

**MINUTES OF MEETING
OF THE
AUDIT COMMITTEE
OF
AMERICAN INTERNATIONAL GROUP, INC.**

Held January 15, 2008

A meeting of the Audit Committee of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held on January 15, 2008 at 9:30 A.M., at 70 Pine Street, New York, New York, pursuant to notice duly given to each of the members in accordance with the By-Laws.

**Present: Messrs. Michael H. Sutton, Chairman
George L. Miles, Jr.
Morris W. Offit
Robert Willumstad, *ex-officio***

Also present were Director Frank G. Zarb, a non-voting member of the Committee, Messrs. Tim Ryan, Dennis Nally, Henry Daubeney and Michael McColgan from PricewaterhouseCoopers LLP ("PwC"), Mr. James Cole of Bryan Cave LLP, Mr. James Gamble of Simpson Thacher & Bartlett LLP, President and Chief Executive Officer Martin J. Sullivan, Executive Vice President and Chief Financial Officer Steven J. Bensinger, Executive Vice President and General Counsel Anastasia D. Kelly, Senior Vice President and Comptroller David Herzog, Senior Vice President and Chief Risk Officer Robert E. Lewis, Senior Vice President and Director of Internal Audit Michael E. Roemer, Senior Vice

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President, Secretary and Deputy General Counsel Kathleen E. Shannon, Vice President – Corporate Governance Eric N. Litzky, Paulette Mullings-Bradnock of Internal Audit, and, for portions of the meeting, Edward DiPaolo, John French, Joseph Nocera and Alfred Panasci of Internal Audit.

The Chairman of the Committee, Michael H. Sutton, presided and the Secretary, Kathleen E. Shannon, recorded the minutes of the meeting.

Mr. Miles asked if there were any other potential material weaknesses. Mr. Lewis responded that Management and PwC have been engaged in ongoing, lengthy discussions concerning AIG's financial and enterprise risk control functions considering to what extent

there may be deficiencies in AIG's in those functions. Mr. Ryan commented that the significant deficiency in controls over the financial close process is the most significant deficiency and recapped that at the end of the second quarter there were concerns that without additional management procedures and a reduction in late adjustments and new errors, the financial close significant deficiency could rise to the level of material weakness. He indicated that the company had responded in the third quarter financial close and sustaining the fourth quarter close efforts will be important in the year end analysis.

Mr. Bensinger then indicated that he, Mr. Sullivan and Messrs. Ryan and Nally had been meeting regularly to discuss the control matters and he had asked Mr. Ryan to update the Committee on those discussions. Mr. Ryan then provided the Committee with background on the issues, much of which had been discussed with the Committee in December and in follow-up sessions thereafter with Mr. Sutton. Mr. Ryan commented that following the third quarter close, the PwC team debriefed and assessed a number of issues that had occurred, such as the securities lending program and the operations of American General Finance, Inc., the AIG Financial Products Corp. super senior credit default swap portfolio and disclosure issues in the presentation of maximum exposures of United Guaranty Corporation, as well as AIG's investment activities relating to the Nan Shan trade of approximately one billion dollars in one company on one day and errors in the classification of mortgage exposure. He indicated that PwC asked themselves what these data points meant from a Sarbanes Oxley perspective, including the levels of risk being assumed and the effect of that risk on AIG's disclosures.

Mr. Ryan said that PwC had questioned among themselves whether the AIG disclosures in the second quarter Form 10-Q would have been different had Management known about the securities lending exposures at the time the filing was made, and whether there was a material misstatement or omission in the disclosures. Mr. Ryan reported that in light of AIG's plans to hold the investor conference on December 5, PwC had raised their concerns with Mr. Sullivan and Mr. Bensinger on November 29, informing them that PwC believed that AIG could have a material weakness relating to the risk management of these areas. He said that Management and PwC had agreed to gather more information, and that numerous meetings and much analysis had taken place among PwC and Management, including Messrs. Sullivan, Bensinger, Lewis, Roemer and Habayeb. He described the continuing dialogue about the extent of the risk and the concern that the deficiencies perceived by PwC could rise to the level of a material weakness. Mr. Ryan emphasized the candor with which Management has approached the issues, but expressed concern that the access that Enterprise Risk Management and AIG's senior finance officials have into certain business units, such as AIG Investments, UGC, AGF, ILFC and AIGFP may require strengthening.

Mr. Ryan indicated that for the same business units, PwC believes that the roles and responsibilities between the critical control functions of Enterprise Risk Management and Finance and the business units were not clearly enough defined. He expressed PwC's concern that this weakness may have resulted in a material disclosure error and that it could result in an income statement and/or disclosure error in the future if it was not addressed. Mr. Ryan said that PwC believes that Management's oversight of AIG

Investments is insufficient, due to lack of access and unclear delineation of roles and responsibilities, and performance management and transparency are not where they should be.

With respect to AIGFP, Mr. Ryan commented that while day to day communication with AIG Finance, Enterprise Risk Management and PwC has improved, Mr. Habayeb believes that he is limited in his ability to influence changes, and the super senior valuation process is not going as smoothly as it could. Mr. Ryan said that the control functions are not included in the ongoing process and lose the ability to participate in discussions of the issues. He added that roles and responsibilities need to be clarified, and pointed out that the collateral issues could have been escalated to the AIG level earlier in the process.

Mr. Ryan then focused on the governance issues raised in connection with the role and responsibility of Enterprise Risk Management to the Board of Directors. He pointed out that under the COSO framework, the Board relies for critical control functions on Enterprise Risk Management and the Finance function at the parent company level, and if these functions are not adequate, there is a risk of material omissions in past or future disclosures. Mr. Ryan indicated that PwC views this as an access issue and definition and enforcement of roles and responsibilities, and that the ongoing discussions revealed what PwC believes to be an expectation gap among key parties, including the Board, Management and the internal control functions. Mr. Ryan reported extensive discussions with Management on possible solutions, and agreement that given the unique dynamics of AIG, there is not a single, uniform solution, and the quality of people is critically important. He advised the Committee that PwC believes that the control weakness is a significant

deficiency at a minimum and there is the potential that it could rise to a material weakness, and whether AIG has had or could have a material omission in its disclosures is a matter of judgment. Mr. Ryan continued with PwC's assessment by commenting that how Management responds to this issue in the financial close process is critically important, and PwC will be evaluating whether Executive Management has adequate understanding of the issue and a commitment to fix the problem as part of their opinion process. Mr. Offit commented that the issues are more fundamental than stated by Mr. Ryan, and involve both affiliate and compensation issues. Mr. Nally commented that all concerns need to be considered and suggested that the problem is not solely an organizational issue. Mr. Roemer noted that there are compensating controls in place to assure that the financial close process can be completed while the broader issues are addressed, and Mr. Sutton commented that he views risk management as governance and management, including developing and maintaining the ability to see around corners and determine what is coming. In response to Mr. Sutton's inquiry, Messrs. Sullivan and Bensinger confirmed that they were committed to addressing these issues.

Mr. Bensinger advised the Committee that Management has engaged Deloitte & Touche and KPMG to conduct independent reviews of Enterprise Risk Management and the AIG operations with subprime exposures, respectively, with a goal of determining how to improve the risk function and obtaining more information on pricing and valuation. He said that these independent reviews are indicative of Management's interest in making sure that the right process is in place. Mr. Sutton asked what additional information is required before PwC can reach a conclusion as to the extent of the control deficiency, and Mr. Ryan

indicated that further consideration of the super senior credit derivative valuation process is required.

Mr. Bensinger provided a very preliminary overview of the financial results in critical segments of the business. With respect to the super senior credit derivative valuation, he reported that the current application of the BET methodology, with continued refinement using late November to early December data, results in a substantially higher preliminary valuation adjustment on a cash basis, approximately \$5.8 billion for the year cumulative to date. Mr. Bensinger advised the Committee that AIGFP believes that a significant downward adjustment is appropriate to change the cash valuation to a derivative valuation, so that the current very preliminary estimate of the super senior valuation loss is \$2.8 billion. He added that alternative simulation models incorporating the probabilities of default are generating similar figures. Mr. Roemer reported that KPMG agrees that there is a spread between the cash valuation and the corresponding derivative valuation, but it is very difficult to confirm or audit. Mr. Ryan stated that the current documentation for the

adjustment to derivative from cash is not on the level of evidence to support an audit. A lengthy discussion followed on the alternative valuation methodologies being used in the current markets, including individual loan loss analysis, and the resources being devoted to the valuation process. Mr. Bensinger pointed out that November was a month of significant deterioration in the markets, and noted the importance of quantitatively determining how much of the change in valuation is the result of refinement in the figures rather than further deterioration. Mr. Ryan commented that the super senior valuation process needs improvement from a control perspective, and he has discussed with Mr. Bensinger the need for more AIG oversight and involvement in the valuation process and in assessing the relevance of the collateral disputes on the valuation. Mr. Sullivan pointed out that based on what is known today, AIGFP still is not expecting any economic loss from the super senior portfolio.

With respect to the balance of the AIGFP business, Mr. Ryan reported that robust documentation on valuation approach and key assumptions is still being developed. He said that the corporate book will be marked again, and consideration is being given as to whether the regulatory trades should be marked to market as well. Mr. Ryan noted the issues with respect to the valuation of underlying collateral. Mr. Bensinger advised the Committee that full December data will be available late in January and both current valuations and the collateral disputes will need to be evaluated.

The participants other than the PwC representatives left the meeting and the Committee met with the PwC representatives in executive session and held further discussions around the internal control issues. The PwC representatives then left the meeting and the [Committee met briefly with each of Ms. Kelly and Mr. Bensinger. The] Committee then met in executive session. There being no further business to come before the meeting, the meeting was adjourned.

Secretary

Exhibit A

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Exhibit B

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DRAFT OF MARCH 17, 2008

**MINUTES OF MEETING
OF THE
AUDIT COMMITTEE
OF
AMERICAN INTERNATIONAL GROUP, INC.**

Held February 7, 2008

A meeting of the Audit Committee of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held by telephone conference call on February 7, 2008 at 3:00 P.M., pursuant to notice duly given to each of the members in accordance with the By-Laws.

