately notify your Relocation Counselor for directions on how to file a claim. Cost consideration is not given for sentimental value you may have for your item(s).

Automobiles and Recreational Vehicles: If the distance to new location is greater than 500 miles, and the number of each item below is within reason for the size of your family, the Company will pay to ship:

- One automobile provided it is in working order
- Boat(s) 14 feet or less in length, including the trailer
- Motorcycles
- Riding mowers or garden tractors
- Snowmobiles

A second personal vehicle may be shipped with prior management approval. See the "Final Trip to the New Location" section for mileage coverage should you choose to drive your automobile(s) to the new location. The Company covers up to a total of two automobiles, whether by shipping or mileage reimbursement, or a combination of the two.

Tax Impact: The cost to move your household goods and up to 30 days of storage is not taxable; therefore these amounts will not be shown as income to you. Any additional days of storage provided will be shown as income to you.

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Final Trip to the New Location

The Company will reimburse actual and reasonable en route expenses from the old location to the new location incurred by you and your family as indicated below. All travel should be booked through and in accordance with the Company's travel policy.

The Company provides three paid days off for your final trip. The Company will reimburse the following expenses for you and your family's final trip to the new location:

- ❑ Lodging
 - Includes one night in the departure and destination locations and nights en route
- ❑ Meals
 - Reasonable costs
- ❑ Mileage
 - Reimbursed at current Company rate for up to two automobiles (see the "Movement of Household Goods, Automobiles and Recreational Vehicles" section)
 - The Company covers up to a total of two automobiles, whether by shipping or mileage reimbursement, or a combination of the two
 - Local mileage prior to departure day at the former location and after arrival day at the new location is NOT eligible for reimbursement

Your trip must be made by the most direct route—no vacation, extended trips, personal side trips or leisure travel will be covered.

Tax Impact: Lodging and mileage expenses within the IRS guidelines are not taxable; therefore these amounts will not be shown as income to you. Meals and mileage reimbursements where a vehicle(s) is driven that exceed current IRS rate are taxable.

Tax Liability Assistance

Most reimbursements made to or on your behalf that are directly related to relocation are considered taxable income. The Internal Revenue Service has taken the position that all reimbursements made by the Company are considered "compensation for services" except for shipment of household goods, storage-in-transit for up to 30 days and travel to the new location (excluding meals) provided the IRS "tests" are met. You must report all relocation reimbursements on your federal income tax return.

Internal Revenue Service Regulations: The Revenue Reconciliation Act of 1993 resulted in a number of changes in how moving expenses are to be treated and which of those expenses will continue to be tax deductible. To begin with, the following criteria must be met:

- ❑ The commute from your old residence to the new work place must be at least 50 miles farther than the commute from your old residence to the old place of work by the shortest, most commonly traveled route.
- ❑ You must be employed full time for 39 weeks. The 39 weeks must occur during a 12-month period that begins when you arrive at the new location. This requirement is waived in case of death, disability, involuntary termination or retransfer at the Company's request.
- ❑ Except for some circumstances that involve your ability to move your family to the new location, the requirements calls for expenses to be incurred within one year of arrival in the general area of the new job location.

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- Any expense that you incur must be "reasonable" in nature to be deductible. Expenses that are excessive will not be deductible.
- The move itself must be related to either continuing work at a new job location or starting a new job at a new location.

Definition of Moving Expenses: After the above criteria have been met, the IRS recognizes the following as "moving expenses:"

- Costs related to the movement of household goods and personal effects from the former residence to the new residence.
- The cost of transportation (mileage limited to the current IRS rate) and lodging for you and your family during the final move from the former residence to the new residence.

Payment of these "moving expenses," either directly or through reimbursement from the Company will be excluded from your reported income.

Other moving expenses that are either reimbursed or paid directly by the Company will be reported as taxable income. These expenses may include such items as:

- Reimbursement for meals, lodging, transportation and other expenses that occur while home finding, traveling, or residing in temporary housing.
- Reimbursement or direct payment by the Company for expenses relating to the purchase of a new residence.
- Reimbursement for expenses relating to the sale of the old residence when you do not accept or were not eligible for the Home Sale Assistance program.

Tax Table: Below is a chart indicating which expenses are excludable from your W2 income

Policy Component	Excludable
Relocation Allowance (home finding trip and temporary housing)	No
New Home Purchase Assistance:	
- Employee participates in no closing cost loan program	N/A
- Employee does not participate in no closing cost loan program	No
Lease Break Penalty	No
Home Sale Assistance - SIRVA	N/A
Home Sale Assistance - Independent Sale	No
Movement of Household Goods:	
- Van line services	Yes
- Valuation	Yes
- Storage of household goods to 30 days	Yes
- Storage of household goods after 30 days	No
- Automobile(s)	Yes
Final Trip to the New Location:	
- Meals	No
- Lodging	Yes
- Mileage reimbursed to current IRS rate	Yes
- Mileage reimbursed above current IRS rate	No

N/A = Not applicable

ATTACHMENT: RELOCATION SERVICES – PAYBACK AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____ by and between AMERICAN ELECTRIC POWER, a corporation (hereinafter called "Company") and _____ of _____ (hereinafter called "Employee").

WITNESSETH THAT

WHEREAS, Employee proposes to accept employment as an exempt employee of the Company at _____, _____ and;

WHEREAS, Employee, in order to accept such position, must move his place of residence to _____ or its environs; and

WHEREAS, Company is willing to pay the moving and incidental expenses of Employee provided Employee agrees to certain conditions.

NOW, THEREFORE, for and in consideration of the agreement hereinafter contained, Company and Employee do hereby agree as follows:

1. Company will pay the moving and incidental expenses of Employee in accordance with the **Relocation Expense Policy Guidelines - Newly Hired Exempt Employees Salary Grades 18-25.**
2. Should Employee voluntarily terminate his/her employment with the Company within one year from the date of his/her employment, Employee, upon request of the Company, agrees to reimburse Company, promptly upon such termination, for all payments made to Employee, or in his/her behalf pursuant to the **Relocation Expense Policy Guidelines - Newly Hired Exempt Employees Salary Grades 18-25.**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the day and year first above written.

AMERICAN ELECTRIC POWER

By: _____ Date: _____
(Company Representative)

By: _____ Date: _____
(Employee)



American Electric Power Relocation Expense Policy Guidelines

Homeowner's Policy

**Exempt Employees,
Non-Exempt Supervisors and
Newly Hired Exempt Employees
Salary Grade 26 and Above**

Effective Date: October 6, 2010

(Rev: January 2013)

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Congratulations!

Congratulations on your move with American Electric Power!

As part of your new career decision, you and your family will face many new challenges and opportunities. The AEP relocation policy provides for reimbursement of certain, designated expenses which are directly related to the domestic relocation of an eligible employee, who is requested by the Company to relocate to a new work location. The policy is designed to help relieve you of the financial and physical burdens which normally accompany relocation.

Additionally, this relocation policy is designed to provide the information and tools necessary to make your move as smooth and easy as possible. **Please read the material carefully to get an idea of the comprehensive assistance available to you and your family.** As you prepare for each step of your move, rely on this information for a source of guidance.

American Electric Power (the Company) has contracted with SIRVA Relocation LLC (SIRVA) an international relocation services firm, to assist you in finding potential buyers for your home. If these efforts prove unsuccessful, SIRVA will offer to purchase your home, subject to the property meeting SIRVA's minimum requirements. In addition, SIRVA will assist you in locating a home for purchase at the new work location area and provide assistance in the movement of your household goods through its Moving Services unit.

Once your Relocation Authorization form has been received by SIRVA, your Relocation Consultant will contact you to begin the process.



SIRVA provides a website titled "MyMoveConnection" that offers helpful tools and resources to guide you through the relocation process. It is also used for submitting your expenses for reimbursement through SIRVA. The MyMoveConnection website is at your fingertips at www.mymoveconnection.com.

