
**Recommendations of the
Independent Consultant
to American International Group, Inc.**

September 30, 2007

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INTRODUCTION

Attached are the recommendations that concern specific aspects of American International Group, Inc.'s ("AIG" or "Company") compliance program, its whistleblower provisions, and corporate governance issues. As with the prior recommendations, I have not tried to write the specific policies and procedures that AIG should adopt. Rather, I have set out the issues to be considered and some of the basic components that should be included in AIG's policies. I leave it to the Company, subject to my monitoring, to develop and establish the specific structures, policies, and procedures that will be needed. In addition, to the extent the fulfillment of these recommendations does not achieve the objectives listed, we intend to modify, add, or eliminate specific recommendations until we find the combination of programs, policies, and procedures that achieve the stated goals.

As with the prior set of recommendations, AIG has indicated that it has implemented a number of the provisions we set out. While I have not had the opportunity to determine exactly how many of the recommendations have been implemented, and to what extent, that will be the subject of the monitoring process called for by the Consent.

While the recommendations that concern compliance issues cover a number of separate areas, they are meant to serve as supplements to the recommendations submitted on August 31, 2007, concerning the overall structure and process for AIG's compliance function. As AIG implements its new compliance program it needs to keep four important components in mind: (1) the need for the compliance function to be independent from management; (2) the equally important need for the compliance function to work with management to facilitate the success of the business in a legally compliant manner; (3) the need to have the compliance function reside in the Local Operating Companies ("LOCs") and to have supervision and support present in the LOCs' geographic areas; and (4) the need to have each compliance program respond not only to U.S. law, but also to the local legal requirements of the jurisdictions in which it operates.

As AIG approaches the different aspects of establishing and implementing its compliance program, these recommendations provide an added level of detail for the areas identified. While I have tried to cover the major compliance areas that could be applicable to AIG, this set of recommendations is not intended to be an exhaustive list. As the risk assessments are conducted by each level of AIG's operations, they will undoubtedly reveal additional issues that need to be addressed in the compliance program.

A fundamental aspect of an effective compliance program is effective training. A number of the recommendations concern training in the relevant areas. Because there are many demands for training in a company the size of AIG, we recognize that a coordinated approach needs to be taken in this area. AIG has indicated that it is in the process of establishing this coordinated approach that will achieve the training goals established in these recommendations. Another important issue is the time and resources needed to implement these recommendations. Some may have been accomplished; some can be accomplished in a relatively short amount of time; and some will require new systems, personnel, and substantial time to be fully achieved. It is my intention to work with AIG to establish a rational time table and plan for the implementation of these recommendations.

**ANTI-MONEY LAUNDERING
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG identifies all legal entities (“LEs”) within the Company that should have anti-money laundering (“AML”) and Combating the Financing of Terrorism (“CFT”) programs.
AML 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The Office of Compliance (“OC”) should determine which of AIG’s LEs are required by applicable U.S. and local laws, regulations, and regulatory guidance to have AML/CFT programs. Such LEs may include, but are not limited to, the following kinds of businesses: <ul style="list-style-type: none"> (a) Banking, including taking deposits and making loans; (b) Securities intermediaries; (c) Futures intermediaries; (d) Insurance, including, but not limited to, life insurance and annuities; (e) Commercial, consumer, mortgage lending, and finance; (f) Leasing; (g) Money services businesses; (h) Issuers of debit and credit cards and networks; (i) Trust and company service providers; (j) Lawyers, notaries, other legal professionals, and accountants when they prepare for or carry out commercial transactions on behalf of a client; (k) Real estate agents or other professionals engaged in real estate transactions for or on behalf of a client; (l) Dealers in precious metals, precious stones, or jewels; (m) Trust companies; (n) Pawn brokers; (o) Travel agencies; (p) Sellers of vehicles, including automobiles, aircraft, and boats; (q) Dealers in high-end goods; and (r) Gambling casinos. 2. Based on the results of AIG’s global risk assessment process, the OC should determine which additional LEs and LOCs should establish their own AML/CFT programs if not legally required to have such programs.