**Present: Messrs. Michael H. Sutton, Chairman
George L. Miles, Jr.
Morris W. Offit
Robert Wilumstad, *ex-officio***

Also present were Director Frank G. Zarb, a non-voting member of the Committee, Directors Marshall Cohen, Martin Feldstein, Stephen Hammerman, Fred Langhammer, James Orr, and Virginia Rometty, Messrs. Henry Daubeney, Robert Sullivan and Robert Moritz from PricewaterhouseCoopers LLP ("PwC") (for a portion of the meeting), Mr. James Cole of Bryan Cave LLP, Mr. James Gamble of Simpson Thacher & Bartlett LLP, President and Chief Executive Officer Martin J. Sullivan, Executive Vice President and Chief Financial Officer Steven J. Bensinger, Executive Vice President and General Counsel Anastasia D. Kelly, Senior Vice President and Comptroller David Herzog, Senior

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Vice President and Chief Risk Officer Robert E. Lewis, Senior Vice President and Director of Internal Audit Michael E. Roemer, Senior Vice President, Secretary and Deputy General Counsel Kathleen E. Shannon, and Vice President – Corporate Governance Eric N. Litzky.

The Chairman of the Committee, Michael H. Sutton, presided and the Secretary, Kathleen E. Shannon, recorded the minutes of the meeting.

The Committee first met in executive session with Mr. Gamble and Mr. Roemer. Mr. Gamble and Mr. Roemer provided a briefing on issues associated with the valuation of the AIGFP super senior credit default swap portfolio.

Messrs. Martin Sullivan, Bensinger, Lewis, Herzog and Litzky and Mesdames Kelly and Shannon joined the meeting.

Mr. Sullivan asked Mr. Bensinger to update the Committee on the discussions with the rating agencies in connection with AIG's proposed filing of a Current Report on Form 8-K regarding AIG's disclosures in connection with the valuation of the AIGFP super senior credit default swap portfolio and PwC's views that there is a material weakness in financial control over that valuation process. Mr. Bensinger reported that he and Ms. Watson and Messrs. Dooley and Habayeb had telephone conferences with each of the rating agencies, with the conversations calm and professional with a good understanding of the explanations given for the filing. He said that Standard & Poors in particular, having a good understanding of these credit markets, put the disclosure in proper perspective, with their

lead analyst indicating the belief that other companies would also have to deal with material weaknesses.

Mr. Cole then joined the call.

Mr. Bensinger continued that his expectation is that S&P will at least comment on the situation, but he does not expect a rating action from them. With respect to A.M. Best, Mr. Bensinger commented that they have a lower level of understanding of the market issues, having less expertise in the capital markets. Mr. Bensinger said that he had given rating agencies, other than Fitch, a broad overview of fourth quarter results based upon current assessments, after each had requested that he do so with the understanding that the yearend information provided in these conversations and not disclosed in the Form 8-K would remain confidential under Fair Disclosure regulations. He said that Fitch is still considering whether to request the yearend information. Mr. Bensinger added that he had also given the agencies additional information on AIG's economic stress analysis of the AIGFP portfolio. Mr. Bensinger indicated that he did not anticipate that any of the agencies would take an immediate rating action, and that they would all let Management know what they intend to do before we would file the Form 8-K.

Mr. Sullivan advised the Committee that Management's own assessment of internal control was ongoing and was not yet completed, but he had met with Messrs. Ryan and Robert Sullivan to start the remediation process. He reported that appropriate staff of the Securities and Exchange Commission and the Office of Thrift Supervision, as well as key

insurance regulators in New York, Pennsylvania and Delaware, would be given advance notice of the Form 8-K filing.

Mr. Wiltumstad asked whether the disclosure would include an estimated range for the valuation losses as of December 31, and Mr. Bensinger replied that a range might be available by Sunday evening. Mr. Bensinger said that pricing inputs has been a spirited discussion topic, with PwC holding the view that AIGFP's assessment does not include enough consideration of market participants' views on pricing. Mr. Bensinger described the differences of opinion with Goldman Sachs on the pricing of the underlying collateral, noting Goldman's acknowledged desire to obtain as much cash as possible from their collateral calls. He pointed out that Goldman were unwilling or unable to provide any sources for their determinations of market prices. Mr. Sullivan pointed out that the disagreements with Goldman should be characterized as discussions rather than disputes. Mr. Offit asked about the availability of other third party prices, and Mr. Bensinger responded that no trading is occurring. Mr. Roemer stated that other third party prices are being gathered and to the extent available they will be captured, analyzed and correlated.

Mr. Bensinger emphasized that Management's objective is to obtain the best estimate of valuation, not necessarily the highest estimate. Mr. Sullivan agreed, noting that AIG had been working diligently to find observability for the spread differential which everyone believes exists. He added that these extensive efforts, which he believed appropriate to meet Management's fiduciary responsibility to shareholders, were not necessarily seen as a positive by PwC, but when it became clear that PwC did not consider

the evidence AIG gathered to be adequate from a market observability standpoint, Management decided that the December 31 losses would not include an adjustment for the spread differential.

With respect to PwC's assessment that a material weakness existed at December 31, 2007, Mr. Bensinger first noted that although Management had listened and not commented the prior day when there had been a call to update the Board on these matters, Management did not agree with PwC's conclusion that certain errors in the valuation process would not have been found by Enterprise Risk Management or Internal Audit during the course of review of that process and the resulting valuation. He said that the reviews by ERM and Internal Audit were being conducted concurrently with the PwC audit, and AIG's implementation of improvements suggested by KPMG resulting from their special review of this area. He added, and Mr. Sullivan agreed, that there are various ways to look at these issues, and significant business judgment is involved.

Mr. Bensinger noted that when the topic for the investor presentation was changed, Management had asked the experts in these businesses to provide the information and relied upon that expertise. He said that Management does not know whether there was sufficient market observability at that time, but Management was not made aware that the reported amounts for November 30 included a negative basis adjustment. Mr. Offit commented that there had been discussion at the last Committee meeting on whether a negative basis adjustment to the December valuation would be acceptable. Mr. Bensinger

noted that Management has been seeking to arrive at its best estimate, and continues to believe that a negative basis exists, even if not reliably quantifiable.

Mr. Bensinger commented that PwC views the AIGFP valuation process as insular, and would like to see AIG's experts more entwined in the process. He added that although previously AIGFP was allowed to determine their valuation, which was then reviewed by ERM and Internal Audit, in the current process, AIG experts are now heavily involved in the process. Mr. Gamble said that for purposes of the December 31, 2007 valuation, all parties agree that there is transparency throughout the process, and Messrs. Bensinger and Roemer said that was a correct assessment.

Mr. Sullivan commented on crisis management, indicating that he is hopeful that AIG's current ratings can be maintained, as any downgrade of more than one notch would trigger collateral calls and potentially negatively affect the securitiles lending program.

The participants other than Committee members, other outside Board members, Mr. Roemer and Mr. Gamble left the meeting and the PwC representatives joined the meeting. The Committee met with the PwC representatives in executive session. The PwC representatives provided the following summary of their session with the Committee:

Mr. Willumstad asked Bob Sullivan to comment on the super senior process. Bob Sullivan noted that since the third quarter PwC has had

discussions with senior management, individual board members and the Committee in connection with the super senior valuation process and oversight. These discussions had covered issues around the controls and process as well as concerns over the oversight of the process by the risk management and FSD functions. Most recently Bob Sullivan and Tim Ryan had met with Mr. Wilumstad to share PwC's views on the material weakness and remediation steps Management should consider taking in the areas of organization structure, controls and people skills and interaction.

Bob Sullivan summarized discussions that he and Tim Ryan had with Martin Sullivan regarding remediation and Joe Cassano. Bob Sullivan indicated that Joe Cassano is a management judgment. A general discussion ensued.

Mr. Wilumstad noted that Tim Ryan had covered the details with the Board yesterday and opened the meeting for questions.

Mr. Orr asked what were the factors behind the material weakness.

Bob Moritz said there were four main items:

- o Errors were identified by PwC which had a gross impact of \$800 million
- o During the process certain data points arose like the collateral disputes where the process of pushing to fully understanding their impact came from PwC and not from AIG.
- o The oversight of the process in PwC views was not effective and lacked the appropriate challenge and debate.
- o Management's position that the compensating controls put in place by Management after the concerns over the process raised by PwC was not compelling as they did not operate effectively.

There was a discussion regarding the wording of the Form 8-K and in particular the word "oversight" and PwC clarified that it meant management oversight. There was also a discussion about whether or not there was enough comfort to put a number in the Form 8-K (i.e. a December 31, 2007 valuation). Henry Daubeney suggested that Management adopt a two track process so that if they could satisfy themselves about a number it would be included otherwise no number. Bob Moritz indicated that Management should pursue the collection of third party data aggressively.

Mr. Wilumstad asked Bob Sullivan to give a high level summary of the discussion that he had with Bob Sullivan and Tim Ryan on what needs to be done to achieve remediation.

Bob Sullivan said this was discussed in two elements:

Part 1. Structure

ERM and Finance need stronger reporting lines into the center including hiring, firing and remuneration and that the culture around these areas needed to change.

Need new processes around valuation.

The role and reporting of risk management needs a higher profile in AIG

Part 2. People

There needs to be assessment, at all levels, of people skills sets and those required by their role and do they match.

There needs to be more senior management band width and that Management and the Board needed to discuss this.

AIGFP's culture needs to change.

The PwC representatives then left the meeting. The Committee then met in executive session with Mr. Gamble.

There being no further business to come before the meeting, the meeting was adjourned.

Secretary

MINUTES OF MEETING
OF THE
AUDIT COMMITTEE
OF
AMERICAN INTERNATIONAL GROUP, INC.
Held February 26, 2008

A meeting of the Audit Committee of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held on February 26, 2008 at 1:00 P.M., at 70 Pine Street, New York, New York, pursuant to notice duly given to each of the members in accordance with the By-Laws.