Important Notice

In order to be eligible for relocation program benefits, as well as minimize costs to the Company, **do not contact any real estate companies or agents before first talking to your SIRVA Relocation Consultant.** SIRVA will provide a list of qualified agents from which you may choose. These agents are carefully selected to provide the transferee with the highest agent experience and service levels. Failure to use pre-approved agents could jeopardize your relocation benefits.

By using a Realtor referred by SIRVA, both you and the Company will benefit. You will be insured of working with a Realtor that understands your needs as well as the objectives of the Company's program. And the company will benefit by keeping relocation costs to a minimum

Policy Component	Benefits-At-A-Glance
Lump Sum Payment	<ul style="list-style-type: none"> <input type="checkbox"/> The company will provide a lump sum payment, based on salary grade, to cover expenses related to House Hunting (e.g. travel, lodging, meals, telephone, parking, tolls, babysitting, etc.), Return trips to Former Location and Temporary Housing, as well as other miscellaneous expenses associated with your move not specifically outlined in the relocation guidelines. This payment will be treated as income and appropriate taxes will be withheld. <input type="checkbox"/> If move is over 350 miles (one way), reimbursement of reasonable airfare expense for a home finding trip for employee and spouse will be covered in addition to the lump sum payment. <input type="checkbox"/> Airfare reimbursement will include a cost adjustment for estimated taxes. <input type="checkbox"/> Amount of lump sum payment varies by salary grades as follows: <ul style="list-style-type: none"> ▪ Salary Grade 28 & Below : \$16,500 ▪ Salary Grade 29 – 34: \$17,500 ▪ Salary Grade 35 – 40: \$19,000 ▪ Salary Grade 42 & Above: \$20,000
Paid Time Off	<ul style="list-style-type: none"> <input type="checkbox"/> You are eligible for up to five days off, with pay, for home finding trips and up to three days off, with pay, for the final move trip to the new work location, as needed <input type="checkbox"/> Additional time off with pay may be available at the discretion of your supervisor <input type="checkbox"/> New Hires: Please note that you must be on the payroll to be eligible for the paid time off.
Home Finding Assistance	<ul style="list-style-type: none"> <input type="checkbox"/> Professional assistance provided by SIRVA

Policy Component	Benefits-At-A-Glance
New Home Purchase Assistance with Mortgage Assistance	<ul style="list-style-type: none"> ❑ Included in this relocation policy is a no closing cost loan program, which is provided to the Company by SIRVA in conjunction with SIRVA Mortgage ❑ If you choose not to participate in SIRVA Mortgage's no closing cost loan program, you may contact another lending institution ❑ If another lender is utilized, you will receive reimbursement of normal and customary non-recurring buyer's closing costs up to 4% of the purchase price based on actual closing costs. In cases where this reimbursement is less than 4%, an additional amount up to the 4% total will be added based on estimated taxes. ❑ Executive Officers and Directors of American Electric Power Company, Inc. (AEP) or any AEP subsidiary with publicly registered securities, are not eligible to participate in this program. In these cases, all normal and customary closing costs will be reimbursed and a cost adjustment for estimated taxes will be paid.
Temporary Housing	<ul style="list-style-type: none"> ❑ Expenses covered by the Lump Sum Payment
Duplicate Housing	<ul style="list-style-type: none"> ❑ If you have closed on a home at the new location and have not sold but are currently marketing your former home, the Company will reimburse costs for real estate taxes, interest portion of your monthly mortgage payment, property insurance, homeowner association fees, utility expenses, and a reasonable amount for lawn care and/or snow removal ❑ Reimbursement for duplicate housing expenses is available for a period of up to sixty (60) calendar days from the date of closing on your home at the new location ❑ Reimbursements will include a cost adjustment for estimated taxes.
Home Marketing and Home Sale Assistance	<ul style="list-style-type: none"> ❑ Professional assistance provided by SIRVA ❑ Two Broker Market Analyses (BMAs) are ordered immediately ❑ For eligible properties, the two "Most Probable Sales Prices" listed on the BMAs are averaged together and the home must be listed at no more than 105% of this average ❑ BMAs must be within 5% of each other or a third BMA is ordered and the two closest are averaged together ❑ SIRVA will assist with a marketing strategy ❑ You must market the home for 90 days ❑ Two appraisals will be ordered (a third appraisal will be ordered if the first two appraisals are not within 5% of each other; the two closest are averaged together to become the Guaranteed Purchase Offer (GPO) ❑ On day 45 of the marketing period inspections are ordered ❑ On day 90 of the marketing period, you may accept the GPO ❑ List price must be reduced to be within 105% of the appraised value within 30 days of receiving the appraised value or the GPO will be forfeited ❑ You have 60 days after the 90 day marketing period to accept or reject the GPO ❑ An equity advance of 96% based off the GPO or a bona fide outside offer is available for a down payment on a new home*

Policy Component	Benefits-At-A-Glance
Home Marketing and Home Sale Assistance (continued)	<ul style="list-style-type: none"> <li data-bbox="532 310 1479 478">❑ If property does not meet the eligibility requirements for home sale assistance or you choose to sell outside of the program, you will receive up to 10% of the home sale price for reasonable and customary seller's costs. In cases where this reimbursement is less than 10%, an additional amount up to the 10% total will be added based on estimated taxes. <li data-bbox="532 485 1479 611">❑ * Executive Officers and Directors of American Electric Power Company, Inc. (AEP) or any AEP subsidiary with publicly registered securities are not eligible to participate in the equity loan benefit. In these cases, interest expenses and a cost adjustment for estimated taxes will be reimbursed.
Home Sale Bonus	<ul style="list-style-type: none"> <li data-bbox="532 632 1479 695">❑ Bonus of 2%, less taxes, of the sale price or \$1,000, whichever is greater, if you sell your home to an outside buyer <li data-bbox="532 701 1479 764">❑ You must utilize SIRVA's Home Marketing and Home Sale Assistance program in order to be eligible for the bonus
Loss on Sale Protection	<ul style="list-style-type: none"> <li data-bbox="532 779 1479 842">❑ Available to employees who are forced to sell their home at a loss from their original purchase price plus certain IRS allowed capital improvements. <li data-bbox="532 848 1479 911">❑ AEP will reimburse losses up to \$50,000 and a cost adjustment will be added for estimated taxes. Additional costs will require Executive approval.
Movement of Household Goods	<ul style="list-style-type: none"> <li data-bbox="532 932 1045 963">❑ Professional van line coordinated by SIRVA <li data-bbox="532 970 1479 1033">❑ Includes packing, loading, transporting, unloading and unpacking of goods; including normal appliance servicing <li data-bbox="532 1039 1479 1102">❑ Shipment of one automobile if your move is >500 miles; a second automobile may be shipped with prior management approval <li data-bbox="532 1108 1349 1140">❑ Valuation to \$100,000; additional coverage may be requested, if needed <li data-bbox="532 1146 1279 1178">❑ Storage up to 60 days (additional storage will be at your expense) <li data-bbox="532 1184 1479 1247">❑ Storage costs beyond 30 days will be included as income and a cost adjustment will be added for estimated taxes.
Final Trip to the New Location	<ul style="list-style-type: none"> <li data-bbox="532 1268 1479 1331">❑ The Company will reimburse, with receipts, en route expenses from the old location to the new location incurred by you and your family <li data-bbox="532 1337 1479 1526">❑ Reimbursable expenses include: <ul style="list-style-type: none"> <li data-bbox="586 1379 1430 1442">▪ Lodging en route plus last night at the old location and first night at the new location <li data-bbox="586 1449 699 1480">▪ Meals <li data-bbox="586 1486 716 1518">▪ Mileage <li data-bbox="532 1524 1414 1587">❑ Reimbursements (non-excludable) will include a cost adjustment for estimated taxes.
Tax Liability	<ul style="list-style-type: none"> <li data-bbox="532 1604 1479 1871">❑ The Company does not offer tax gross up for any reimbursements made or for any allowances provided. This means that certain non-excludable amounts paid directly to you will be shown as taxable income to you and appropriate taxes will be withheld from payments and reimbursements at time of disbursement. The Company has considered this tax liability in determining the amount of cost adjustment payments made to you. Please note that your tax liability may be different than the cost adjustments and you will be responsible for any additional taxes. A flat rate of 25% will be withheld for Federal taxes.