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	3. All LEs and LOCs that it are legally required or for whom it is appropriate to have an AML/CFT program are hereinafter referred to as “Covered Entities.”
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ANTI-MONEY LAUNDERING
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG conducts an annual comprehensive risk assessment that identifies money laundering (“ML”) and financial terrorism (“FT”) risk at each LOC and LE, as well as on a consolidated, enterprise-wide basis.
AML 2 Best Practice Recommendation:	<p>1. In conducting the AML/CFT portion of the global risk assessment, each LOC and LE should consider the ML and FT risks associated with: (1) the products and services it offers; (2) its customers/counterparties; (3) representatives, agents, brokers, and third party service providers (“Partners”) and employees; (4) its delivery channels; and (5) geographies.</p> <p>(a) To assess the ML/FT risk associated with its products and services, each LOC and LE should compile a list of all the products and services it offers and as appropriate consider, among others, the following questions:</p> <ul style="list-style-type: none"> (i) What is the purpose of the product or service? (ii) Can the product or service be used for purposes other than for what was intended? (iii) Who can purchase the product or service? (iv) Who or what is the target market for the product or service? (v) Who is actually buying the product or service? (vi) Through what delivery channels can the product or service be purchased? (vii) Where can the product or service be bought (<i>i.e.</i>, geographic locations)? (viii) How can the purchase be funded (<i>i.e.</i>, method of payment – cash, check, debit, automated clearinghouse, or wire transfer)? (ix) What information is obtained from the customer/counterparty upon purchasing the product or service? (x) How easily can the product or service be bought or sold? (xi) Can the product or service be redeemed for value? (xii) Can the product or service be used to obtain other products or services and obscure the original source of the funds used to purchase the product or service?