Present: Messrs. Michael H. Sutton, Chairman
Stephen F. Bollenbach
George L. Miles, Jr.
Morris W. Offit
Robert Willumstad, *ex-officio*

Also present were Directors Marshall A. Cohen, Martin S. Feldstein (by telephone), Stephen L. Hammerman (by telephone), Richard C. Holbrooke (by telephone), Fred H. Langhammer (by telephone), James F. Orr, III and Virginia M. Rometty, Messrs. Tim Ryan, Dennis Nally, Henry Daubeney and Michael McColgan from PricewaterhouseCoopers LLP ("PwC"). Mr. James Cole of Bryan Cave LLP, Mr. James Gamble of Simpson Thacher & Bartlett LLP, Mr. Robert DeLaMater of Sullivan & Cromwell LLP, President and Chief Executive Officer Martin J. Sullivan, Executive Vice President and Chief Financial Officer

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Steven J. Bensinger, Executive Vice President and General Counsel Anastasia D. Kelly, Senior Vice President and Comptroller David Herzog, Senior Vice President and Chief Risk Officer Robert E. Lewis, Senior Vice President and Director of Internal Audit Michael E. Roemer, Senior Vice President, Secretary and Deputy General Counsel Kathleen E. Shannon, Vice President – Corporate Governance Eric N. Litzky and Paulette Mullings-Bradnock of Internal Audit.

The Chairman of the Committee, Michael H. Sutton, presided and the Secretary, Kathleen E. Shannon, recorded the minutes of the meeting.

The Committee first met in executive session with Mr. Roemer and representatives of Deloitte and KPMG who gave updates on the independent reviews of Enterprise Risk Management and AIG's residential mortgage market exposure, respectively.

Mr. Willumstad advised Mr. Sullivan that the Board would like a review of the level of risk involved in the AIG Financial Products Corp. portfolio, and suggested that Mr. Roemer research an appropriate independent consultant. Mr. Lewis suggested that for a quality review of the portfolio, a consultant other than an accounting firm might be appropriate.

Mr. Bensinger reviewed the 2007 financial results, indicating that the overarching factor was the deterioration of the U.S. housing and credit markets, resulting in unrealized market valuation losses for AIGFP of \$11.1 billion for the fourth quarter, \$11.5 billion for the year, the preponderance from the multi-sector CDO credit default swaps. He noted that

the fair value for AIGFP's regulatory capital relief book is still zero. Mr. Bensinger said that notwithstanding the material weakness with respect to the fair value valuation of the AIGFP portfolio. Management believes that the significant compensating controls and substantive procedures surrounding it assure the validity of the valuation mark.

Mr. Bensinger next reviewed the valuation process for the AIGFP super senior credit default swap book, explaining the development of the valuation model over the period when there was significant deterioration in the residential mortgage markets, from the use of generic spread data from JPMorgan to the use of market value for the collateralized debt obligations. He said that AIGFP had "owned" the process of coming up with a fair value, although enhancements had been discussed with Mr. Lewis. Mr. Bensinger added that there had been disagreements within AIGFP as to how the collateral would be treated. In response to Mr. Miles' inquiry, Mr. Ryan said that after the second quarter, when PwC became aware of the Goldman Sachs collateral call, they reviewed the valuation losses to date and in early November, AIGFP increased the total losses for the third quarter to \$350 million from \$45 million. Mr. Ryan noted that during the fourth quarter there was dialogue at the senior management and PwC levels about the subjectivity of the valuation process and key issues such as the impact of the collateral calls on the valuation judgments. He indicated that the process at AIG seemed to break down, in that unlike other companies where there was good dialogue at appropriate levels of management on the approach, alternatives considered and key decisions, at AIG, only AIGFP was involved in the December valuation process before January 7th.

Mr. Bensinger advised the Committee that all supplemental information to be posted on the website will be tied to AIG's books and records, and would be thoroughly reviewed.

Mr. Offit asked about the final maturity of the AIGFP super senior credit default swap portfolio. Mr. Lewis explained that the final maturity would not occur until the last underlying mortgage is paid, but the weighted average life is much shorter. He pointed out the significant amount of information on the AIGFP portfolio included in the presentation, including the stress testing analysis. Mr. Lewis characterized the severe and extreme stresses carried out by ERM. Applying these stresses, Mr. Lewis said, resulted in a static stress loss of approximately \$900 million, or \$600 million after tax, for the severe case, with no credit taken for cash flow diversion features.

A discussion followed on the cost of building liquidity and the adverse effect it would have on 2008 results.

**REDACTED FOR
PRIVILEGE**

Mr. Herzog next directed the Committee members to the discussion in Item 9A on Management's assessment of internal controls, including the remediation of the income tax material weakness and Management's goal to remediate the new material weakness

during 2008. A discussion followed on the benefits and risks of including a specific date as Management's goal for remediation. Mr. Ryan explained PwC's view that there are serious root cause issues and recurring themes behind the material weakness and Mr. Offit stressed the importance of showing that Management is serious about remediation.

**REDACTED FOR
PRIVILEGE**

Mr. Lewis updated the Committee on the status of remediation, providing an overall summary of progress at the end of 2007, including remediation of the material weakness in income tax to a significant deficiency, the existence of the new material weakness and six significant deficiencies, including a new one, access, roles and responsibilities of critical control functions. He indicated that Management intends to engage in further dialogue with PwC on remediation steps and will then bring a remediation plan to the Committee.

Mr. Ryan agreed with Mr. Lewis that there had been a good job in remediating the income tax material weakness to a significant deficiency, but he said the financial close significant deficiency is a close call, notwithstanding the significant efforts shown, and the new significant deficiency is also a close call that needs to be addressed in 2008.

Mr. Ryan addressed the key judgments made in valuing the three AIGFP portfolios, noting that although the judgments were reasonable, they could be challenged, and the values are subject to frequent change. He explained that the regulatory book was valued at zero, citing as key evidence the fact that approximately 15 percent of the trades have

cancelled at break even or a profit, but noting that there is evidence to support that the market is deteriorating and the first quarter mark could be significantly different. Mr. Ryan added that the benefit of the capital relief provided by the Banque AIG is obviated by Basel II, creating an expectation that these transactions will come off the books rapidly. He said this expectation was manifesting as \$55 billion in notional amount had been cancelled by counterparties to date in 2008, providing strong evidence that these transactions were viewed as capital relief rather than as credit protection by the counterparties. Mr. Ryan cautioned that if the trend of cancellations slows, there could be valuation losses on this portfolio.

Mr. Ryan advised the Committee that PwC's analysis of the valuation losses was not yet complete, and needs to consider whether the charge in the fourth quarter was in the right period. Mr. Bensinger said that all points have been discussed but documentation is not yet finalized. Mr. Ryan said PwC assessed, in light of recent events at AIGFP where an additional collateral call was not elevated on a timely basis, if they have the right scope to sign the opinion (scope having been a high risk from the beginning of the audit) and concluded that their scope remained adequate.

**REDACTED FOR
PRIVILEGE**

Mr. Bensinger described efforts to assure that senior management was aware of information on collateral calls.

Mr. Ryan briefly gave the PwC perspective on internal controls, indicating significant progress in certain areas but others not so advanced. Mr. Sutton suggested that Mr. Ryan give a more extensive report at the next Committee meeting. Mr. Ryan agreed, and indicated there is further work to do before the filing.

The participants other than the PwC representatives and Mr. Gamble left the meeting and the Committee met with the PwC representatives in executive session. Among the topics discussed were (1) the continued challenges of the close process, (2) the likelihood of ongoing surprises, (3) the role PwC is playing, (4) the root causes of the internal control challenges, the risks to AIG of these root causes persisting and the need to

address them, and (5) the tax issues in connection with a recent AIGFP transaction. The PwC representatives then left the meeting and the Committee met in executive session with Mr. Gamble.

There being no further business to come before the meeting, the meeting was adjourned.

Secretary

MINUTES OF MEETING
OF THE
AUDIT COMMITTEE
OF
AMERICAN INTERNATIONAL GROUP, INC.

Held March 11, 2008

A meeting of the Audit Committee of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held on March 11, 2008 at 9:00 A.M., at 70 Pine Street, New York, New York, pursuant to notice duly given to each of the members in accordance with the By-Laws.

Present: Messrs. Michael H. Sutton, Chairman
Stephen F. Bollenbach
George L. Miles, Jr.
Morris W. Offit
Robert Willumstad, *ex-officio*

Also present were Directors Frank G. Zarb, a non-voting member of the Committee, Marshall A. Cohen and Virginia M. Rometty (both by telephone), Messrs. Tim Ryan, Henry Daubeney and Michael McColgan from PricewaterhouseCoopers LLP ("PwC"), Mr. James Cole of Bryan Cave LLP, Mr. James Gamble of Simpson Thacher & Bartlett LLP, Mr. Robert DeLaMater of Sullivan & Cromwell LLP, President and Chief Executive Officer Martin J. Sullivan, Executive Vice President and Chief Financial Officer Steven J. Bensinger, Executive Vice President and General Counsel Anastasia D. Kelly, Senior Vice

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President and Comptroller David Herzog, Senior Vice President and Chief Risk Officer Robert E. Lewis, Senior Vice President and Director of Internal Audit Michael E. Roemer, Senior Vice President, Secretary and Deputy General Counsel Kathleen E. Shannon, Vice President – Corporate Governance Eric N. Litzky, Paulette Mullings-Bradnock of Internal Audit, and, for portions of the meeting, Liz Flynn and Joseph Amicucci.

The Chairman of the Committee, Michael H. Sutton, presided and the Secretary, Kathleen E. Shannon, recorded the minutes of the meeting.

The Committee first met in executive session with Mr. Roemer. Mr. Roemer provided the Audit Committee members with a copy of the AIG Financial Products Corp. (AIGFP) Valuation Remediation Plan. He also discussed the plan for reviewing AIGFP's Regulatory Capital and Corporate Credit Default Swap Portfolios.

Mr. Ryan reported that, as previously discussed, key points included in the executive summary relate to internal control and valuation issues, with a new material weakness in control over the super senior valuation process and oversight thereof and a new significant deficiency in control over access, roles and responsibilities of critical control functions. He said that the new material weakness resulted from the large errors in connection with the models used by AIGFP, the lack of timely elevation of key data on the negative basis and collateral issues to the AIG level, and the fact that AIGFP had designed a valuation process that did not allow the involvement of Enterprise Risk Management and the AIG Finance function in developing the approach. Mr. Ryan noted that ERM and Finance were heavily involved in the significant efforts in the last weeks of the process used for the 2007 year end valuation, and making that process repeatable in the first quarter of 2008 will be a challenge.