Before You Get Started

Objective: The Company's relocation benefits are intended to:

- ❑ Facilitate your timely transition to the new location.
- ❑ Minimize your out-of-pocket expenses while effectively managing the Company's costs.
- ❑ Comply with Internal Revenue Service regulations.

Scope of Benefits: These benefits are designed for the sole purpose of providing support for relocations within the United States.

The Company reserves the right to amend, modify, suspend or terminate the relocation benefits and programs described at any time without advance notice. The Company retains the right to establish separate employee relocation policies and/or benefit packages in the event of unusual or uncommon circumstances.

The Company will have the final right of decision when interpreting the terms of the relocation benefits and programs or in any communication with you. This policy is not an offer, a contract, or part of either and in no way constitutes an employment contract.

Program Administration: The Company will authorize your relocation with SIRVA. Once notified, SIRVA will explain the Company's relocation benefits and process, and answer any questions that arise. During the relocation process, you must act and make decisions that are both prudent and reasonable in nature.

Eligibility: This policy applies to exempt employees, non-exempt supervisors and newly hired exempt employees (salary grade 26 and above) who are hired within the United States at the request of the Company. The relocation must be considered permanent or indefinite (i.e., there is no predetermined intention to return or transfer the employee back to the previous location or to another location within a one-year period), and the move must be completed within 12 months of the effective date of the relocation. The effective date is defined as the effective transfer/hire date. Benefits cease upon termination of employment.

The new employee will be required to enter into a Relocation Services – Employment Contract (Attachment C) with the Company. The Agreement states upon voluntary termination or dismissal for cause from the Company within one year of employment you will, upon request from the Company, be required to reimburse the Company for all payments made to you or on your behalf except the equity loan.

When family members are entitled to relocation benefits within this policy, the following definition of "family" will apply:

"The employee's spouse/domestic partner and dependent child(ren) who reside with the employee at the time of acceptance of transfer and who will reside with the employee at the destination location."

If the Company employs both you and your spouse, full benefits are available for only you.

Expense Reimbursement

Reimbursement for eligible moving-related expenses will be handled by SIRVA. Within 30 days of incurring an eligible expense, you must fill out a relocation expense reporting form and attach original receipts for all expenditures.

The relocation expense form is then submitted to SIRVA's Expense Management Department. After SIRVA receives the form, the expenses will be checked for accuracy and consistency with the Company's relocation policy. Under no circumstances should relocation expenses be submitted on a business related expense form.

Your SIRVA Relocation Consultant will explain all the details of the expense reimbursement process. If at any time you are unsure whether or not an expense is reasonable in nature, appropriate and/or eligible for reimbursement under this policy, you should contact SIRVA prior to incurring the expense.

Lump Sum Payment

Lump Sum Payment: To assist you in your move to the new location, the Company will provide a Lump Sum Payment. If you are a transferring employee, this payment is issued within 30 days of being authorized for relocation benefits. If you are a new hire, this payment is generally issued within 30 days of your hire date. The Lump Sum Payment, based on your salary grade, is intended to cover expenses related to:

- Home finding trips
- Temporary housing, including return trips home
- A "rent back" situation (the cost associated with renting your old home from the outside buyer after the sale but prior to your vacate/move date)
- Auto registration(s) and or driver's license
- Club membership or dues payments
- Repair/maintenance issues
- House cleaning/staging services
- Installation of appliances, carpeting, window treatments, etc.
- Laundry/dry cleaning
- Overnight mail or postage charges
- Phone, utility or cable deposits and installation fees
- Piano tuning
- Professional tax services (i.e. tax consulting or preparation)
- Boarding of pets
- Utility Deposits or Cancellation fees (i.e. security systems or cell phone service)
- Tips to movers
- Additional storage over 60 days
- Other potential expenses

If the move distance is greater than 350 miles, the reasonable cost of airfare will be reimbursed (**for home finding trips only**) in addition to the Lump Sum Payment, with prior approval from Human Resources. Reimbursement will include a cost adjustment for estimated taxes.

The Company has selected this option to provide you with greater flexibility in the planning and budgeting of your move. Although you are not required to submit expense reports for these expenses, except airfare, it is recommended that you maintain adequate record keeping for tax reporting and your own financial management.

Home Finding Assistance

SIRVA specializes in helping you locate the right home quickly and easily. To assist the Company in controlling relocation costs, you must allow SIRVA to make the first contact with the real estate agent(s) in the new location. SIRVA only recommends agents with a proven track record of successfully finding and selling homes. If you have a real estate agent you would like to recommend, it is important that you do not contact that agent. Instead, let your Relocation Consultant know who the agent is and where the agent can be reached. Your Relocation Consultant will then contact the agent to obtain his/her credentials and, if qualifications are acceptable, will select that agent.

You, members of your immediate family or other Company employees must not financially benefit (directly or indirectly) from the fees that the Company pays for services or other costs related to your relocation. It is for that reason that the Company will not reimburse a transferring employee, an immediate family member, another relative of the employee, or another Company employee (or his/her spouse) for any fees for services performed as a real estate agent or broker for the purchase or sale of the transferring employee's primary residence.

The SIRVA Relocation Consultant will contact you to review the program, explain the benefits and offer assistance. This assistance includes:

- ❑ Conducting a telephone interview with you to discuss your housing needs and wants at the new location. After this discussion, the Relocation Consultant will use the information acquired to recommend a realtor who is a relocation specialist in the area and who is knowledgeable regarding homes within the price range you have requested.
- ❑ Explaining "agency" and clarifying who the realtor is representing and why.
- ❑ Discussing realtor expectations so you fully understand what the realtor is expected to do for you and in what time frame.
- ❑ Reviewing purchase guidelines to help you make a good decision on the home you decide to purchase, including: disclosure hazards such as synthetic stucco, lead paint and other toxic hazards.
- ❑ Explaining comparable market analysis and encouraging you to have the realtor assist you in putting one together on the home you are purchasing. This will help you determine the best price for the property and eliminate purchasing an overpriced home.
- ❑ Assisting with negotiations—it can be very helpful to have the opinion of an uninvolved specialist when you are negotiating the purchase price of a new home.
- ❑ Reviewing the purchase agreement (contract). The Relocation Consultant will be available to look over the purchase agreement to determine that it is written in your best interests.
- ❑ Encouraging you to be prequalified with a lender. In many markets, sellers are requiring buyers to be prequalified at the time the offer to purchase is made.

Home Finding Trip: The Company provides up to five paid days off, as needed, for you to locate living accommodations at the new location. This timeframe includes travel time. Before departing on a home finding trip you are encouraged to seek pre-approval for a mortgage from SIRVA Mortgage or another national lender. All expenses for the home finding trip are covered under your Lump Sum Payment. If the distance is greater than 350 miles (one-way) to the new location, airfare will be reimbursed in addition to the Lump Sum Payment. This reimbursement will include a cost adjustment for estimated taxes.

New Home Purchase Assistance

SIRVA will, through its affiliate, SIRVA Mortgage, provide various mortgage-related services for you if are purchasing a home in the new location. The assistance includes:

- ❑ Counseling on various types of loan programs available and the impact of those programs based upon your specific financial situation and relocation mortgage benefits.
- ❑ Pre-approval for mortgage financing, including credit review, so you are more aware of the value of a home you can acquire in the new location. You are encouraged to be pre-approved before embarking on a home finding trip. This benefit is without cost or obligation.

No Closing Cost Loan through SIRVA Mortgage*: Non-recurring closing costs normally paid by you are eliminated through this relocation policy. Included in your relocation policy is a no closing cost loan program, which is provided to the Company by SIRVA in conjunction with SIRVA Mortgage. Policy requirements include that:

- ❑ You must make the new home purchase within 12 months of your effective date of relocation.
- ❑ The residence purchased must be the permanent residence of you and your family.
- ❑ The home purchased cannot be a mobile home or boat.