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	<p>(b) To assess the ML/FT risk posed by its customers/counterparties, each LE and LOC should, as appropriate, consider factors, including, but not limited to:</p> <p>(i) For individuals:</p> <ol style="list-style-type: none"> (1) The products or services used or intended to be used; (2) The purpose of the account or the intended use of the product or service; (3) The method of payment; (4) Frequency of product or service use; (5) The delivery channels the customer or counterparty employs; (6) The length of the customer or counterparty's relationship with the LOC or LE; (7) Where the customer or counterparty lives or works; (8) Where the customer or counterparty transacts business; (9) The customer or counterparty's citizenship; (10) Whether the customer or counterparty is a non-resident alien; (11) Whether the customer or counterparty is a politically exposed person; (12) The customer or counterparty's occupation; and (13) The sources of the customer or counterparty's income/wealth. <p>(ii) For businesses:</p> <ol style="list-style-type: none"> (1) The products and services used or intended to be used; (2) The purpose of the account or the intended use of the product or service; (3) Method of payment; (4) Frequency of product or service use;
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	<ul style="list-style-type: none"> (5) Delivery channel used; (6) The length of the business’s relationship to the LOC or LE; (7) Where the business is located; (8) Where and how the business is organized; (9) Type and nature of the business; (10) Names of the business’s owners; (11) A review of the business’s financial statements; and (12) Banking references. <p>(c) To assess the ML/FT risk posed by Partners and employees, each LE and LOC should, as appropriate, consider factors including, but not limited to:</p> <ul style="list-style-type: none"> (i) For each Partner and employee, determine: <ul style="list-style-type: none"> (1) The products and services handled, offered, or provided by the Partner or employee; (2) The delivery channels used by the Partner or employee; (3) The Partner or employee’s geographic location; (4) Whether the Partner or employee has been found guilty of committing any serious criminal offense or has been subject to any administrative proceeding or civil action that involves fraud, dishonesty, breach of trust, money laundering, or other financial misconduct; and (5) Whether Partner/employee turnover is higher than average and, therefore, presents a higher ML/FT risk. (ii) With respect to Partners, determine: <ul style="list-style-type: none"> (1) Whether the Partner is subject to local legal requirements relating to AML/CFT controls; and
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	<ul style="list-style-type: none"> a. If so, consider whether the Partner has adopted and effectively implemented such controls. <ul style="list-style-type: none"> (2) If the Partner is not subject to such AML/CFT requirements, consider whether it has adopted such controls on the basis of its risk assessment or for other reasons. <ul style="list-style-type: none"> a. If applicable, consider whether the Partner has effectively implemented such controls. <p>(d) To assess the ML/FT risk posed by the delivery channels for the LE’s or LOC’s products, each LE or LOC should compile a list of delivery channels associated with each of its products or services.</p> <ul style="list-style-type: none"> (i) For each delivery channel, determine its key features, including, but not limited to: <ul style="list-style-type: none"> (1) The LE’s or LOC’s ability to identify and verify customers/counterparties; (2) The accessibility of the product or service via the delivery channel; and (3) The speed of the delivery channel. <p>(e) In order to assess the ML/FT risk associated with its geographies, each LOC and LE should compile a list of places in which each LOC or LE is located, has a presence, or does business, as well as the location of its customers or counterparties, Partners, and employees. For each jurisdiction, factors, including the following, should be considered:</p> <ul style="list-style-type: none"> (i) The jurisdiction’s laws and regulations relating to AML/CFT and financial supervision. (ii) The effectiveness of the jurisdiction’s legal and institutional AML/CFT framework. (iii) Determine whether the jurisdiction: <ul style="list-style-type: none"> (1) Is the subject of U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) sanctions;
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**ANTI-MONEY LAUNDERING
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	<ul style="list-style-type: none"> (2) Has been identified as supporting international terrorism; (3) Has been identified as a major money laundering jurisdiction; (4) Has been identified as an offshore financial center; (5) Is on the Financial Action Task Force Non-Cooperative Countries and Territories List (currently no countries are listed); and (6) Whether the customer or business is located in an area with frequent drug trafficking or financial crime (<i>e.g.</i>, in the U.S. a “High Intensity Drug Trafficking Area” or “High Intensity Financial Crime Area”). <p>(iv) Any other factors identified by LEs or LOCs based on their knowledge of the legal, institutional, supervisory, and regulatory frameworks of the jurisdictions in which they operate.</p> <p>2. The OC should consider ways to assess its ML/FT risk on a consolidated basis across all of the Company’s activities, business lines, LEs, and geographies.</p> <p>3. An ML/FT risk assessment should be undertaken whenever a new LOC or LE is formed, chartered, or acquired.</p>
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**ANTI-MONEY LAUNDERING
BEST PRACTICE RECOMMENDATIONS**

<p>Objective:</p>	<p>Ensure that AIG and all Covered Entities develop and implement appropriate policies, procedures, and controls to ensure compliance with all applicable U.S. and local legal requirements, regulatory guidance, and international standards.</p>
<p>AML 3 Best Practice Recommendation:</p>	<p>1. Based on the ML/FT risk assessments, the OC should develop and implement an enterprise-wide AML/CFT compliance policy and assist regional and Covered Entity compliance personnel to supplement the enterprise-wide policy to the extent required by local legal requirements. Such policy should address, among other things:</p> <ul style="list-style-type: none"> (a) Appropriate policies, procedures, and controls to address identified risks; (b) Appointment of AML/CFT compliance officers and the structure of the AML/CFT compliance program; (c) Training; (d) Customer/counterparty due diligence; (e) Partner/employee due diligence; (f) Recordkeeping; (g) Procedures for reviewing customer/counterparty, employee, and Partner activities and transactions for unusual or suspicious activities and for potential ML/FT; (h) Reporting of suspicious activities/transactions, and large or unusual currency transactions; (i) Compliance monitoring; and (j) Independent review, audit, or testing.