Mr. Miles noted that the conditions described by Mr. Ryan have existed previously, both at AIGFP and other financial services operations, and Mr. Ryan responded that a key issue was the size of the numbers in relation to the financial results. Mr. Daubeney added that the continued stress of the environment was important, and he opined that if International Lease Finance Corporation were to face the same environment, there could be similar issues.

Mr. Ryan commented that in many respects the new significant deficiency is more important than the material weakness. He described the assessment process used by the

PwC team in viewing issues such as the late adjustment to the super senior credit default swap portfolio for the third quarter, the securities lending issues and the Nan Shan trade, and their conclusion that there is a common control issue and root cause for these problems – ERM and Finance do not have the appropriate access and the lack of clarity around roles and responsibilities of critical control functions. Mr. Ryan said that PwC has talked at length with Management and the Committee on the organizational and people changes they believe necessary to deal with this deficiency. Mr. Ryan explained the rationale as to why this new issue is a significant deficiency rather than a material weakness, noting that the likelihood that the deficiency would result in a material misstatement was less when dealing with ILFC valuation issues than the AIGFP issues. Mr. Miles asked whether the material weakness would have occurred if controls such as dual reporting had been successfully implemented at an earlier date, and Mr. Ryan responded that the likelihood of a material misstatement would have been less. Mr. Sullivan commented that remediation of the material weakness and the significant deficiency are being addressed simultaneously.

**REDACTED FOR
PRIVILEGE**

With respect to valuation issues, Mr. Ryan said that the first quarter will be challenging with widening spreads and signs from the market that issues will continue. Mr. Sutton stressed that timely communication will be essential. Mr. Ryan added that he and Mr. Bensinger and Mr. Sullivan have spoken about not losing focus and are looking at other areas where the current economic conditions could cause issues such as AIGFP's

regulatory book. Messrs. Zarb and Willumstad led a discussion on the appropriate elements of a capital plan for this period of economic uncertainty. Mr. Bensinger pointed out that the economic capital model is still indicating \$14.5 to \$19.5 billion of excess capital and AIG's core earning power is still strong, even though there are challenges in certain of the financial services businesses and with income from alternative investments. He added that the rating agencies have not indicated that capital is an issue; rather, the size of the valuation losses is what the rating agencies have said will put pressure on the ratings. Mr. Offit suggested that the concern is more with liquidity than with capital. Mr. Bensinger agreed, but pointed out that liquidity is being built in securities lending and AIGFP, as well as in the life and retirement services operations. Mr. Zarb requested that a plan that anticipates a worst case scenario be developed, and Mr. Sutton suggested that the Finance Committee should provide oversight.

Mr. Ryan provided PwC's broad perspective on AIG's internal control over financial reporting, with key points being the problem is not just at AIGFP, and until the root cause issues are addressed, AIG will continue to be at risk for surprises, delay or restatement. Mr. Ryan pointed out areas where there is good progress, including (1) the very good quality control unit in corporate comptrollers that is functioning well, (2) DBG's remediation of the agency integration and reconciliation significant deficiencies, (3) the experienced financial management at the center and in foreign locations supporting the life and retirement services CFO, as well as the increase in U.S. GAAP knowledge in the field, and (4) the remediation of the material weakness in income tax to a significant deficiency, hiring key people and bringing unsubstantiated balances to an acceptable level. Mr. Ryan said

that the multiyear processes to fix these controls continues and in these areas compensating controls help ensure the accuracy of the financial statements. Mr. Ryan then described areas where progress has been less than PwC expected, where root causes were in many respects not new and which were contributing factors to some of the control breakdowns in 2007: (1) addressing the workload and span of control issues of senior management including the Chief Financial Officer, Chief Risk Officer and Financial Services Division CFO, (2) increasing the level of management experience in dealing with the necessary changes, (3) aligning AIG's organizational structure to facilitate change, particularly with respect to clarifying the roles and responsibilities of critical control functions, (4) addressing areas where dual reporting in Finance is not working as intended, (5) continuing to foster an environment where communications with respect to risk and control issues are elevated quickly, candidly and on a timely basis, and (6) following up on known areas of concern before issues arise. Mr. Ryan pointed out that all six of these areas were contributing factors to the new material weakness, the new significant deficiency and other control breakdowns, and create a risk of delay and restatement in the future, although where the issues will next surface can't be known. The Committee members stressed that Management needs to address these issues and create a specific plan, because currently things feel out of control in the reporting process each semester.

Mr. Miles asked whether the material weakness would exist if the priorities of the past three years had been reversed. Mr. Ryan opined that had AIG dealt with the dual reporting issue earlier, there might not have been a material weakness. In response to an inquiry as to the relevance of compensation practices to the material weakness, Mr. Ryan

said that PwC has not yet gone through their review of 2007 compensation in connection with preparation of the Proxy Statement.

Mr. Herzog reviewed the executive summary of accounting matters. He explained the steps involved in the implementation of FAS 157/159 Fair Value Measurement Standard/Fair Value Option Standard and expressed Management's confidence that the implementation will be successful. Mr. Herzog noted that FAS 107 will require updating, for disclosure in the 2008 Form 10-K, of the fair value of AIG's financial assets and liabilities, even if they are not carried at fair value in the financial statements. He reported that AIG had elected fair value measurement of certain life products, to better align the reporting with the economics, as well as the preponderance of the AIGFP products, resulting in reductions to opening retained earnings for 2008 of approximately \$600 million and up to \$800 million, respectively.

**REDACTED FOR
PRIVILEGE**

The participants other than Mr. Gamble and the PwC representatives left the meeting and the Committee met with the PwC representatives in executive session.

Among the items discussed were the first quarter valuation challenges given continued market deterioration, AIG's capital and liquidity positions, and the six root causes and related remediation considerations. The PwC representatives then left the meeting and Mr. Sullivan rejoined the meeting. Mr. Sullivan and the Committee discussed remediation issues. Mr. Sullivan then left the meeting and the Committee then met in executive session.

There being no further business to come before the meeting, the meeting was adjourned.

Secretary

MINUTES OF A MEETING OF DIRECTORS
AMERICAN INTERNATIONAL GROUP, INC.

Held May 8, 2008

A meeting of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held by telephone conference call on May 8, 2008 at 9:00 A.M., pursuant to notice duly given to each of the Directors in accordance with the By-Laws.

Present: Messrs. Stephen F. Bollenbach
Martin S. Feldstein
Richard C. Holbrooke
Fred H. Langhammer
George L. Miles, Jr.
Morris W. Offit
James F. Orr, III
Martin J. Sullivan
Michael H. Sutton
Edmund S.W. Tse
Robert B. Willumstad

Mesdames Ellen V. Futter
Virginia M. Rometty

Absent: Messrs. Marshall A. Cohen
Stephen L. Hammerman
Frank G. Zarb

Also present were Messrs. Richard I. Beattie, James G. Gamble and Michael Nathan of Simpson Thacher & Bartlett LLP, Messrs. Michael Wiseman and Robert Reeder of Sullivan & Cromwell LLP, Steven J. Bensinger, Executive Vice President and Chief Financial Officer, Anastasia D. Kelly, Executive Vice President and General Counsel, Kathleen E. Shannon, Senior Vice President, Secretary and Deputy General

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Counsel and Eric N. Litzky, Vice President - Corporate Governance and, for a portion of the meeting, Messrs. Tim Ryan and Henry Daubeney of PricewaterhouseCoopers LLP, Messrs. Tim Main and Kevin Willsey of JPMorgan Chase, Messrs. John Chirico and Richard Spiro of Citibank, William N. Dooley, Senior Vice President – Financial Services, David Herzog, Senior Vice President and Comptroller, Robert E. Lewis, Senior Vice President and Chief Risk Officer, Brian Schreiber, Senior Vice President – Strategic Planning, and Elias Habayeb, Financial Services Division Chief Financial Officer.

A majority of the Directors being present, a quorum existed and the meeting proceeded.

The Chairman, Mr. Robert B. Willumstad, presided and the Secretary, Ms. Kathleen E. Shannon, recorded the minutes of the meeting.

Mr. Bensinger explained that as part of their due diligence process, JPMorgan Chase conducted its own due diligence analysis of the AIGFP multisector super senior credit default swap portfolio, using a combination of the AIG stress inputs and market pricing resulting in an estimate of approximately \$9 billion to \$11 billion for potential credit impairment losses. He said that this amount compares to the approximately \$1.2 billion to \$2.4 billion in ultimate realized losses from the AIG calculation, which in turn compared to an aggregate of \$20.6 billion in cumulative unrealized valuation losses on the portfolio through first quarter 2008. In response to Mr. Langhammer, Mr. Lewis confirmed that JPMorgan Chase assumes higher housing price depreciation by implying it from current RMBS market price data. Management also confirmed that AIG would disclose in the offering documents the fact that a sophisticated market participant had conducted a different analysis of potential economic losses and disclose the figures JPMorgan Chase had calculated.

Mr. Herzog added that the JPMorgan Chase estimate of ultimate realized losses would be included in the Form 10-Q without specific attribution and there would also be additional language on the potential for events of default in the AIGFP super senior credit default swap portfolios.

Mr. Herzog noted that JPMorgan Chase also did an analysis on the mark-to-market valuation of the multisector credit default swap portfolio. Mr. Habayeb explained that JPMorgan Chase took 30 to 40 transactions, or approximately 50 percent of the notional amount of the portfolio, modeled the valuation for those transactions and extrapolated those amounts to the rest of the portfolio, for an aggregate of approximately \$25 billion to \$30 billion.

Mr. Feldstein then joined the meeting.