You will be responsible for recurring costs such as prepaid interest, real estate taxes, and private mortgage insurance (PMI) which includes the VA Funding Fee.

***Executive Officers and Directors of American Electric Power Company, Inc. (AEP) or any AEP subsidiary with publicly registered securities are not eligible to participate in SIRVA's No Closing Cost Loan program. In these cases, all normal and customary closing costs will be reimbursed and a cost adjustment for estimated taxes will be paid.**

Lender Other Than SIRVA Mortgage: If you choose not to participate in the no closing cost loan program, you may contact another lending institution. You will receive reimbursement of normal and customary non-recurring buyer's closing costs up to 4% of the purchase price based on actual closing costs. In cases where the reimbursement is less than 4%, an additional amount up to the 4% total will be added based on estimated taxes. In order to receive reimbursement, you must submit a relocation expense reporting form accompanied by appropriate documentation (e.g. a copy of the final signed settlement statement).

Normal and Customary Non-Recurring Closing Costs: Typically, the following items are considered to be normal and customary non-recurring closing costs:

- ❑ Title insurance or fees for examination of title, as required by lender.
- ❑ Normal and customary escrow or closing fees charged by the Title Company and/or lender to close the sale. This does not include items such as taxes and insurance that must be paid in advance into escrow accounts.
- ❑ Normal and customary attorneys' fees.
- ❑ Discount points paid to reduce the interest rate on a mortgage obtained at the new location as follows:

If 30 year rates are:	Discount Point
8.0% or lower	0 points
8.01% - 9.09%	1 point
9.01% - 10.0%	2 points
Over 10.01%	3 points

The 30-year rate for a given month will be the Federal National Mortgage Association (Fannie Mae) posted yield on 30-year mortgage commitments for delivery within 30 days as indicated in the Wall Street Journal on the first working day of each month. The 30-year rate and related point reimbursement amount will be determined as of the date you lock in a mortgage rate with the new lender.

Any additional seller's costs that you agree to will be at your own expense.

New Construction: In some areas, it is customary for buyers to incur closing expenses in connection with a building or construction loan. These upfront costs during construction are reimbursable. Closing costs incurred following completion of construction are reimbursable provided the transaction is completed within one-year of the transfer or start date.

Temporary Housing

If you are unable to move into your new permanent residence but are needed to report to work in the new location, your temporary housing accommodation expenses are covered by the Lump Sum Payment. The allowance is also to be used toward transportation costs for trips home during your temporary housing period.

Duplicate Housing

If you close on a home in the new location before closing on your home in the departure location, duplicate housing expenses may be reimbursed by the Company. In order to be eligible for duplicate housing expenses, you must be actively marketing your former residence with SIRVA. Mortgage principal is not reimbursed.

If you have closed on a home at the new location and have not sold your former home, the Company will reimburse costs for real estate taxes, property insurance, utility expenses, and a reasonable amount for lawn care and/or snow removal. This reimbursement for duplicate housing expenses is available for a period of up to sixty (60) calendar days from the date of closing on your home at the new location. All reimbursements will include a cost adjustment for estimated taxes.

If you are making payments on a new home, have not sold your former home **and** are paying a monthly mortgage payment, the Company will reimburse you for the interest portion of your monthly mortgage payment for a maximum of two months.

If you share ownership with someone other than your spouse and your share is at least 50%, reimbursement will be prorated based upon your share. Ownership is considered shared if you or your spouse has filed divorce or legal separation papers or you have dissolved your partnership and the property remains in both names.

If your home is partially an investment property (e.g. an entire duplex), your residence portion must be at least 50% of the property. Duplicate housing is prorated according to your share of the residential portion of the property.

Home Marketing and Sale Assistance

Confidential information—absolutely may not be distributed or used without the prior written consent of SIRVA Relocation LLC.

One of SIRVA's most important roles is to help you sell your home to an outside buyer at the best possible price in the limited time available to you. If an outside buyer is not found in the allotted time, and your home qualifies, SIRVA will issue you a Guaranteed Purchase Offer (GPO), based on the average of two independent appraisals. This process, if followed accurately, provides the most favorable tax treatment to both you and the Company. The steps that will occur are different from a typical real estate transaction. To protect this program, you must under no circumstances accept a down payment or sign an offer presented by any potential buyer. Your SIRVA Relocation Consultant will explain the process and provide all necessary information regarding the home sale program and will be your advocate throughout your move.

Keep in mind realtors do not use a "crystal ball" to predict what an outside buyer may offer for your home. Their recommendations take into consideration the local market, economy and past experiences. You should use your best judgment along with SIRVA's advice, when pricing your home. With SIRVA's help you:

- ❑ Should sell your home quickly and at the highest attainable market price. The best opportunity to maximize the asking price of a home is during the first 30 days of listing, when market excitement about the home is highest and buyer traffic is at its greatest.
- ❑ Will not incur any costs of the sale such as commissions and/or statutory closing costs. These costs will be incurred by SIRVA.
- ❑ Are not required to attend the ultimate closing on your old home.
- ❑ Are protected from contracts or buyers that "fall-through" once SIRVA has committed to buy the home. If the ultimate market buyer fails to close on the purchase of your home, SIRVA is solely responsible for the disposal of the property.

IMPORTANT: In order to preserve your relocation benefits, you should not make any agreement or sign any document or accept any money before speaking with your SIRVA Relocation Consultant to discuss the home sale process.

Qualifications for the Program: To qualify for Home Sale Assistance, the home must be owned by you and be your principal residence at the time of the transfer. In addition:

- ❑ Your home cannot be listed prior to initiation in SIRVA's program.
- ❑ The program procedures outlined by this policy and SIRVA must be followed.
- ❑ You must warrant that you own and occupy the residence and that it is classified as a single-family residence, condominium, or town house with no adverse conditions that will prevent its marketability.

If your home does not meet the eligibility requirements for the guaranteed purchase program or you choose to sell on your own, you will receive up to 10% of the home sale price, less taxes, for reasonable and customary seller's costs.

Definition of "Home": Home shall mean improved real estate:

- ❑ Which is, at the issuance by the Company of the SIRVA relocation assistance authorization, owned by you and classified as your primary single-family residence, townhouse; two-family (duplex) provided you reside in one unit, or condominium unit provided said unit meets FNMA (Fannie Mae) / FHLMC (Freddie Mac) approval. Excluded properties include:

- Any income producing properties; resort properties; mobile homes not permanently affixed to the property (See "Mobile Home" section); cooperative units; farms
 - Properties which do not qualify for conventional mortgage financing;
 - Properties that have black mold; properties that have an unresolved EIFS exterior finishing problem; properties in which inspections conducted disclose defects which rendered the property unmarketable and/or the employee does not repair to the satisfaction of supplier.
- ❑ Which shall include only the items of personal property set forth in the Contract of Sale.
 - ❑ With respect to which all mortgages can be prepaid. If a prepayment penalty is required, it must not exceed the greater of:
 - One percent (1%) of the original loan, or
 - Six months interest on the principal balance prepaid.
 - ❑ With respect to which insurance is available at standard rates for normal hazards of fire and extended coverage.
 - ❑ With respect to which all leases can be terminated by SIRVA with no more than a (60) sixty-day notice to the leaser.
 - ❑ Which is not situated on or near and does not contain any hazardous or toxic materials or gases, including but not limited to black mold, asbestos, lead paint, radon gas, urea formaldehyde foal insulation (UFFI), or an unresolved exterior insulating and finishing system problem (EIFS).
 - ❑ Which contains acreage (lot size) within the norm and specific zoning limits for that particular locale or neighborhood. If there is excess acreage, SIRVA will not purchase more than is considered to be necessary to make the residence salable.
 - ❑ In which you have clear and marketable title.
 - ❑ Which has all the normal characteristics of a home such as potable running water, sewage or septic system, electricity, central heating, etc.

Which has been repaired by you or will be repaired as deemed necessary as a result of inspections or appraisals.

