MINUTES OF THE

NOVEMBER 15, 2006 MEETING OF DIRECTORS OF

AIG FINANCIAL PRODUCTS CORP.

A meeting of the Board of Directors of AIG Financial Products Corp., a Delaware corporation (the "corporation") was held at 70 Pine Street, New York, New York on November 15, 2006.

Attendance

The following Directors were present:

M. Bernard Aidinoff
Steven J. Bensinger
Joseph J. Cassano
William N. Dooley
Martin S. Feldstein
John M. Foster
Morris W. Offit

being a majority of the Directors of the corporation and constituting a quorum for the transaction of business. Also present were Robert Lewis, Elias Habayeb, Pierre Micottis and Douglas Poling.

By unanimous consent, Mr. Poling served as Secretary of the meeting and kept a record of the proceedings.

Approval of Prior Board Meeting Minutes

The next order of business to come before the meeting was the approval of the minutes of the prior meeting of the Directors of the corporation. The matter having been fully discussed, upon motion duly made, seconded and unanimously carried, it was

> RESOLVED, that the Minutes of the Meeting of Directors of the corporation held on September 13, 2006, a copy of which was distributed to each Director prior to today's meeting, are hereby ratified and approved.

2006 Dividend on Common Stock

The next order of business to come before the meeting was the proposal to appoint a special committee of the Directors of the corporation to declare a dividend on the common shares of the corporation. The matter having been fully discussed, upon motion duly made, seconded and unanimously carried, it was

> RESOLVED, that a special committee of the Directors of the corporation consisting of Steven J. Bensinger and Joseph J. Cassano is hereby established, which special committee is authorized to declare a dividend on the common shares of the corporation that shall be declared and payable not later than December 31, 2006, out of funds legally available therefore, in an amount to be agreed unanimously by the special committee, which amount shall in no event be

greater than the net income of the corporation for the period from January 1, 2006 to December 31, 2006.

Deferred Compensation Plan Additional Return Payment

The next order of business to come before the meeting related to the corporation's Deferred Compensation Plan. It was noted that, under the terms of the Deferred Compensation Plan, on the interest payment date falling at the end of each calendar year, Mr. Cassano, as President of the corporation, with the approval of the Board of Directors, may credit plan participants' deferred compensation accounts with an Additional Return Payment payable out of the 30% portion of annual distributable income of the corporation that is allocable to employees of the corporation. Mr. Cassano indicated that he would like to make an Additional Return Payment in respect of calendar year 2006, but that he would not be in a position to determine the precise amount until the level of the corporation's 2006 annual distributable income becomes more certain. Accordingly, it was proposed that the Board of Directors delegate to a special committee of the Directors the authority to approve, on behalf of the Board of Directors, the Additional Return Payment proposed by Mr. Cassano. The matter having been fully discussed, upon motion duly made, seconded and unanimously carried, it was

> RESOLVED, that a special committee of the Directors comprising Messrs. Sullivan, Dooley and Cassano is hereby established, which special committee is authorized to approve, on behalf of the Directors, the Additional Return Payment in respect of 2006 that will be proposed by Mr. Cassano as President of the corporation pursuant to the terms of the corporation's Deferred Compensation Plan.