Mr. Habayeb explained that he and Mr. Lewis had met with JPMorgan Chase to understand their approach. He said that using AIG protocols, available current market prices provided by JPMorgan Chase were incorporated into the valuation process. Mr. Habayeb explained that AIG's protocol involves looking to the highest credible market price and comparing the resulting valuation to the BET model. Incorporating the information about market pricing obtained from JPMorgan Chase into the process AIG used for its 2007 Form 10-K resulted in an increase in the aggregate mark-to-market loss for the multisector portfolio of between \$2 million and \$338 million, or an immaterial effect on the AIGFP book. Mr. Habayeb added that in a number of cases, the market

pricing provided by JPMorgan Chase was more favorable to AIG than the market information AIG had previously obtained and used in its own calculations. With respect to the corporate arbitrage portfolio, Mr. Habayeb reported that the differences in valuation were insignificant, an aggregate decrease of \$1.3 billion compared to \$1.1 billion. With respect to the regulatory capital portfolio, Mr. Habayeb explained that JPMorgan Chase had calculated a valuation decline of approximately \$5 billion, while Citigroup had calculated a decline of less than \$1 million. He pointed out that neither of these valuations give credence to what AIG considers the most important data point, the continuing terminations of these transactions without losses. Mr. Habayeb said that AIG continues to be comfortable with the approach used, considering this observable market data the most relevant criteria, but AIG is continuously monitoring the situation. In response to a Board member's query, Mr. Habayeb said that investors will not be provided with this level of detail on the valuation process.

Mr. Ryan described the key PwC procedures for a quarterly review, including the SAS 100 review, an analysis of key management judgments on valuation, reserves, contingencies and unrecognized tax benefits, testing of various controls and review of the Form 10-Q and key disclosures. Mr. Ryan explained the emphasis given in the quarter to the AIGFP valuation process specifically. Mr. Ryan said that PwC continues to be comfortable with the AIG process and results. With respect to the corporate book, he said that the additional information from JPMorgan Chase is not materially different. In explaining PwC's comfort with the zero valuation for the regulatory capital portfolio, Mr. Ryan said that the valuations of \$750,000 to \$5 billion in losses do not give weight

to the most important criteria of AIGFP's own transactions cancelling out at zero. He cautioned, however, that if the trend changes or the terminations stop, valuation losses could occur in future periods, and the portfolio must be closely monitored. In discussing the multi-sector portfolio, Mr. Ryan pointed out that the JPMorgan Chase calculation, which would be considered additional data to be considered for GAAP valuation purposes, already falls within AIG's range of \$13 billion to \$30 billion in valuation losses, so PwC continues to be comfortable with Management's judgments in both the December 31, 2007 and March 31, 2008 valuations.

**REDACTED FOR
PRIVILEGE**

All participants in the meeting other than Board members and internal and outside lawyers then left the meeting.

**REDACTED FOR
PRIVILEGE**

**REDACTED FOR
PRIVILEGE**

Further, he said that Management and PwC have reported that they each engaged in a process to review JPMorgan's analyses of sub-prime economic exposure and mark-to-market losses. Mr. Gamble pointed out that the JPMorgan Chase estimate of ultimate realized losses from the multisector credit default swap portfolio is now included in the disclosure documents, as is additional disclosure on the regulatory capital book. He further stated that in addition to the Management and PwC reports the Board had just received, Messrs. Willumstad, Offit and Sutton had discussions with the appropriate individuals in Management and at PwC regarding the examination by Management and PwC of the JPMorgan analyses relating to both economic loss estimates and mark-to-market analyses. Management and PwC each reported that they had completed a review of JPMorgan's analysis and considered whether it impacted their judgments regarding AIG's financial statements. Both Management and PwC concluded that JPMorgan's analyses did not change their views.

**REDACTED FOR
PRIVILEGE**

Mr. Bollenbach then joined the meeting.

Mr. Sullivan requested that the Board consider appropriate dividend action at this meeting rather than deferring to the customary time at the annual Board meeting in conjunction with the Shareholders Meeting, so that the marketing materials for the offerings could be updated accordingly. He said that the Corporation has an unbroken record of dividend increases, and described the dividend policy providing that under ordinary circumstances, AIG's plan will be to increase its common stock dividend by approximately 20 percent annually. Mr. Sullivan explained that after consideration of this policy, his recommendation is that the Board increase the dividend by 10 percent, which would result in an annual increase of \$200 million in the amount paid out, an amount he said could be deemed not significant although optically, the action could be challenged.

**REDACTED FOR
PRIVILEGE**

Mr. Bensinger reported that in light of responses from Standard & Poors on the ratings actions to be expected based on various scenarios, Management recommends that the offerings be launched with an initial maximum amount of \$12.5 billion, including up to \$7.5 billion in equity components, with flexibility to go to higher amounts. He explained that S&P had indicated that capital raising of \$12.5 billion would result in a two notch downgrade, while \$15 billion (including the hybrids) would result in a one notch downgrade action. Mr. Feldstein asked whether debt would satisfy the rating agency criteria, and Mr. Bensinger responded that he expects that the common stock component will need to increase, probably to \$5 billion, depending on market demand. Mr. Bensinger added that he expects that S&P and Moody's will initially lower the ratings by one notch after release of the earnings and the announcement of the capital raising, while Fitch will defer any action.

**REDACTED FOR
PRIVILEGE**

Discussion of the appropriate size of the offerings continued.

Thereafter, upon motion duly made by Mr. Offit, reflecting the recommendation of the Finance Committee, seconded and unanimously carried, it was resolved as follows:

RESOLVED, that this Board of Directors hereby approves the Corporation's raising of capital in an amount of up to \$12.5 billion as set forth in Exhibit A to the minutes of this meeting.

Mr. Sullivan next recommended approval of a dividend increase as previously discussed. After further discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that out of the funds of the Corporation legally available therefor a dividend of \$0.22 per share is declared upon the Common Stock of the Corporation, payable September 19, 2008 to stockholders of record as of September 5, 2008.

Mr. Bensinger advised the Board that Management expected that the issuance of securities in connection with the capital raising transactions will exhaust substantially all of the securities registered and available for issuance through the current universal shelf registration statement. Therefore, Mr. Bensinger requested Board approval of the filing of a new universal shelf registration statement in an amount of \$25 billion as soon as practicable after the closing of the capital raising transactions. After discussion, upon motion duly made, seconded and unanimously carried it was

RESOLVED, that the Board of Directors deems it advisable and in the best interest of the Corporation to proceed with one or more registrations under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the issuance, offering and sale from time to time, of (i) senior debt securities and subordinated debt securities of the Corporation, in one or more series, which may be convertible into or exchangeable or exercisable for other debt securities, Common Stock (as defined below) or shares of preferred stock of the Corporation and/or depositary shares representing such shares, and/or the debt or equity securities of other entities, (ii) warrants, purchase contracts and/or other securities of the Corporation to purchase or sell, or which are convertible into, exercisable or exchangeable

for, or whose cash value is determined by reference to or is linked to the performance or level of, one or more of the following: (a) securities (including, but not limited to, common or other equity securities) of one or more entities (including the Corporation), (b) one or more currencies, (c) one or more commodities, (d) one or more indices or baskets of securities, currencies, commodities or other financial, economic or other measures or instruments (including the occurrence or non-occurrence of any event or circumstance) and/or (e) any other financial, economic or other measure or instrument (including the occurrence or non-occurrence of any event or circumstance), (iii) junior subordinated debentures of the Corporation, (iv) shares of preferred stock of the Corporation in one or more series and depository shares representing such shares, (v) shares of Common Stock, \$2.50 par value ("Common Stock") of the Corporation, (vi) units comprised of any combination of the securities referred to above, (vii) Trust Securities (as defined below), (viii) guarantees of the Corporation with respect to any of the above referenced Trust Securities, (ix) senior debt securities of AIG Program Funding, Inc. or any other direct or indirect wholly-owned subsidiary of the Corporation ("Program Funding"), in one or more series, (x) warrants, purchase contracts and/or other securities of Program Funding to purchase or sell, or which are convertible into, exercisable or exchangeable for, or whose cash value is determined by reference to or is linked to the performance or level of, one or more of the following: (a) securities (including, but not limited to, common or other equity securities) of one or more entities (including the Corporation), (b) one or more currencies, (c) one or more commodities, (d) one or more indices or baskets of securities, currencies, commodities or other financial, economic or other measures or instruments (including the occurrence or non-occurrence of any event or circumstance) and/or (e) any other financial, economic or other measure or instrument (including the occurrence or non-occurrence of any event or circumstance), (xi) units comprised of any combination of debt securities, warrants and purchase contracts or other securities of Program Funding, and/or (xii) guarantees of the Corporation with respect to the above referenced securities of Program Funding, at an initial aggregate offering price (or the equivalent thereof in any other currency, currencies or currency units) of up to \$25,000,000,000 (collectively, the "Registered Securities"); provided that the limit on the initial aggregate offering price

amount set forth in this resolution may be increased by any Authorized Officer (as defined below) to any amounts permitted under one or more registration statements that may be filed pursuant to Rule 462(b) under the Securities Act, subject to any limitations on the borrowing capacity of the Corporation authorized by the Board of Directors of the Corporation or any committee thereof or other person authorized thereby from time to time; and

RESOLVED, that the registration of Registered Securities, from time to time and in whole or in part, pursuant to one or more registration statements as authorized or approved by any Authorized Officer (collectively, the "Registration Statements") is hereby approved and the filing of the Registration Statements with the Securities and Exchange Commission (the "SEC"), together with all exhibits, certificates, letters, applications and other documents connected therewith, that may be filed with the SEC with respect to the registration and offering of the Registered Securities at any time or from time to time, are hereby approved, and each Authorized Officer is hereby authorized to execute, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust (as defined below), in the name of the Corporation as depositor, sponsor or originator of such Trust, and to direct any Administrative Trustee (as defined below) to execute, any Registration Statement, in each case in such form or with such changes as may be approved by any such Authorized Officer, such authorization or approval to be conclusively evidenced by the execution thereof; and

RESOLVED, that each Authorized Officer is hereby authorized to prepare, execute and file with the SEC, or cause to be prepared, executed and filed with the SEC, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust in the name and on behalf of the Corporation, as depositor, sponsor or originator of such Trust, and to direct any Administrative Trustee to prepare, execute and file, with the SEC, or cause to be prepared, executed and filed with the SEC, any registration statement under Rule 462 under the Securities Act to increase the initial aggregate offering price of Registered Securities registered under a Registration Statement or otherwise (it being understood that the term "Registration Statement" used herein will include, without limitation, any such registration statement under Rule 462(b), any

amendments, including post-effective amendments, to the Registration Statements, and any preliminary or final prospectuses or supplements to the prospectuses contained therein (together with all exhibits, certificates, letters, applications and other documents connected therewith), in each case, in such form or with such changes as may be authorized or approved by any such Authorized Officer, and to take any and all other action, in each case at such time, in such manner and in such form as any such Authorized Officer shall believe necessary, desirable or appropriate in connection with the Registration Statements or with the issuance, offering or sale of Registered Securities; and that each Authorized Officer and any Administrative Trustee is hereby further authorized to request acceleration of the effective date of any and all of the Registration Statements and any post-effective amendments thereto; and