Real Estate Agent Selection and Market Analysis: Your Relocation Consultant will select two real estate agents who have a documented record of successfully selling homes in the immediate neighborhood and within the general price range of your home. These real estate agents will independently inspect your home and complete a Broker's Market Analysis (BMA) to establish the most probable sales price. Research, comparable listings and sales, and a normal sixty-day (60) marketing period are used in this determination.

You, members of your immediate family or other Company employees may not directly or indirectly benefit financially from the fees that the Company pays for services or other costs related to your relocation. It is for that reason that the Company will not reimburse you, an immediate family member or other relative, or another Company employee (or his/her spouse/domestic partner) for any fees for services performed as a real estate agent or broker for the sale of your primary residence.

If you have a real estate agent you would like to recommend, it is important that you do not contact that agent. Instead, let your Relocation Consultant know who the agent is and where the agent can be reached. Your Relocation Consultant will then contact the agent to obtain their credentials and, if qualifications are acceptable, will select that agent as one of the agents to prepare and present a marketing plan.

The brokers will send the completed BMAs to the Relocation Consultant who will review the results for thoroughness, accuracy, and logic of conclusions. Once the Relocation Consultant approves of the BMAs, the most probable sale prices listed on the BMAs are averaged together and the home will be listed at no more than 105% of this average. If the most probable sales prices are not within 5%, a third analysis will be ordered. The two closest most probable sales prices will be averaged together and the home will be listed at no more than 105% of this average. The Relocation Consultant will then review the results with you, at which time you and SIRVA shall agree to proceed with the Option to Purchase and Put Agreement.

Keep in mind that realtors do not use a "crystal ball" to predict what an outside buyer may offer for your home. Their recommendations take into consideration the local market, economy, and past experiences. You should use your best judgment, and advice from SIRVA, when pricing your home.

Option to Purchase and Put Agreement: You will enter into an Option to Purchase and Put Agreement with SIRVA instead of listing your home in your name. This agreement enables SIRVA to list the property in SIRVA's name, facilitate the move, and defray many relocation costs. The option will last for six months and is renewable at the end of that period of time with your consent. During this option period, SIRVA will expose the home to the marketplace. Typically, SIRVA will list the home with a real estate agent who will, through exposure to the public, determine what a buyer will pay at arm's length for the home. The Option to Purchase and Put Agreement must be executed and returned to SIRVA prior to proceeding with the program.

Seller's Disclosure Statement and Title Report: You will be responsible for complying with all federal, state and local disclosure requirements associated with the sale of your home. This includes the completion of all real estate disclosure forms that may be required. Along with the Option to Purchase and Put Agreement, you will be given a Seller's Disclosure Statement for execution. This document must be executed prior to proceeding with the program.

Listing the Property: The choice of the listing agent and the price at which the home is listed are subjects that the Relocation Consultant will discuss with you. Although SIRVA will list the home for sale (if that is mutually desired), the Relocation Consultant will make sure that your input is greatly considered with regard to the agent and the list price. The home must be listed at a price not to exceed 105% of the average of the most probable sales price as determined from the Broker Market Analyses.

Setting a proper and realistic list price is crucial to the success of selling a home in a reasonable period of time and for the highest possible price. The determination of the initial list price is based on a number of factors such as location, competition, the condition of the property, and the time of year the home is listed. Over-listing a home only benefits the competition, generally extends the marketing time of the property, and may result in a lower final sales price than if the property had been marketed more realistically from the start.

Market Strategy: Your Relocation Consultant will discuss the best strategy for marketing the home, suggest any repairs, maintenance, and/or decorating that you may want to do to maximize the home's value and expedite the marketing process. The Company will not reimburse these costs.

Exposure of the Home to the Marketplace: SIRVA will be responsible for marketing the home, by listing the home with a real estate agent. Your Relocation Consultant will monitor all sales activity on the property to ensure that all of the best marketing procedures are being used for maximum exposure to the marketplace. Your Relocation Consultant and the real estate agent will keep you informed of all activity and feedback on the house during the marketing process.

Inspections and Repairs: As with any buyer, SIRVA reserves the right to order any inspections deemed necessary. On day 45 of the marketing period, SIRVA will order customary inspections (i.e. termite, well/septic/pool/hot tub, if applicable) on the home and advise you of the results. Unlike a typical buyer's inspection, **SIRVA follows the Worldwide Employee Relocation Council's (ERC) Property Assessment Guidelines that identify structural, safety and inoperable items, regardless of local/state codes.**

Any repairs required by SIRVA will be at your expense and must be completed prior to closing with SIRVA. **All final reports must be satisfactory.** If any inspection discloses a significant problem, the Company reserves the right to exclude the home from the Home Sale Assistance program.

Guaranteed Purchase Offer (GPO)/Safety Net: In the event you are unable to find a buyer for your home; the Company will authorize SIRVA to prepare a back-up home purchase offer. The back-up offer should be considered a "safety net". You are not obligated to take advantage of the buyout offer; however it is available in the event you should need it.

SIRVA will provide you with a list of four independent ERC (Employee Relocation Council) appraisers from which you will select two. Once you have notified SIRVA of your choices, your Relocation Consultant will work with you to arrange appointments for appraisals on your home.

After the two appraisers evaluate your home, they will prepare independent appraisal reports and determine an appraised value price for the home. The appraisal process documents the price that an educated and knowledgeable buyer would pay for the home and the price at which an educated and knowledgeable seller would agree to sell the home. Research, comparable listings and sales, and a normal sixty-day (60) marketing period are used in this determination (see "Attachment A").

The appraisals will be submitted to SIRVA for review. If the appraisal values are found to be accurate by SIRVA, the two appraisals will be averaged together and the resulting amount will become your "Guaranteed Purchase Offer" (GPO). The appraisal values must be within 5% of each other or a third ERC appraisal will be ordered by SIRVA. You will be advised of the GPO amount (average of the two values as determined by the appraisers—if three appraisals were ordered the two closest values will be averaged) and any inspection or other contingencies.

You must reduce your list price to be within 105% of the appraised value within 30 days of receiving the appraised value or the GPO will be forfeited.

Once you have exposed the home to the marketplace for a total of 90 days, you may then elect to have SIRVA purchase the home within a 60-day offer period, which begins on the date the offer was extended to you. If you have elected not to sell the home to SIRVA within this 60-day offer period, you may continue to market the home in search of an outside offer. The sale of the home must be completed within one year of your effective date.

Upon closing with SIRVA, your mortgage(s) are not paid off, nor is the title transferred. SIRVA will be responsible for payment of all future mortgage payments and taxes due after your close date. The title and mortgage(s) will remain in your name until SIRVA sells your property to an outside buyer and the deal closes. SIRVA will also take over all utility and property maintenance payments.

Offer to Purchase: At the point that SIRVA believes it has established fair market value through a market offer, your Relocation Consultant will notify you of the amount of the offer. If you agree that the amount constitutes fair market value, SIRVA will exercise its Option to Purchase at that amount. You may decide that the amount being offered is not sufficient for fair market value. In that event, SIRVA will continue to expose the home to the marketplace in order to determine whether there is a more accurate definition of fair market value.

Once your Guaranteed Purchase Offer (appraised value) has been established, and an offer is made that is 95% of the appraised value you will be required to allow SIRVA to accept that offer, however you will be provided 100% of the appraised value (Guaranteed Purchase Offer). If you refuse an offer at or above 95%, the Put would no longer be in effect.

Closing the Sale: Once SIRVA has exercised the Option to Purchase, a closing will be scheduled with you. You will be responsible for all costs and risks associated with the home up to and including the date of closing with SIRVA. These include but are not limited to: pro-rations for taxes, interest on the mortgage, utilities, homeowner's insurance, agreed upon repairs required from any inspections, and any other costs associated with the ownership of the home. After the date of the closing, SIRVA will be responsible for all of those items regarding the home.

If after all contingencies of the sale of your home to SIRVA have been met and the property remains eligible for the relocation program, and the sale of the home to the outside buyer falls through, the Contract of Sale between you and SIRVA will still be honored.

