

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

Held June 30, 2008

A meeting of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held by telephone conference call on June 30, 2008 at 8:30 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
Michael H. Sutton
Edmund S.W. Tse
Robert B. Willumstad

Mesdames Ellen V. Futter
Virginia M. Rometty

Absent: Mr. Martin J. Sullivan

Also present were Mr. James G. Gamble of Simpson Thacher & Bartlett LLP, Mr. Marc Trevino of Sullivan & Cromwell LLP, Anastasia D. Kelly, Executive Vice President and General Counsel, Andrew J. Kaslow, Senior Vice President and Chief Human Resources Officer, Kathleen E. Shannon, Senior Vice President, Secretary and Deputy General Counsel and Eric N. Litzky, Vice President - Corporate Governance.

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. Willumstad said that the purpose of the meeting was to review the proposed severance agreement and arrangements in connection with Mr. Sullivan's termination, as well as to discuss compensation arrangements for the Chief Executive Officer.

Mr. Tse left the meeting.

Mr. Orr reported that the Compensation and Management Resources Committee had met the previous Thursday and approved arrangements for Mr. Sullivan consistent with those preliminarily discussed on June 15. He explained that approximately \$31 million of the package represented amounts to which Mr. Sullivan was entitled under his employment agreements, including awards vested under the terms of those agreements, and the remaining value of approximately \$22 million represented unvested Partners Plan and Senior Partners Plan awards, SICO shares guaranteed under the Assurance Agreement and the Supplemental Executive Retirement Plan. Mr. Orr added that the Compensation and Management Resources Committee had exercised discretion to approve these benefits, which AIG has customarily provided to long serving employees over the age of 55. Mr. Orr described the non-compete and no-

solicitation provisions of the agreement, and pointed out that Mr. Sullivan would be able to work with a private equity or hedge fund. Mr. Orr responded to questions about the bonus amount included in the payment, pointing out that the target bonus was used for determining the pro-rata bonus payment under the employment agreement, but the actual bonus paid for the preceding three years was used in the calculation of the severance amount. Mr. Orr added that Mr. Sullivan would be provided with office space and an assistant until December 31, 2008.

REDACTED FOR PRIVILEGE

After further discussion, upon motion duly made, seconded and unanimously carried by the vote of all non-management directors, the termination arrangements for Mr. Martin J. Sullivan as approved by the Compensation and Management Resources Committee and set forth as Exhibit A to the minutes of this meeting were ratified and confirmed, and the delivery of the letter to Mr. Sullivan in the form set forth as Exhibit B to the minutes of this meeting was approved, ratified and confirmed.

A brief discussion followed on an appropriate public relations strategy for dealing with the publicity expected to result from the disclosure of Mr. Sullivan's termination arrangements. Management agreed to discuss an appropriate strategy with outside consultants and keep the Board advised of developments.

Messrs. Willumstad and Litzky and Mesdames Kelly and Shannon then left the meeting.

REDACTED FOR PRIVILEGE

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

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PRIVILEGE**

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