RESOLVED, that the Authorized Officers and counsel to the Corporation is each hereby authorized to act for, and in the name and on behalf of, the Corporation, and, where applicable, any Trust, before the SEC or any other entity or person in connection with any matter relating to the Registration Statements or prospectuses contained therein, or any supplements or amendments thereto; and

RESOLVED, that each Authorized Officer is hereby authorized to determine the jurisdictions (inside or outside the United States) in which appropriate action shall be taken to qualify or register for sale all or such part of the Registered Securities as any such Authorized Officer may believe necessary, desirable or appropriate; that each Authorized Officer is hereby authorized to perform, in the name and on behalf of the Corporation, and, where applicable, on behalf of any Trust in the name of the Corporation, as depositor, sponsor or originator of such Trust, and to direct any Administrative Trustee to perform, any and all such acts as such Authorized Officer may believe necessary, desirable or appropriate in order to comply with the applicable laws of any such jurisdictions, and in connection therewith to execute and file all requisite papers and documents, including applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and that the execution by any such Authorized Officer of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor

from the Corporation and, where applicable, any Trust, and the approval and ratification by the Corporation and any Trust of the papers and documents so executed and the action so taken; and

RESOLVED, that each Authorized Officer is hereby authorized to make, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust in the name of the Corporation, as depositor, sponsor or originator of such Trust, and to direct any Administrative Trustee to make application to any securities exchange or exchanges, quotation services or other similar entities (inside or outside the United States) if and as any such Authorized Officer shall believe necessary, desirable or appropriate for the listing thereon of any of the Registered Securities and in connection therewith to appoint one or more listing agents and to prepare, execute and file, or cause to be prepared, executed and filed, an application or applications for such listing or quotation and any and all supplements and amendments thereto and any additional certificates, documents, letters and other instruments which any such Authorized Officer may believe necessary, desirable or appropriate; that each such Authorized Officer and Administrative Trustee, or such other person as any such Authorized Officer or Administrative Trustee may designate in writing, is hereby authorized to appear before any official or officials, or before any body of any such exchange, quotation service or other similar entity, with authority to make such changes in such applications, supplements, amendments, certificates, documents, letters or other instruments and to execute and deliver such agreements relative thereto, including, without limitation, listing or quotation agreements and applications, fee agreements and indemnity agreements, as any such Authorized Officer may believe necessary, desirable or appropriate in order to comply with the requirements of any such exchange or to effect or maintain such listing or quotation; and

RESOLVED, that to the extent any Authorized Officer determines that any of the Registered Securities are required to be registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), each Authorized Officer is hereby authorized to make, in the name and on behalf of the Corporation, and where applicable, on behalf of any Trust in the name of the Corporation, as depositor,

sponsor or originator of such Trust, and to direct any Administrative Trustee to make application to the SEC for registration of such Registered Securities under the Exchange Act, and to prepare, execute and file, or cause to be prepared, executed and filed with the SEC and any securities exchange or quotation service an application or applications for such registration and any and all supplements and amendments thereto and any additional certificates, documents, letters and other instruments which any such Authorized Officer may believe necessary, desirable or appropriate; and

RESOLVED, that each Authorized Officer and, where applicable, any Administrative Trustee is hereby authorized and directed to assist any selling agents, purchasing agents or underwriters in respect of any Registered Securities in any filing with the Financial Industry Regulatory Authority ("FINRA") that is necessary, desirable or appropriate in connection with the filing of the Registration Statements or any offering pursuant thereto; and

RESOLVED, that the Corporation's Secretary (or any other person designated by an Authorized Officer) is designated as the agent for service of process and a person authorized to receive on behalf of the Corporation and any Trust notices and communications from the SEC with respect to the Registration Statements and any amendments and supplements thereto; and

RESOLVED, that notwithstanding any of these resolutions, each Authorized Officer and, where applicable, Administrative Trustee may, at any time or from time to time, authorize any officer of the Corporation, any other persons designated by any Authorized Officer or any attorney-in-fact to take, in the name and on behalf of the Corporation or any Trust, as applicable, any and all actions that such Authorized Officer or Administrative Trustee is authorized to take under these resolutions, including the preparation, execution and delivery of any filings with the SEC or other regulatory or self-regulatory body and any other agreement or other document, in each case as such Authorized Officer or Administrative Trustee, as applicable, may determine to be necessary or desirable in carrying out these resolutions; and (i) any such action taken by any officer of the Corporation, any other person designated by any Authorized Officer or any attorney-in-fact pursuant to any such authorization by an Authorized Officer or Administrative Trustee shall be

deemed to have the same force and effect under these resolutions as if taken directly by such Authorized Officer or Administrative Trustee pursuant to these resolutions, and (ii) any action taken by any officer of the Corporation, any other person designated by any Authorized Officer or Administrative Trustee or any attorney-in-fact shall be conclusively deemed to have been taken pursuant to such an authorization by an Authorized Officer or Administrative Trustee if such action is authorized in a writing (which may be as general or specific as any Authorized Officer or Administrative Trustee determines is necessary, desirable or appropriate in carrying out these resolutions) signed by an Authorized Officer or Administrative Trustee, as applicable, it being understood that such an authorization by an Authorized Officer or Administrative Trustee need not be made in writing; and

RESOLVED, that the Board of Directors shall be deemed and conclusively presumed by these resolutions to have adopted, and the Secretary, or any Assistant Secretary of the Corporation is hereby authorized to certify the adoption by the Board of Directors of, any resolution not inconsistent with these resolutions which may be required or requested by any governmental agent, administration, commission or department of the United States of America or any state or other jurisdiction of the United States of America, or any country, province or other jurisdiction outside the United States of America, or any other person or entity in connection with the registration, qualification, exemption from registration, creation, issuance, offering, sale, delivery or trading of the Registered Securities, with a copy of any such resolutions to be included in the minutes of the Corporation; and

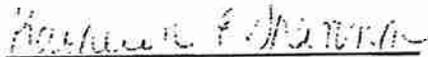
RESOLVED, that the execution, delivery or filing of any document relating to the matters contemplated by these resolutions by an Authorized Officer or Administrative Trustee (or by any person acting pursuant to written authorization of any Authorized Officer or Administrative Trustee) shall be deemed to be conclusive evidence that such action has been authorized by the Board of Directors; and

RESOLVED, that any actions taken by any Authorized Officer, or by other officers of, or counsel to, the Corporation or its subsidiaries prior to the date hereof which action would

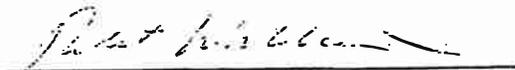
have been authorized by the foregoing resolutions had such action been taken by an Authorized Officer after the date hereof, be, and the same hereby are, ratified, confirmed and approved in all respects; and

RESOLVED, that for purposes of these resolutions, (1) "Authorized Officers" shall mean each or any of the President and Chief Executive Officer, the Chief Financial Officer, the Treasurer and the Secretary acting alone or together, (2) "Trust" shall mean one or more business trusts, partnerships, corporations or other entities, formed under the laws of any one or more jurisdictions selected by an Authorized Officer, for the purpose of issuing and selling the common securities and/or preferred securities or other similar securities or debt securities or other evidences of indebtedness of such trust (collectively, the "Trust Securities"), the proceeds from which sale may be used by such Trust to purchase securities of the Corporation of a type or types determined by any Authorized Officer; and (3) "Administrative Trustee" shall mean one or more employees of the Corporation or any of its subsidiaries who shall be appointed by an Authorized Officer to act as a director, manager, trustee, trustee administrator or attorney-in-fact or agent for such Trust, as such Authorized Officer shall believe necessary, desirable or appropriate.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.



Secretary



Chairman of the Board

**MINUTES OF A MEETING OF DIRECTORS
AMERICAN INTERNATIONAL GROUP, INC.**

Held May 8, 2008

A meeting of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held by telephone conference call on May 8, 2008 at 9:00 A.M., pursuant to notice duly given to each of the Directors in accordance with the By-Laws.

**Present: Messrs. Stephen F. Bollenbach
Martin S. Feldstein
Richard C. Holbrooke
Fred H. Langhammer
George L. Miles, Jr.
Morris W. Offit
James F. Orr, III
Martin J. Sullivan
Michael H. Sutton
Edmund S.W. Tse
Robert B. Willumstad**

**Mesdames Ellen V. Futter
Virginia M. Rometty**

**Absent: Messrs. Marshall A. Cohen
Stephen L. Hammerman
Frank G. Zarb**

Also present were Messrs. Richard I. Beattie, James G. Gamble and Michael Nathan of Simpson Thacher & Bartlett LLP, Messrs. Michael Wiseman and Robert Reeder of Sullivan & Cromwell LLP, Steven J. Bensinger, Executive Vice President and Chief Financial Officer, Anastasia D. Kelly, Executive Vice President and General Counsel, Kathleen E. Shannon, Senior Vice President, Secretary and Deputy General

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Counsel and Eric N. Litzky, Vice President - Corporate Governance and, for a portion of the meeting, Messrs. Tim Ryan and Henry Daubeney of PricewaterhouseCoopers LLP, Messrs. Tim Main and Kevin Willsey of JPMorgan Chase, Messrs. John Chirico and Richard Spiro of Citibank, William N. Dooley, Senior Vice President – Financial Services, David Herzog, Senior Vice President and Comptroller, Robert E. Lewis, Senior Vice President and Chief Risk Officer, Brian Schreiber, Senior Vice President – Strategic Planning, and Elias Habayeb, Financial Services Division Chief Financial Officer.

A majority of the Directors being present, a quorum existed and the meeting proceeded.

The Chairman, Mr. Robert B. Willumstad, presided and the Secretary, Ms. Kathleen E. Shannon, recorded the minutes of the meeting.