At the closing between you and SIRVA, SIRVA will provide a Promissory Note for the amount of equity due to you. As set forth in the Contract of Sale, you will receive the final net proceeds (the equity) in the property within approximately 10 calendar days from the date of the Promissory Note. Net proceeds are defined as the sales price of the home minus liens, mortgages, appropriate pro-rations, less any equity advances you've already received, and agreed to repair amounts, etc., if any. As provided in the Contract of Sale, there are no real estate commissions or other standard closing costs that will be deducted from the proceeds.

Remember, you are responsible for disclosing all known conditions and defects of the property. If you fail to disclose, you may be responsible for all costs incurred by SIRVA as a result of the non-disclosure.

IMPORTANT NOTE: At the closing with you, SIRVA does not actually take title to your home or pay off your mortgage. Instead, SIRVA takes full responsibility for making your mortgage payments, and ultimately paying off the mortgage when a sale between SIRVA and an outside buyer closes. Until a sale between SIRVA and an outside buyer closes, the title and mortgage remain in your name and will continue to appear on your credit report. SIRVA assumes all responsibility for the care and maintenance of the home once you close with SIRVA under the provisions of the Home Sale Assistance program. SIRVA will assist you if any questions should arise in regard to this process.

Equity Loan*: Upon entering into a purchase contract on a new residence, you may apply for an equity loan, interest free for 90 days, at an amount equal to SIRVA's GPO less any remaining mortgage balances and less four percent (4%) of the GPO held back for contingencies (e.g. taxes, liens, interest, etc.). An equity loan is available for the sole purpose of purchasing a home or initiating construction at the new location. This loan is available whether you sell your home to SIRVA or try to sell the home on your own. If you eventually sell the property to SIRVA, the loan amount is deducted from your final equity payment from SIRVA. Any remaining balance of the four percent (4%) holdback not used for contingencies, is also paid to you when the property is sold.

You are required to sign the SIRVA Mortgage Equity Loan Agreement and a Promissory Note to secure an equity loan (see "Attachment B"). The equity loan, which is secured by the Promissory Note, will require you to repay the principal, as well as any costs incurred by SIRVA in collecting the Promissory Note should you default (i.e., legal costs, collection, termination).

***Executive Officers and Directors of American Electric Power Company, Inc. (AEP) or any AEP subsidiary with publicly registered securities are not eligible to participate in the equity loan benefit. In these cases, interest expenses and a cost adjustment for estimated taxes will be reimbursed.**

Vacating the Property: In the event you are unable to vacate the property at the time of closing with SIRVA, the home may be leased back to you during the approximate three day period prior to closing with an outside buyer, at a minimum per diem of \$50. A \$500 security deposit will be withheld from the net proceeds and will be returned after SIRVA inspects the home following the vacate date. Under the lease, you would be responsible for utilities, general maintenance and insurance on household goods through the date of vacating and/or transfer of possession to SIRVA. Your Relocation Consultant will provide instructions for transferring utilities, keys, etc.

Obligations in the Contract of Sale with SIRVA: Your obligation to SIRVA with regard to the condition of the home at closing will be similar to that which would occur in the sale to any other buyer. In fact, in the event that SIRVA sells the property and incurs any expenses, costs, or liabilities with regard to a condition of the property that existed at the date of the closing with SIRVA, you may be held responsible for those items.

Negative Equity: If you find yourself in a negative equity situation (e.g. your mortgage balance is greater than SIRVA's GPO), you must pay the difference between the mortgage balance and the GPO to SIRVA at the time of closing and sale of the property to SIRVA, should you accept SIRVA's GPO. Failure to make this payment to SIRVA will result in the withdrawal of SIRVA's GPO

Land Contracts: If you have entered into a Land Contract Agreement, the Home Sale Assistance program is not available unless you are able to provide a clear title to the property or acceptable termination procedures are included with the Land Contract Agreement.

Mobile Homes: Home Sale Assistance will apply if you own the property your mobile or pre-manufactured home is on, provided:

- ❑ It is affixed to the property by being on a permanent concrete footer and poured concrete blocks (wheels, axle, and tongue removed).
- ❑ Has all required utilities connected.
- ❑ Meets FNMA/FHLMC financing criteria and meets criteria for conventional mortgage financing (such as having a perimeter block foundation).

If your mobile or pre-manufactured home does not meet the criteria described above, special arrangements may be made to assist you with the sale of your home.

If your mobile or pre-manufactured home has not become affixed to the property as described above, the Company will pay for the tear down, transportation and set up of the mobile home. In this type of situation, the Company does not buy the mobile home, but will reimburse you for sales commission and selling expenses if you sell the mobile home. Under no circumstance will the Company purchase vacant land.

Selling Home Outside of SIRVA's AVX Program (Guaranteed Purchase Offer)

If your property is not eligible for a Guaranteed Purchase Offer, SIRVA will review eligibility for their BVX (No buyout) Program. The program requirements and parameters for the BVX are similar to the AVX (Buyout) Program; however, there is no mandatory marketing period or GPO if no outside buyer is found. Your SIRVA Relocation Consultant will explain the process and all details.

If you should choose to sell your home on your own, you will be reimbursed up to 10% of the home sale price for reasonable and customary seller's costs. In cases where the reimbursement is less than 10%, an additional amount up to the 10% total will be added based on estimated taxes. The following property closing expenses are eligible for reimbursement:

- ❑ Reasonable and customary broker's commission
- ❑ Reasonable and customary seller closing costs and legal fees
- ❑ Transfer charges and transfer taxes
- ❑ Mortgage prepayment penalties, but not points as per the "Definition of Home" section
- ❑ Taxes other than those incurred due to gain on sale or pro-rated property taxes

No GPO will be available to you at a later date if you elect to sell your home outside of the AVX Home Sale Assistance program.

Home Sale Bonus

If you are successful in obtaining an acceptable purchase agreement during the marketing period, determined by SIRVA, you will receive, whichever is greater, a bonus equal to 2% of the final sales price, less taxes, or \$1,000, less taxes. In order to be eligible for this benefit, you must participate and adhere to the guidelines of SIRVA's Home Sale Assistance program.

The bonus payment will be made to you by the Company when the home sale process between you and SIRVA is considered final and is not contingent on whether SIRVA is able to complete the sale with the outside buyer.

Loss-on-Sale Protection

When you sell your home in the old location, the selling price may fall short of the original purchase price creating a loss. As such, the Company provides Loss-on-Sale Protection. The Loss-on-Sale program is not intended to compensate you for unwise purchase decisions, over improvements or standard risks involved in homeownership. If the realtor/appraiser/inspector determines that the home has been neglected and deferred maintenance has occurred, you may be denied Loss-on-Sale assistance.

The loss is calculated on the difference between the original purchase price, plus capital improvements not associated with normal maintenance, and the sale price (either by an outside buyer or your GPO). Capital improvements as defined in "ERC Relocation Law, 1995," are expenditures made with respect to property, which add to the value of the property or substantially prolong its useful life. The IRS recognizes the following examples of home improvements as capital improvements, the cost of which are added to a home's basis:

- Additions to the home – decks, sunroom, garage
- Putting a recreation room or another bathroom in an unfinished basement
- Putting up a fence
- Putting in new plumbing or wiring
- Putting on a new roof
- Paving an unpaved driveway

AEP will reimburse losses up to \$50,000 based on the sales price (either by an outside offer or your GPO). Loss amounts over \$50,000 will require Executive approval. A cost adjustment will be added to the reimbursement for estimated taxes. In order to be eligible for this benefit, the following conditions and limitations apply:

- You must participate in SIRVA's Home Sale Assistance program including marketing assistance guidelines.
- You must have owned and occupied your single-family home, townhouse, or condominium located in the United States as your primary place of residence on the date first notified of your transfer.

- You must have a bona fide sales contract and close the sale of your home within one year of your payroll/transfer date.
- If the home is on large acreage or is partially an investment property, Loss-on-Sale will be prorated on the basis of the percent of total value the residence portion represents.
- If you share ownership in the home with anyone other than your spouse, you must own at least 50% or more of the residence to receive any assistance. The assistance will be prorated based on your percentage of ownership.