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Objective:	Ensure that AIG and all Covered Entities conduct sufficient due diligence regarding their customers/counterparties, employees, and Partners.
AML 4 Best Practice Recommendation:	<p>1. In regard to performing due diligence concerning customers/counterparties, employees, and Partners, the AML/CFT compliance policy should include, but not be limited to, consideration of the following factors:</p> <ul style="list-style-type: none"> (a) The kinds of information about customers/counterparties, employees, and Partners that Covered Entities must collect and verify; (b) The circumstances under which customer/counterparties, employees, and Partners should be subject to a higher level of due diligence and the kinds of enhanced due diligence that should be conducted; (c) The assignment of a risk rating to customers/counterparties, employees, and Partners; (d) The circumstances under which the risk rating of a customer/counterparty, employee, or Partner should be revised based on the results of any enhanced due diligence information or any additional or periodic information obtained about the customer/counterparty, employee, or Partner; and (e) The circumstances under which the relationship with a customer/counterparty, employee, or Partner must be terminated because of the results of due diligence or because due diligence procedures could not be completed.

**ANTI-MONEY LAUNDERING
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG and all Covered Entities create and retain all required AML/CFT records in a readily accessible format.
AML 5 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. In regard to recordkeeping requirements, in addition to compliance with AIG’s global records management program, the AML/CFT compliance policy should address various factors, including, but not limited to: <ol style="list-style-type: none"> (a) Each Covered Entity must comply with applicable U.S. and local legal requirements regarding the creation and retention of AML/CFT-related records; (b) The OC must specify what additional information must be retained in connection with the administration of AIG’s enterprise-wide AML/CFT compliance program; and (c) AML/CFT-related records must be maintained in a manner such that they are readily accessible to and reviewable by appropriate AIG personnel.

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BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG and Covered Entities file all appropriate AML/CFT related reports.
AML 6 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. In regard to the filing of AML/CFT-related reports with government agencies, the policy should address various factors, including, but not limited to: <ol style="list-style-type: none"> (a) The circumstances under which AML/CFT related reports should be filed, including voluntary filings; (b) Guidelines regarding when Covered Entities are not required to file AML/CFT reports; and (c) Guidelines for escalating and documenting decisions whether or not to file a AML/CFT related report for unusual or suspicious activities.

**ANTI-MONEY LAUNDERING
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG and its Covered Entities monitor their adherence to the internal AML and CFT controls that they have adopted as a part of their compliance plans.
AML 7 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The OC and each Covered Entity must develop contemporaneous monitoring procedures that will, in addition to all other appropriate AML/CFT monitoring procedures, permit each to: <ol style="list-style-type: none"> (a) Review all regulatory examinations, exceptions, and other relevant regulatory reports and materials related to the adequacy of AML/CFT compliance efforts; and (b) Review, to the extent permitted by law, all AML/CFT-related inquiries from law enforcement.

**ANTI-MONEY LAUNDERING
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Objective:	Ensure that AIG conducts testing of the adequacy and effectiveness of its AML/CFT programs at the enterprise and Covered Entity levels.
AML 8 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. AIG should establish a plan to test the adequacy of its enterprise-wide and Covered Entity AML/CFT compliance programs at least once annually, if required by applicable law, or at other intervals depending on the results of the Covered Entity's risk assessment. At a minimum and subject to local legal requirements, the plan should: <ol style="list-style-type: none"> (a) Require the testing of, among other things: <ol style="list-style-type: none"> (i) Customer/client transactions; (ii) Unusual/suspicious activity monitoring performed by AIG on an enterprise-wide basis and by the Covered Entities; and (iii) Compliance with AIG and Covered Entity policies and procedures. (b) Ensure that, to the extent required by U.S. or local legal requirements, no testing of AML/CFT compliance is performed by individuals who are involved in the AML/CFT compliance function. 2. AIG's Board of Directors or an appropriate committee of the Board of Directors should ensure that whomever conducts AIG's annual audit of its AML programs has sufficient training and resources to conduct testing of AIG's enterprise-wide and Covered Entity AML/CFT programs and is, to the extent required, independent.