Recap of Revenues, Capital, Value at Risk, Reserves and Credit Exposures

The next order of business to come before the meeting was the review of the corporation's financial condition and performance. The review covered the corporation's financial results for 2006 through October 31, including an analysis of performance by geographic region as well as by product segment, and a discussion regarding business prospects for the remainder of the year and for 2007. In the product segment review, Mr. Cassano provided commentary regarding the continuing strength of the commodity and credit business segments. In regard to commodities, Mr. Cassano noted that the corporation is building on its success associated with basic commodity index return products through increasing the range of its commodity linked products. This has included providing the ability for counterparties to obtain targeted exposure to individual commodities or bespoke baskets, as well as the development of innovative commodity index based investment strategies and products that offer the potential to generate returns over and above a commodity index return. In this regard, Mr. Cassano referenced the "basis" and "relative strength" commodity index strategies developed by the corporation, which are being offered in a fund product managed by BlackRock. In regard to the structured credit business, Mr. Cassano reviewed the breakdown of 2006 revenues from this segment between new transactions and profits realized on unwinds of outstanding transactions. Mr. Cassano noted that the pipeline for regulatory capital relief transactions through 2006 year end continues to be robust due to the manner in which the applicable changes to the regulatory capital requirements under the Basel II accord are being phased in over several years. Mr. Cassano also reviewed the corporation's outstanding single name credit default swap transactions. In regard to the equities business, Mr. Cassano confirmed that the revenue growth continues to be attributable principally to the continuing strong demand in Europe for structured equity transactions for use in private retirement and annuity products. In regard to the rates business, Mr. Cassano explained that, while the corporation has now "caught-up" with the active market participants in the complex rates product sector from a hedging, systems and pricing capability standpoint, the pricing offered currently for these products by the large banking institutions that are active participants is so aggressive that the corporation has opted not to be an active participant at this time; accordingly the revenue prospects for this business are uncertain, and may depend on the ability of AIG-FP to be a first mover in the next generation of structured rates products. In regard to currencies, Mr. Cassano noted that, while this business segment is down substantially compared with the comparable period for 2005, the corporation is successfully building its prime brokerage business, which produces a predictable revenue stream (currently running at approximately $32 million per year) that should continue to grow, and also generates additional transaction opportunities with hedge fund counterparties.

In regard to the structured finance business, Mr. Cassano noted that revenues were down in 2006 compared with 2005 due to the impact on the corporation's synthetic fuel facilities of the application of the phase out provision under the Internal Revenue Code, under which the tax credits generated by the sale of synthetic fuel are phased out as the average annual benchmark price for crude oil exceeds certain formulaic levels under the Code. Mr. Cassano noted that the expectation is the tax credits generated during 2006 will be subject to partial phase out, which when taken together with the hedging transactions entered into by the corporation to hedge in part the risk of phase out, are expected to result in the corporation's economic revenues from these transactions to be approximately $210 million, which is down by approximately 20% in 2006 compared with 2005. Mr. Cassano also noted that the corporation had entered into hedging transactions to hedge the phase out risk associated with synthetic fuel production during 2007, as a result of which the corporation is at present approximately 86% hedged. Mr. Cassano reported that, based on the cost of the hedging transactions and current crude oil prices, the corporation currently projects the revenue from these transactions for 2007, which is the last year of the credit, to be in the range of $120 million to $185 million. In regard to structured finance transactions generally, Mr. Cassano noted that, as of October 1, the monthly accrual income associated with AIG-FP's outstanding transactions was approximately 92% of the level prior to the unwind of a significant number of UK based liability transactions following the publication of the UK Finance Act in 2005. Mr. Cassano reviewed the existing pipeline of pending transactions, including the upcoming liability transaction with ABN Amro Bank and asset transaction with Barclays Bank.

Opening of Hong Kong Office

The next order of business to come before the meeting was the opening of an office in Hong Kong. Mr. Cassano explained that the office, which currently comprises 7 employees, received its broker dealer license in November and is expected to commence transacting business in the new year. The office will focus on the Greater China market as well as Korea and Singapore.

Review of Principal Investment Opportunities

The next order of business to come before the meeting was the review of the current business prospects involving principal equity investments in infrastructure and other assets or operating entities for which there is not an active trading market. The review included a report regarding the corporation's purchase for GBP 185 million of a 50% interest in London City Airport as a member of a consortium with Global Infrastructure Partners, a joint venture between Credit Suisse and General Electric Company. Mr. Cassano reported that the base case return profile for the investment was 12% on an unlevered basis and 18% on a levered basis. Mr. Cassano discussed the potential for out-performance above the base case, and reviewed certain of the key next steps identified in the consortium's business plan to promote revenue growth. Mr. Cassano also provided a status report regarding the corporation's proposed purchase for $412 million of a 50% equity investment in the natural gas marketing subsidiary of Tenaska Inc. Finally, Mr. Cassano gave a report regarding the corporation's resolution of its dispute with Northern Star Generation relating its role as restructuring agent for the power generation facilities, which involved the termination of the corporation's role as restructuring agent in exchange for a negotiated termination fee payment to the corporation. Mr. Cassano also described the Operating Framework document developed by the corporation with AIG Highstar, which sets forth the manner in which the two organizations shall pursue private equity investments in infrastructure assets and provide co-investment opportunities for each other.