- ❑ Mobile, modular and certain manufactured homes are not eligible except as noted in the "Home Sale Assistance, Mobile Home" section.
- ❑ Capital improvements are limited to those deemed allowable by the Internal Revenue Service (IRS).

Movement of Household Goods

SIRVA has selected a moving company to assist you with the movement of household goods and will coordinate the details. The cost of moving household goods from your former residence to your new home will be paid directly by SIRVA. One extra pick-up and delivery en route to the new location will be provided. Any additional pick-ups and deliveries or other special situations, will be at your expense.

The moving company selected will perform all packing, loading, transporting, unloading and unpacking required, including normal appliance servicing. Movement of your household goods is to be scheduled during normal business hours and any exceptions require prior approval from management. The mover will provide all required packing materials and remove the debris upon completion of the move.

Special arrangements for shipping antiques or other items of extreme value must be approved in advance and supporting documentation such as insurance appraisals is required for verification. The Company does not cover the costs of appraisals.

Excluded Items, Services and Costs: Movement of the following items are not covered by the Company:

- ❑ Aerosol products or flammable materials
- ❑ Animals including household pets
- ❑ Any items requiring excessive or special van accommodations
- ❑ Boats, campers or trailers 14 feet in length or longer
- ❑ Farm equipment
- ❑ Firewood, logs, patio blocks or other construction materials
- ❑ Frozen foods or other perishables
- ❑ Furnishings from a second home
- ❑ Jewelry
- ❑ Liquors or carbonated beverages
- ❑ Money
- ❑ Personal papers, records, tickets, securities or legal documents
- ❑ Pets
- ❑ Plants
- ❑ Stamps, coins or other valuable collections

In addition to the above list, the following are services or costs that are not normally covered by the Company and must be approved in advance by Human Resources:

- ❑ Additional labor for dismantling and re-assembling large yard items (i.e. swimming pools, spas, storage sheds, satellite antennas, swing sets, farm equipment, etc.) Draining and filling of waterbeds
- ❑ Overtime charges for weekend or holiday moves

Pre-Move Survey: Prior to the start of packing, the moving company representative will complete a survey, by phone or in person, of those household goods you will be moving. This survey is used to determine what services, materials and equipment will be required to complete your move. If, after the survey has been completed, you decide to move additional items of significant size or weight, you must notify the moving company representative so that the proper materials are available and proper space is allowed on the moving van.

Inventory List: Read the inventory list prepared by the movers very carefully before you sign the document. You will want to be sure it is accurate and includes all goods intended for shipment. When your goods arrive, you or a responsible family member must be present to check off every item brought into your home.

Storage In-Transit: If you must vacate your previous residence before you have procured permanent housing at the new location, the Company will pay for storage costs of household goods for up to 60 days. . All storage costs provided by the Company beyond the first 30 days are taxable to you and a cost adjustment will be added for estimated taxes.

If the length of storage is anticipated to exceed the 60-day limit, it is recommended that you request an estimate from your Relocation Consultant. Storage costs are figured on a daily basis and rates may vary based on weight, length of time in storage, location, and time of year. Additional storage will be at your expense.

Your mover will designate an agent to arrange storage of your goods. Make sure you obtain the name, address, and telephone number of the warehouse where your goods will be stored.

Valuation: All premiums to cover loss or damage to furniture and household goods caused by fire, theft, collision, or water while in transit and/or storage on a replacement value basis or less based on the weight of the shipment. The limit of coverage is \$100,000, without a declaration by you of greater value, which will require an added premium. You should confirm with the moving coordinator the length of time in which to file a claim following the delivery of goods. If your belongings are placed in a self-storage facility, a claim can only be filed for damages/missing items noted at time of delivery since self-storage facilities are not completely secure and often are prone to theft and vandalism. It is recommended that you also inspect all seasonal items (i.e. holiday ornaments, lawn mowers, etc.) soon after the move to avoid issues that may arise after the period to file a claim has lapsed.

Damaged Goods: If you discover any damage to your goods, set the damaged goods and container aside and immediately notify your Relocation Consultant for directions on how to file a claim. Cost consideration is not given for sentimental value you may have for your item(s).

Automobiles and Recreational Vehicles: If the distance to new location is greater than 500 miles, and the number of each item below is within reason for the size of your family, the Company will pay to ship:

- ❑ One automobile provided it is in working order

- Boat(s) 14 feet or less in length, including the trailer
- Motorcycles
- Riding mowers or garden tractors
- Snowmobiles

A second personal vehicle may be shipped with prior management approval. See the "Final Trip to the New Location" section for mileage coverage should you choose to drive your automobile(s) to the new location. The Company covers up to a total of two automobiles, whether by shipping or mileage reimbursement, or a combination of the two.

Tax Impact: The cost to move your household goods and up to 30 days of storage is not taxable; therefore these amounts will not be shown as income to you. Storage beyond 30 days will be shown as income to you and a cost adjustment will be added for estimated taxes.

Final Trip to the New Location

The Company will reimburse actual and reasonable en route expenses from the old location to the new location incurred by you and your family as indicated below. Reimbursements will include a cost adjustment for estimated taxes. All travel should be booked through and in accordance with the Company's travel policy.

The Company provides three paid days off, as needed, for your final trip. The Company will reimburse the following expenses for you and your family's final trip to the new location:

- Lodging
 - Includes one night in both the departure and destination locations and nights en route
- Meals
 - Reasonable costs
- Mileage
 - Reimbursed at current Company rate for up to two automobiles (see the "Movement of Household Goods, Automobiles and Recreational Vehicles" section)
 - The Company covers up to a total of two automobiles, whether by shipping or mileage reimbursement, or a combination of the two
 - Local mileage prior to departure day at the former location and after arrival day at the new location is NOT eligible for reimbursement

Your trip must be made by the most direct route—no vacation, extended trips, personal side trips or leisure travel will be covered. It is required that you cover at least 400 miles per day

Tax Impact: Lodging and mileage expenses within the IRS guidelines are not taxable; therefore these amounts will not be shown as income to you. Meals and mileage reimbursements where a vehicle(s) is driven that exceed current IRS rate are taxable.

Tax Liability

Most reimbursements made to or on your behalf that are directly related to relocation are considered taxable income. The Internal Revenue Service has taken the position that all reimbursements made directly to you by the Company are considered "compensation for services" except for shipment of household goods, storage-in-transit for up to 30 days and travel to the new location (excluding meals and reimbursed mileage over the current IRS rate) **provided** the IRS "tests" are met. You must report all relocation reimbursements on your federal income tax return.

Internal Revenue Service Regulations: The Revenue Reconciliation Act of 1993 resulted in a number of changes in how moving expenses are to be treated and which of those expenses will continue to be tax deductible. To begin with, the following criteria must be met:

- ❑ The commute from your old residence to the new work place must be at least 50 miles farther than the commute from your old residence to the old place of work by the shortest, most commonly traveled route.
- ❑ You must be employed full time for 39 weeks. The 39 weeks must occur during a 12-month period that begins when you arrive at the new location. This requirement is waived in case of death, disability, involuntary termination or retransfer at the Company's request.
- ❑ Except for some circumstances that involve your ability to move your family to the new location, the requirements calls for expenses to be incurred within one year of arrival in the general area of the new job location.
- ❑ Any expense that you incur must be "reasonable" in nature to be deductible. Expenses that are excessive will not be deductible.
- ❑ The move itself must be related to either continuing work at a new job location or starting a new job at a new location.

Definition of Moving Expenses: After the above criteria have been met, the IRS recognizes the following as "moving expenses:"

- ❑ Costs related to the movement of household goods and personal effects from the former residence to the new residence.
- ❑ 30 days of storage
- ❑ The cost of transportation (mileage limited to the current IRS rate) and lodging for you and your family during the final move from the former residence to the new residence.

Payment of these "excludable moving expenses," either directly or through reimbursement from the Company will be excluded from your reported income.