Mr. Bensinger explained that as part of their due diligence process, JPMorgan Chase conducted its own due diligence analysis of the AIGFP multisector super senior credit default swap portfolio, using a combination of the AIG stress inputs and market pricing resulting in an estimate of approximately \$9 billion to \$11 billion for potential credit impairment losses. He said that this amount compares to the approximately \$1.2 billion to \$2.4 billion in ultimate realized losses from the AIG calculation, which in turn compared to an aggregate of \$20.6 billion in cumulative unrealized valuation losses on the portfolio through first quarter 2008. In response to Mr. Langhammer, Mr. Lewis confirmed that JPMorgan Chase assumes higher housing price depreciation by implying it from current RMBS market price data. Management also confirmed that AIG would disclose in the offering documents the fact that a sophisticated market participant had conducted a different analysis of potential economic losses and disclose the figures JPMorgan Chase had calculated.

Mr. Herzog added that the JPMorgan Chase estimate of ultimate realized losses would be included in the Form 10-Q without specific attribution and there would also be additional language on the potential for events of default in the AIGFP super senior credit default swap portfolios.

Mr. Herzog noted that JPMorgan Chase also did an analysis on the mark-to-market valuation of the multisector credit default swap portfolio. Mr. Habayeb explained that JPMorgan Chase took 30 to 40 transactions, or approximately 50 percent of the notional amount of the portfolio, modeled the valuation for those transactions and extrapolated those amounts to the rest of the portfolio, for an aggregate of approximately \$25 billion to \$30 billion.

Mr. Feldstein then joined the meeting.

Mr. Habayeb explained that he and Mr. Lewis had met with JPMorgan Chase to understand their approach. He said that using AIG protocols, available current market prices provided by JPMorgan Chase were incorporated into the valuation process. Mr. Habayeb explained that AIG's protocol involves looking to the highest credible market price and comparing the resulting valuation to the BET model. Incorporating the information about market pricing obtained from JPMorgan Chase into the process AIG used for its 2007 Form 10-K resulted in an increase in the aggregate mark-to-market loss for the multisector portfolio of between \$2 million and \$338 million, or an immaterial effect on the AIGFP book. Mr. Habayeb added that in a number of cases, the market

pricing provided by JPMorgan Chase was more favorable to AIG than the market information AIG had previously obtained and used in its own calculations. With respect to the corporate arbitrage portfolio, Mr. Habayeb reported that the differences in valuation were insignificant, an aggregate decrease of \$1.3 billion compared to \$1.1 billion. With respect to the regulatory capital portfolio, Mr. Habayeb explained that JPMorgan Chase had calculated a valuation decline of approximately \$5 billion, while Citigroup had calculated a decline of less than \$1 million. He pointed out that neither of these valuations give credence to what AIG considers the most important data point, the continuing terminations of these transactions without losses. Mr. Habayeb said that AIG continues to be comfortable with the approach used, considering this observable market data the most relevant criteria, but AIG is continuously monitoring the situation. In response to a Board member's query, Mr. Habayeb said that investors will not be provided with this level of detail on the valuation process.

Mr. Ryan described the key PwC procedures for a quarterly review, including the SAS 100 review, an analysis of key management judgments on valuation, reserves, contingencies and unrecognized tax benefits, testing of various controls and review of the Form 10-Q and key disclosures. Mr. Ryan explained the emphasis given in the quarter to the AIGFP valuation process specifically. Mr. Ryan said that PwC continues to be comfortable with the AIG process and results. With respect to the corporate book, he said that the additional information from JPMorgan Chase is not materially different. In explaining PwC's comfort with the zero valuation for the regulatory capital portfolio, Mr. Ryan said that the valuations of \$750,000 to \$5 billion in losses do not give weight

to the most important criteria of AIGFP's own transactions cancelling out at zero. He cautioned, however, that if the trend changes or the terminations stop, valuation losses could occur in future periods, and the portfolio must be closely monitored. In discussing the multi-sector portfolio, Mr. Ryan pointed out that the JPMorgan Chase calculation, which would be considered additional data to be considered for GAAP valuation purposes, already falls within AIG's range of \$13 billion to \$30 billion in valuation losses, so PwC continues to be comfortable with Management's judgments in both the December 31, 2007 and March 31, 2008 valuations.

**REDACTED FOR
PRIVILEGE**

All participants in the meeting other than Board members and internal and outside lawyers then left the meeting.

**REDACTED FOR
PRIVILEGE**

**REDACTED FOR
PRIVILEGE**

Further, he said that Management and PwC have reported that they each engaged in a process to review JPMorgan's analyses of sub-prime economic exposure and mark-to-market losses. Mr. Gamble pointed out that the JPMorgan Chase estimate of ultimate realized losses from the multisector credit default swap portfolio is now included in the disclosure documents, as is additional disclosure on the regulatory capital book. He further stated that in addition to the Management and PwC reports the Board had just received, Messrs. Willumstad, Offit and Sutton had discussions with the appropriate individuals in Management and at PwC regarding the examination by Management and PwC of the JPMorgan analyses relating to both economic loss estimates and mark-to-market analyses. Management and PwC each reported that they had completed a review of JPMorgan's analysis and considered whether it impacted their judgments regarding AIG's financial statements. Both Management and PwC concluded that JPMorgan's analyses did not change their views.

**REDACTED FOR
PRIVILEGE**

Mr. Bollenbach then joined the meeting.

Mr. Sullivan requested that the Board consider appropriate dividend action at this meeting rather than deferring to the customary time at the annual Board meeting in conjunction with the Shareholders Meeting, so that the marketing materials for the offerings could be updated accordingly. He said that the Corporation has an unbroken record of dividend increases, and described the dividend policy providing that under ordinary circumstances, AIG's plan will be to increase its common stock dividend by approximately 20 percent annually. Mr. Sullivan explained that after consideration of this policy, his recommendation is that the Board increase the dividend by 10 percent, which would result in an annual increase of \$200 million in the amount paid out, an amount he said could be deemed not significant although optically, the action could be challenged.

**REDACTED FOR
PRIVILEGE**

Mr. Bensinger reported that in light of responses from Standard & Poors on the ratings actions to be expected based on various scenarios, Management recommends that the offerings be launched with an initial maximum amount of \$12.5 billion, including up to \$7.5 billion in equity components, with flexibility to go to higher amounts. He explained that S&P had indicated that capital raising of \$12.5 billion would result in a two notch downgrade, while \$15 billion (including the hybrids) would result in a one notch downgrade action. Mr. Feldstein asked whether debt would satisfy the rating agency criteria, and Mr. Bensinger responded that he expects that the common stock component will need to increase, probably to \$5 billion, depending on market demand. Mr. Bensinger added that he expects that S&P and Moody's will initially lower the ratings by one notch after release of the earnings and the announcement of the capital raising, while Fitch will defer any action.

**REDACTED FOR
PRIVILEGE**

Discussion of the appropriate size of the offerings continued.

Thereafter, upon motion duly made by Mr. Offit, reflecting the recommendation of the Finance Committee, seconded and unanimously carried, it was resolved as follows:

RESOLVED, that this Board of Directors hereby approves the Corporation's raising of capital in an amount of up to \$12.5 billion as set forth in Exhibit A to the minutes of this meeting.

Mr. Sullivan next recommended approval of a dividend increase as previously discussed. After further discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that out of the funds of the Corporation legally available therefor a dividend of \$0.22 per share is declared upon the Common Stock of the Corporation, payable September 19, 2008 to stockholders of record as of September 5, 2008.

Mr. Bensinger advised the Board that Management expected that the issuance of securities in connection with the capital raising transactions will exhaust substantially all of the securities registered and available for issuance through the current universal shelf registration statement. Therefore, Mr. Bensinger requested Board approval of the filing of a new universal shelf registration statement in an amount of \$25 billion as soon as practicable after the closing of the capital raising transactions. After discussion, upon motion duly made, seconded and unanimously carried it was

RESOLVED, that the Board of Directors deems it advisable and in the best interest of the Corporation to proceed with one or more registrations under the Securities Act of 1933, as amended (the "Securities Act"), in connection with the issuance, offering and sale from time to time, of (i) senior debt securities and subordinated debt securities of the Corporation, in one or more series, which may be convertible into or exchangeable or exercisable for other debt securities, Common Stock (as defined below) or shares of preferred stock of the Corporation and/or depositary shares representing such shares, and/or the debt or equity securities of other entities, (ii) warrants, purchase contracts and/or other securities of the Corporation to purchase or sell, or which are convertible into, exercisable or exchangeable

for, or whose cash value is determined by reference to or is linked to the performance or level of, one or more of the following: (a) securities (including, but not limited to, common or other equity securities) of one or more entities (including the Corporation), (b) one or more currencies, (c) one or more commodities, (d) one or more indices or baskets of securities, currencies, commodities or other financial, economic or other measures or instruments (including the occurrence or non-occurrence of any event or circumstance) and/or (e) any other financial, economic or other measure or instrument (including the occurrence or non-occurrence of any event or circumstance), (iii) junior subordinated debentures of the Corporation, (iv) shares of preferred stock of the Corporation in one or more series and depository shares representing such shares, (v) shares of Common Stock, \$2.50 par value ("Common Stock") of the Corporation, (vi) units comprised of any combination of the securities referred to above, (vii) Trust Securities (as defined below), (viii) guarantees of the Corporation with respect to any of the above referenced Trust Securities, (ix) senior debt securities of AIG Program Funding, Inc. or any other direct or indirect wholly-owned subsidiary of the Corporation ("Program Funding"), in one or more series, (x) warrants, purchase contracts and/or other securities of Program Funding to purchase or sell, or which are convertible into, exercisable or exchangeable for, or whose cash value is determined by reference to or is linked to the performance or level of, one or more of the following: (a) securities (including, but not limited to, common or other equity securities) of one or more entities (including the Corporation), (b) one or more currencies, (c) one or more commodities, (d) one or more indices or baskets of securities, currencies, commodities or other financial, economic or other measures or instruments (including the occurrence or non-occurrence of any event or circumstance) and/or (e) any other financial, economic or other measure or instrument (including the occurrence or non-occurrence of any event or circumstance), (xi) units comprised of any combination of debt securities, warrants and purchase contracts or other securities of Program Funding, and/or (xii) guarantees of the Corporation with respect to the above referenced securities of Program Funding, at an initial aggregate offering price (or the equivalent thereof in any other currency, currencies or currency units) of up to \$25,000,000,000 (collectively, the "Registered Securities"); provided that the limit on the initial aggregate offering price

amount set forth in this resolution may be increased by any Authorized Officer (as defined below) to any amounts permitted under one or more registration statements that may be filed pursuant to Rule 462(b) under the Securities Act, subject to any limitations on the borrowing capacity of the Corporation authorized by the Board of Directors of the Corporation or any committee thereof or other person authorized thereby from time to time; and

