

American International Group, Inc.  
Meeting Notes  
February 6, 2008

On February 6th, 2008 Bob Sullivan and I met with Bob W. to discuss the status of our material weakness consideration and our views as to remediation steps that the Company might want to consider. Below is a summary of the topics discussed.

We informed Bob that we had thought over nite about whether steps that AIG might take between today (Feb 6th) and the filing of the 10K might change our MW views and concluded that while steps that AIG might take during that time period will be helpful to the ultimate remediation, that implementing these steps at this point would not be enough to remediate the material weakness that exists at December 31, 2007. Bob understood this answer and indicated that AIG the necessary remediation steps regardless of the MW or not.

Bob then asked for our views as to possible remediation steps. We indicated that we had gathered our thoughts into two buckets - non people changes and people considerations. Below are the items that we shared with Bob.

Non People Changes

1. We indicated that the Board and the Company needed to address the reporting lines for ERM
2. ERM's interaction with the Finance Committee and how the Committee will oversee ERM needs to be addressed at to date, the primary focus of the Finance committee has not been on ERM, despite its charter
3. We indicated that the Company needed to review risk, transaction and other limits across the Company
4. We indicated that the Company should consider direct reporting (versus the dual reporting that has not been working consistently across the company) in ERM and Finance - we discussed that dual reporting - done substantively could be an alternative and agreed that this path should not necessarily be closed.
5. We indicated that the Board and management should consider separate compensation programs for control functions (ERM and Finance) that are non stock and non EPS driven
6. The Company should ensure that business units should also be incented on internal controls and compensation programs should be adjusted as appropriate.
7. We indicated that the FP compensation plan should be revisited to incent investments in internal controls.
8. We indicated that the Company needs to define its overall risk appetite
9. We suggested that the Company should form a operations and control committee across the Company and consider folding in the Comprehensive Program into this Committee
10. We suggested that the Company form a senior risk committee of the company

11. We suggested that the Company form a valuation control group in ERM that monitored valuation across the enterprise
12. We suggested that the outstanding issue with the ILFC CFO and controller be addressed
13. We indicated that the urgency and rigor with respect to remediating the remaining SD's needs to be increased.

#### People Considerations

As it relates to people, we indicated that among the skill sets that AIG needs include leadership, execution skills, change management skills, the ability to hold people accountable and experience in dealing with large scale improvement and change efforts.

1. On the topic of Martin Sullivan - we indicated that it is the Board's decision in terms of what to do with Martin, we indicated that if the Board chooses to stay with Martin that they needed to be assured that he was truly committed to changing the way the Company is run and managed from an internal control perspective.
2. On the topic of Bensinger, we indicated that we viewed it as important that a CFO - particularly one with Steve's responsibilities (ie effectively the number two person in the company) compensate the CEO's weaknesses. We indicated that we viewed some of Martin's weaknesses to be a difficulty in holding people accountable for internal control related matters, making difficult decisions, experience with large scale change, and lacking in execution skills. We indicated that Steve does not compensate these weaknesses (i.e. these are among Steve's weaknesses as well). We indicated that as an example a significant contributing factor for the current situation regarding the super senior credit default swaps is because of the lack of leadership, unwillingness to make difficult decisions regarding FP in the past and in experience in dealing with these complex matters.
3. As it relates to ERM we indicated that there are two key skill sets that we would expect an ERM head to have - the first being the ability to understand, assess and evaluate risk (ie risk appetite) and second the ability to build an infrastructure to manage and monitor risk throughout a company like AIG. We commented that we were not sure that Bob Lewis had these skills. We also raised concern with his willingness to speak up as was evidenced by Willumstad's questions that he asked Lewis at the Dec AC meeting where Lewis was clearly uncomfortable discussing his reporting lines. Similarly, we pointed to the lack of access that ERM has into units like AIG Investments and others and that this arose thru the MW/SD discussions and that Lewis had not aggressively addressed these issues in the past.
4. We discussed Cassano. We indicated that the decision on Joe is that of the Board's but that from our perspective the culture at AIGFP had to change.
5. We indicated that the lack of leadership and involvement by the AIG FP CFO in the valuation process was concerning and that this should be

- reviewed and - at a minimum the Company needs someone like Elias on top of the AIGFP CFO until her true capabilities are understood.
6. We indicated that it continues to be our view that the span of control and workload that Steve and Martin have is too great and that AIG needs a fulltime CFO without many of the responsibilities that are currently under the CFO. Bob agreed with both points and indicated that while Martin may not be amenable to a COO, that a CAO might be necessary.
  7. We indicated that Jerry De S tPierre was struggling to get traction in the Company and that his effectiveness should be reviewed.
  8. We indicated that Roemer was a key control but that the pressure lately has been relatively high from senior management (ie super senior valuation process, material weakness related to super seniors, mw/sd discussions related to access and roles and responsibilities of key control functions and other matters) and that the Board should ensure that Roemer knows he has their support.

We indicated that we would continue to think of other potential steps. Bob indicated that he was going to review these matters with Martin.

No other significant items were discussed.

Tim Ryan  
February 13, 2008