

May 7, 2009

Mr. Edward M. Liddy  
Chairman and Chief Executive Officer  
American International Group, Inc.  
70 Pine Street  
New York, New York 10270

Re: Compensation Policies at AIG

Dear Ed,

We have spoken in the past on issues concerning compensation, and we know you appreciate, as we do, how central these issues are to the future of the company. In light of this, we believe that a broad review of AIG's compensation policies is warranted, and we are asking that such a review be undertaken as soon as possible.

We believe that the key goal of these policies must be the recruitment and retention of the people best qualified to lead and staff AIG during this difficult time. Without these people, it will not be possible to maximize the value of AIG for its shareholders and United States taxpayers. At the same time, we all recognize that there are serious constraints on any compensation plan currently in place or contemplated at AIG — not the least of which is the recognition that any compensation program at AIG is dependent upon the unprecedented and continuing financial support provided to AIG by United States taxpayers.

Accordingly, we ask that you, together with senior management at AIG, its board of directors and appropriate committees of the board, undertake a broad review of the compensation programs currently in place throughout AIG with a view to developing a compensation program that will apply to AIG as a whole but recognize the different circumstances of AIG's various business units. In our view, this program should be based on the following:

- There should be an overarching performance-based compensation philosophy and consistent approach to compensation across the business units and operations of AIG that includes broad oversight by the board of directors;
- The compensation program should be designed to reward long-term, sustainable value creation; it should include clear and consistent metrics designed to align employees' interests with those of shareholders over the long term;

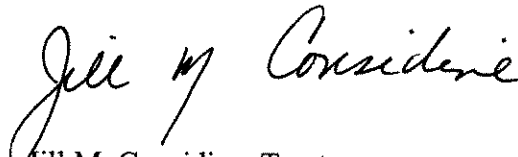
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- The compensation program should be designed to encourage appropriate risk-taking within the organization;
- The compensation program should provide for the appropriate balance between short-term and long-term compensation; and
- The company should benchmark AIG's compensation levels against available market data of organizations of similar size and complexity with which AIG competes for talent. This data should be used as a guide in assessing the appropriateness of any compensation plan.

We recognize that crafting such a comprehensive plan will be a significant challenge in light of the constraints under which AIG must operate. In spite of the challenges, it is essential that a comprehensive plan be developed by year-end.

We request that you provide us with reports at least quarterly regarding the status of the development of the compensation program. We are committed to working with you and the board of directors in this important endeavor.

Sincerely,



Jill M. Considine, Trustee,  
on behalf of the Trustees of the  
AIG Credit Facility Trust

cc: Douglas L. Foshee, Trustee, AIG Credit Facility Trust  
Chester B. Feldberg, Trustee, AIG Credit Facility Trust