RESOLVED, that the registration of Registered Securities, from time to time and in whole or in part, pursuant to one or more registration statements as authorized or approved by any Authorized Officer (collectively, the "Registration Statements") is hereby approved and the filing of the Registration Statements with the Securities and Exchange Commission (the "SEC"), together with all exhibits, certificates, letters, applications and other documents connected therewith, that may be filed with the SEC with respect to the registration and offering of the Registered Securities at any time or from time to time, are hereby approved, and each Authorized Officer is hereby authorized to execute, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust (as defined below), in the name of the Corporation as depositor, sponsor or originator of such Trust, and to direct any Administrative Trustee (as defined below) to execute, any Registration Statement, in each case in such form or with such changes as may be approved by any such Authorized Officer, such authorization or approval to be conclusively evidenced by the execution thereof; and

RESOLVED, that each Authorized Officer is hereby authorized to prepare, execute and file with the SEC, or cause to be prepared, executed and filed with the SEC, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust in the name and on behalf of the Corporation, as depositor, sponsor or originator of such Trust, and to direct any Administrative Trustee to prepare, execute and file, with the SEC, or cause to be prepared, executed and filed with the SEC, any registration statement under Rule 462 under the Securities Act to increase the initial aggregate offering price of Registered Securities registered under a Registration Statement or otherwise (it being understood that the term "Registration Statement" used herein will include, without limitation, any such registration statement under Rule 462(b), any

amendments, including post-effective amendments, to the Registration Statements, and any preliminary or final prospectuses or supplements to the prospectuses contained therein (together with all exhibits, certificates, letters, applications and other documents connected therewith), in each case, in such form or with such changes as may be authorized or approved by any such Authorized Officer, and to take any and all other action, in each case at such time, in such manner and in such form as any such Authorized Officer shall believe necessary, desirable or appropriate in connection with the Registration Statements or with the issuance, offering or sale of Registered Securities; and that each Authorized Officer and any Administrative Trustee is hereby further authorized to request acceleration of the effective date of any and all of the Registration Statements and any post-effective amendments thereto; and

RESOLVED, that the Authorized Officers and counsel to the Corporation is each hereby authorized to act for, and in the name and on behalf of, the Corporation, and, where applicable, any Trust, before the SEC or any other entity or person in connection with any matter relating to the Registration Statements or prospectuses contained therein, or any supplements or amendments thereto; and

RESOLVED, that each Authorized Officer is hereby authorized to determine the jurisdictions (inside or outside the United States) in which appropriate action shall be taken to qualify or register for sale all or such part of the Registered Securities as any such Authorized Officer may believe necessary, desirable or appropriate; that each Authorized Officer is hereby authorized to perform, in the name and on behalf of the Corporation, and, where applicable, on behalf of any Trust in the name of the Corporation, as depositor, sponsor or originator of such Trust, and to direct any Administrative Trustee to perform, any and all such acts as such Authorized Officer may believe necessary, desirable or appropriate in order to comply with the applicable laws of any such jurisdictions, and in connection therewith to execute and file all requisite papers and documents, including applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and that the execution by any such Authorized Officer of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor

from the Corporation and, where applicable, any Trust, and the approval and ratification by the Corporation and any Trust of the papers and documents so executed and the action so taken; and

RESOLVED, that each Authorized Officer is hereby authorized to make, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust in the name of the Corporation, as depositor, sponsor or originator of such Trust, and to direct any Administrative Trustee to make application to any securities exchange or exchanges, quotation services or other similar entities (inside or outside the United States) if and as any such Authorized Officer shall believe necessary, desirable or appropriate for the listing thereon of any of the Registered Securities and in connection therewith to appoint one or more listing agents and to prepare, execute and file, or cause to be prepared, executed and filed, an application or applications for such listing or quotation and any and all supplements and amendments thereto and any additional certificates, documents, letters and other instruments which any such Authorized Officer may believe necessary, desirable or appropriate; that each such Authorized Officer and Administrative Trustee, or such other person as any such Authorized Officer or Administrative Trustee may designate in writing, is hereby authorized to appear before any official or officials, or before any body of any such exchange, quotation service or other similar entity, with authority to make such changes in such applications, supplements, amendments, certificates, documents, letters or other instruments and to execute and deliver such agreements relative thereto, including, without limitation, listing or quotation agreements and applications, fee agreements and indemnity agreements, as any such Authorized Officer may believe necessary, desirable or appropriate in order to comply with the requirements of any such exchange or to effect or maintain such listing or quotation; and

RESOLVED, that to the extent any Authorized Officer determines that any of the Registered Securities are required to be registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), each Authorized Officer is hereby authorized to make, in the name and on behalf of the Corporation, and where applicable, on behalf of any Trust in the name of the Corporation, as depositor,

sponsor or originator of such Trust, and to direct any Administrative Trustee to make application to the SEC for registration of such Registered Securities under the Exchange Act, and to prepare, execute and file, or cause to be prepared, executed and filed with the SEC and any securities exchange or quotation service an application or applications for such registration and any and all supplements and amendments thereto and any additional certificates, documents, letters and other instruments which any such Authorized Officer may believe necessary, desirable or appropriate; and

RESOLVED, that each Authorized Officer and, where applicable, any Administrative Trustee is hereby authorized and directed to assist any selling agents, purchasing agents or underwriters in respect of any Registered Securities in any filing with the Financial Industry Regulatory Authority ("FINRA") that is necessary, desirable or appropriate in connection with the filing of the Registration Statements or any offering pursuant thereto; and

RESOLVED, that the Corporation's Secretary (or any other person designated by an Authorized Officer) is designated as the agent for service of process and a person authorized to receive on behalf of the Corporation and any Trust notices and communications from the SEC with respect to the Registration Statements and any amendments and supplements thereto; and

RESOLVED, that notwithstanding any of these resolutions, each Authorized Officer and, where applicable, Administrative Trustee may, at any time or from time to time, authorize any officer of the Corporation, any other persons designated by any Authorized Officer or any attorney-in-fact to take, in the name and on behalf of the Corporation or any Trust, as applicable, any and all actions that such Authorized Officer or Administrative Trustee is authorized to take under these resolutions, including the preparation, execution and delivery of any filings with the SEC or other regulatory or self-regulatory body and any other agreement or other document, in each case as such Authorized Officer or Administrative Trustee, as applicable, may determine to be necessary or desirable in carrying out these resolutions; and (i) any such action taken by any officer of the Corporation, any other person designated by any Authorized Officer or any attorney-in-fact pursuant to any such authorization by an Authorized Officer or Administrative Trustee shall be

deemed to have the same force and effect under these resolutions as if taken directly by such Authorized Officer or Administrative Trustee pursuant to these resolutions, and (ii) any action taken by any officer of the Corporation, any other person designated by any Authorized Officer or Administrative Trustee or any attorney-in-fact shall be conclusively deemed to have been taken pursuant to such an authorization by an Authorized Officer or Administrative Trustee if such action is authorized in a writing (which may be as general or specific as any Authorized Officer or Administrative Trustee determines is necessary, desirable or appropriate in carrying out these resolutions) signed by an Authorized Officer or Administrative Trustee, as applicable, it being understood that such an authorization by an Authorized Officer or Administrative Trustee need not be made in writing; and

RESOLVED, that the Board of Directors shall be deemed and conclusively presumed by these resolutions to have adopted, and the Secretary, or any Assistant Secretary of the Corporation is hereby authorized to certify the adoption by the Board of Directors of, any resolution not inconsistent with these resolutions which may be required or requested by any governmental agent, administration, commission or department of the United States of America or any state or other jurisdiction of the United States of America, or any country, province or other jurisdiction outside the United States of America, or any other person or entity in connection with the registration, qualification, exemption from registration, creation, issuance, offering, sale, delivery or trading of the Registered Securities, with a copy of any such resolutions to be included in the minutes of the Corporation; and

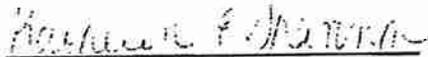
RESOLVED, that the execution, delivery or filing of any document relating to the matters contemplated by these resolutions by an Authorized Officer or Administrative Trustee (or by any person acting pursuant to written authorization of any Authorized Officer or Administrative Trustee) shall be deemed to be conclusive evidence that such action has been authorized by the Board of Directors; and

RESOLVED, that any actions taken by any Authorized Officer, or by other officers of, or counsel to, the Corporation or its subsidiaries prior to the date hereof which action would

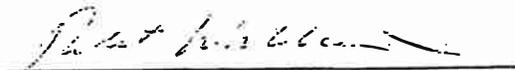
have been authorized by the foregoing resolutions had such action been taken by an Authorized Officer after the date hereof, be, and the same hereby are, ratified, confirmed and approved in all respects; and

RESOLVED, that for purposes of these resolutions, (1) "Authorized Officers" shall mean each or any of the President and Chief Executive Officer, the Chief Financial Officer, the Treasurer and the Secretary acting alone or together, (2) "Trust" shall mean one or more business trusts, partnerships, corporations or other entities, formed under the laws of any one or more jurisdictions selected by an Authorized Officer, for the purpose of issuing and selling the common securities and/or preferred securities or other similar securities or debt securities or other evidences of indebtedness of such trust (collectively, the "Trust Securities"), the proceeds from which sale may be used by such Trust to purchase securities of the Corporation of a type or types determined by any Authorized Officer; and (3) "Administrative Trustee" shall mean one or more employees of the Corporation or any of its subsidiaries who shall be appointed by an Authorized Officer to act as a director, manager, trustee, trustee administrator or attorney-in-fact or agent for such Trust, as such Authorized Officer shall believe necessary, desirable or appropriate.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned.



Secretary



Chairman of the Board