Update Regarding S&P Capital Model Discussions

The next order of business to come before the meeting was an update regarding the corporation's discussions with Standard & Poor's Corporation concerning improvements to its capital model for the corporation's business. The status of discussions to date have resulted in a reduction of the allocated capital associated with the market risk charge for liability options, as a result of an agreement with S&P that the charge previously was being assessed on liabilities for which it should not have been applied. The corporation is continuing to engage in discussions with S&P regarding, among other topics, the capital charges applicable to its structured credit and benefit responsive option business segments.

Update Regarding FAS 133 Remediation

The next order of business to come before the meeting was an update regarding the status of the steps taken by the corporation to remediate the material weakness involving controls over the accounting for financial derivatives transactions under FAS 133, including discussion of the following status items:

- The corporation has completed the development and documentation of a systematic hedging platform to obtain fair value hedge accounting treatment under FAS 133. The platform, which involves daily hedge designation and achieves hedge effectiveness for interest rate and currency hedging of AIG-FP's assets and interest rate hedging of AIG-FP's liabilities, was developed with the active involvement of the AIG Office of Accounting Policy, the AIG Financial Services Division Chief Financial Officer and PricewaterhouseCoopers (PwC).

- The platform has been operating since January 1, 2006 in a real world test environment.

- The corporation has developed and implemented, commencing with the January 1 testing period, automated and manual controls designed to ensure the daily effective operation of the platform in accordance with the requirements of FAS 133.

- PwC has completed its review of the platform, including AIG-FP's documentation and controls for the platform during the spring of 2006. PwC has confirmed to AIG-FP that the systematic hedging platform, including the related documentation and controls, are appropriately designed and could be relied upon by AIG-FP to apply fair value hedge accounting under FAS 133.

- AIG's Office of Accounting Policy, Market Risk Management department and Internal Audit department have completed substantially all of the remaining work required to be performed in connection with their review of the systematic hedging platform. This work can be broken down into three discrete categories: (i) the conceptual framework of the platform, including the basis under FAS 133 for the policies governing the operation of the hedging platform, and the documentation of those policies and the support under FAS 133 for them; (ii) the technical operation of the platform, including the systems programs through which the hedging relationships are identified, documented and reported in accordance with the requirements of FAS 133; and (iii) the controls and procedures applicable to the operation of the platform, including the documentation and testing of such controls and procedures in accordance with the requirements of Sarbanes-Oxley Section 404 governing management assessment of internal controls. Mr. Poling confirmed that AIG was in final stages of its review, with the principal remaining work relating to completion of Sarbanes-Oxley Section 404 testing. Such work is targeted for completion by the early part of December with the expectation that AIG will clear the corporation to begin applying fair value hedge accounting under FAS 133 in reliance on the corporation's systematic hedging platform commencing January 1, 2007. Mr. Habayeb confirmed his agreement with the foregoing status report.

Update Regarding the Status of Certain Regulatory Matters

The next order of business to come before the meeting was an update regarding the status of certain regulatory matters. Mr. Poling directed the Board to the summary report included in the package of materials for the meeting and gave an overview of the regulatory audits and examinations undertaken in regard to group companies of the corporation during 2006.

Review of Activity of Transaction Review Committee

The next order of business to come before the meeting was a review of the activity of the corporation's Transaction Review Committee. The minutes for meetings of the Transaction Review Committee held during the period since the immediately preceding meeting of Directors were distributed to the Directors prior to the meeting.

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

Secretary of the Meeting