Other moving expenses that are either reimbursed or paid directly to you or by the Company will be reported as taxable income and a cost adjustment will be added for estimated taxes. These expenses include such items as:

- ❑ Reimbursement for meals, lodging, transportation and other expenses that occur while home finding, traveling, or residing in temporary housing.
- ❑ Reimbursement or direct payment by the Company for expenses relating to the purchase of a new residence.

- Reimbursement for expenses relating to the sale of the old residence when you do not accept or were not eligible for the Home Sale Assistance program.
- Storage beyond 30 days.

Tax Table: Below is a chart indicating which expenses are excludable from your W2 income.

Policy Component	Excludable
Lump Sum Payment	No
New Home Purchase Assistance:	
- Employee participates in no closing cost loan	N/A
- Employee does not participate in no closing cost loan	No
Duplicate Housing	No
Home Sale Assistance - SIRVA	N/A
Home Sale Assistance – Ineligible Property	No
Home Sale Incentive Bonus	No
Movement of Household Goods:	
- Van line services	Yes
- Valuation	Yes
- Storage of household goods to 30 days	Yes
- Storage of household goods after 30 days	No
- Automobile(s)	Yes
Final Trip to the New Location:	
- Meals	No
- Lodging	Yes
- Mileage reimbursed to current IRS rate	Yes
- Mileage reimbursed above current IRS rate	No
NA = Not Applicable	

There are two types of appraisals, a home mortgage appraisal and a relocation appraisal. The relocation appraisal will be the process followed in determining the eventual buyout offer for your home. Mortgage appraisals are prepared for different reasons than relocation appraisals, and have somewhat different guidelines. Mortgage appraisals are based on historical information only. The appraiser compares your home to other homes that have recently sold in the neighborhood. The appraisal does not take into consideration current competition or attempt to anticipate market conditions as a relocation appraisal does.

Please refer to the following chart for a complete comparison.

MORTGAGE APPRAISAL	RELOCATION APPRAISAL
Intended Use: Facilitate mortgage lending	Intended Use: Facilitate corporate relocation
Purpose: Estimate market value	Purpose: Estimate anticipated sales price
Market Value: Uses only historical market data to establish value	Anticipated Sales Price: Uses historical market data and also uses anticipated sales price model with a forecast adjustment
Long-term Decision-Making: Up to 30 years	Short-term Decision Making: Up to 60 days
Uniform Residential Appraisal Report: Comprehensive Analysis	ERC Residential Appraisal Report: Expanded analysis of market data
Identifies category for "Design" and "Appeal"	Emphasizes "Appeal" and "Décor" as critical items for consideration
Financing: Cash equivalency; no adjustments for normal seller costs	Financing: Cash equivalency; adjustments for sales and financing concessions
Retrospective Analysis: No forecasting	Prospective Analysis: Forecasting
Normal Marketing Time: Without limit	Reasonable Marketing Time: Not to exceed 120 days
Requires closed sales	Requires closed sales and competing properties and consider pending sales

Note: If you participated in the Pre-Decision Process, the pre-decision's Most Probable Sales Price (MPSP) and the Brokers Market Analyses (BMAs) were used solely to provide an estimate of potential home values.

**SIRVA Relocation
Equity Loan Agreement and Promissory Note**

Employee Name: _____ File No: _____
Loan Amount: \$ _____ Check Number: _____ Date Issued: _____
SIRVA Approval: _____
Property Address: _____
\$ _____ Date: _____

For value received, the undersigned Makers hereby promise to pay to SIRVA Relocation (hereinafter "SIRVA"), or its order, at its designated office, the principal sum of _____ Dollars (\$ _____) on or before the earliest to occur of (a) the expiration of an offer by SIRVA to purchase the Maker's home; (b) the closing of the sale of the Maker's home pursuant to contract of sales between the Makers, as sellers, and a third party, as buyer, or the failure to consummate such a sale at the scheduled place and time; (c) cancellation of the Makers' relocation for any reason whatsoever, or (e) the effective date of termination of the Relocation Management Agreement between SIRVA and the Makers' employer of the Equity Loan Agreement Service contained herein, (f) SIRVA determines that the Agreement and Promissory Note has remained outstanding for an unreasonable period of time.

In the event that SIRVA purchases the Makers' home, the principal sum due shall be deducted from the equity due the Makers' under the application contract, and the deficit, if any, shall become immediately due and payable to SIRVA. In order to secure repayment of the indebtedness, the Makers' hereby assign, transfer and set over unto SIRVA all rights, title and interest in and to any agreement for the sale of the Makers' home which the Makers have entered into or may in the future enter into, and in and to all sums due or to become due thereunder or which may be payable on account of the sale of the said Home. Any such sum received by the Makers shall be held by them in trust as the property of SIRVA, and shall be paid by the Makers to SIRVA on demand by SIRVA, up to the amount of the Makers indebtedness to SIRVA under this agreement and promissory note. Makers agree not to consummate a sale of their Home without advising SIRVA prior thereto.

In consideration of SIRVA entering into this agreement and promissory note:

- a) The Makers represent that the loan will be used solely for the purpose of purchasing a new principal residence in connection with a transfer to a new principal place of employment and that neither the former nor the new principal residence is or will be located outside the United State or a United States possession.
- b) The Makers represent that the Makers intend to sell their Home, and have taken appropriate action, such as listing with brokers, or will do so within a reasonable time. The Makers agree that the Makers will notify SIRVA in writing when the Makers enter into an agreement to sell their Home, and again when title passes.
- c) The Makers represent that the Makers have no intention of converting the Makers' present or former principal residence to business or investment use.
- d) The Makers agree that any loss which the Makers sustain because of nonfulfillment of any contract to sell and purchase their Home by either the Makers, the buyer, or any other third party, is the Makers' responsibility, and that in such event the Makers will be obligated to repay their indebtedness to SIRVA.

- e) The Makers agree that the obligations and benefits under this agreement and promissory note are personal to the Makers and may not be transferred, assigned or otherwise disposed of to any person except their employer.
- f) The Makers agree that their Home will not be made subject to any further indebtedness by the Makers' affirmative act subsequent to signing this agreement and promissory note without prior written approval of SIRVA.
- g) The Makers hereby represent that the Makers intent to and will itemize their deductions on their Federal Income Tax Returns.

The undersigned Makers hereby waive presentment and notice of dishonor and agree that the obligations and benefits under this agreement and promissory note are personal to them and may not be transferred, assigned, or otherwise disposed of to any person except the Maker's employer.

This instrument shall be governed by the laws of the State of Ohio.

Maker: _____

Date: _____

Social Security Number: _____

Maker: _____

Date: _____

Social Security Number: _____

THIS AGREEMENT, made and entered into this _____ day of _____ by and between AMERICAN ELECTRIC POWER, a corporation (hereinafter called "Company") and _____ of _____ (hereinafter called "Employee").

WITNESSETH THAT

WHEREAS, Employee proposes to accept employment as an exempt employee of the Company at _____, _____ and;

WHEREAS, Employee, in order to accept such position, must move his place of residence to _____ or its environs; and

WHEREAS, Company is willing to pay the moving and incidental expenses of Employee provided Employee agrees to certain conditions.

NOW, THEREFORE, for and in consideration of the agreement hereinafter contained, Company and Employee do hereby agree as follows:

Company will pay the moving and incidental expenses of Employee in accordance with the **Relocation Expense Policy Guidelines - (Homeowner)- Exempt Employees, Non-Exempt Supervisors and Newly Hired Exempt Employees Salary Grade 26 and Above.**

Should Employee voluntarily terminate his/her employment with the Company, or be terminated for cause, within one year from the date of his/her employment, Employee, upon request of the Company, agrees to reimburse Company, promptly upon such termination, for all payments made to Employee, or in his/her behalf pursuant to the **Relocation Expense Policy Guidelines (Homeowner)- Exempt Employees, Non-Exempt Supervisors and Newly Hired Exempt Employees Salary Grade 26 and Above**, except the equity loan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the day and year first above written.

AMERICAN ELECTRIC POWER

By: _____
(Company Representative)

Date: _____

By: _____
(Employee)

Date: _____