

**ESTABLISHED COMMITTEES  
BEST PRACTICE RECOMMENDATIONS**

<b>Objective:</b>	Effective operation of the committees established to review and approve transactions for the purpose of preventing the recording of transactions or financial reporting results in a manner inconsistent with GAAP.
<b>EC 2 Best Practice Recommendation:</b>	<p>1. Derivatives Committee:</p> <ul style="list-style-type: none"> <li>(a) The Derivatives Committee should be responsible for providing an independent review of proposed derivative transactions or programs entered into by all AIG entities other than AIG Financial Products Corp. (“AIG-FP”). Its purpose and responsibilities should be set forth in a written charter.</li> <li>(b) The charter of the Derivatives Committee should address, at a minimum: <ul style="list-style-type: none"> <li>(i) The purpose of the Committee;</li> <li>(ii) Committee membership;</li> <li>(iii) The types of derivative transactions or programs that warrant review by the Committee; and</li> <li>(iv) The procedures to take when bringing a derivative transaction or program to the attention of the Committee.</li> </ul> </li> <li>(c) For derivative transactions or programs entered into by AIG-FP, the appropriate independent review of the proposed derivative transactions or programs should be conducted by AIG-FP.</li> </ul>