**ANTITRUST
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG identifies and complies with all applicable U.S. and local antitrust and competition laws and regulations.
AT 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The OC should hire corporate antitrust counsel who has specific experience with antitrust issues in the insurance industry. 2. Based on the results of the antitrust component of the global risk assessment, the OC and corporate antitrust counsel should determine the regions and/or LOCs which require antitrust legal expertise. <ol style="list-style-type: none"> (a) The OC may obtain such antitrust legal expertise by hiring additional in-house counsel or by retaining outside counsel. (b) Among other things, local antitrust counsel will be responsible for identifying applicable antitrust and competition legal requirements for that jurisdiction.

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Objective:	Ensure that AIG conducts an annual comprehensive risk assessment that identifies each LOC's antitrust risks.
AT 2 Best Practice Recommendation:	<p>1. In conducting the antitrust portion of the risk assessment, various factors, including, but not limited to, the following, should be considered:</p> <ul style="list-style-type: none"> (a) Horizontal Activity: <ul style="list-style-type: none"> (i) Determine whether employees, brokers, or agents communicate in any way with competitors, including employees, brokers, or agents of competitors, regarding competitively sensitive topics pertaining to AIG's: <ul style="list-style-type: none"> (1) Prices or rates; (2) Geographic or customer market allocations; (3) Bids or intentions to bid; (4) Sales practices or coordination of sales; (5) Group boycotts or concerted refusals to deal with suppliers, distributors (including agents or brokers) or others; or (6) Any other topics which are competitively sensitive to AIG or its competitors. (ii) Determine where and in what context such conversations occur. For example: <ul style="list-style-type: none"> (1) Ad hoc or social meetings; (2) Trade association activities; and (3) Rate setting activities. (b) Vertical Activity: <ul style="list-style-type: none"> (i) Determine whether there are exclusive dealing arrangements with suppliers, distributors, brokers, and agents. (c) Unilateral Activity: <ul style="list-style-type: none"> (i) Identify relevant product and geographic markets: <ul style="list-style-type: none"> (1) Identify competitors in those markets; (2) Determine market share in relevant product and geographic markets; and

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	<ul style="list-style-type: none">(3) Determine in which product markets, the entity has market power (in the U.S., normally more than 40% market share).(ii) If the LOC has market power under the laws of the relevant jurisdiction, then determine whether there is evidence of:<ul style="list-style-type: none">(1) Pricing below incremental costs;(2) Termination of or refusal to deal with a supplier, distributor, broker, or agent where the ability of the supplier, distributor, broker, or agent to compete could be significantly impaired;(3) Tying arrangements with any customers, distributors, suppliers, or agents; or(4) Other improper use of market power designed to raise prices, put a competitor out of business, or significantly reduce the competitor's viability in that market, with a substantial likelihood that such goal could be achieved.(d) Mergers/Acquisitions/Joint Ventures:<ul style="list-style-type: none">(i) Identify relevant product and geographic markets;(ii) Identify competitors in those markets; and(iii) Determine whether AIG is intending any mergers or combinations in that market.
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Objective	Develop policies and controls to ensure compliance with all applicable U.S. and local antitrust and competition laws and regulations.
AT 3 Best Practice Recommendation	<ol style="list-style-type: none"> 1. In designing compliance controls in the antitrust area, the policies and procedures should include, but not be limited to: <ol style="list-style-type: none"> (a) Basic principles of applicable competition and antitrust laws and AIG’s requirement for compliance with those laws, including specific examples of permissible and impermissible conduct. At a minimum, the policy should cover: <ol style="list-style-type: none"> (i) Relationships with competitors; (ii) Relationships with suppliers, distributors, agents, and brokers; (iii) Unilateral conduct, including unfair competition; and (iv) Merger activity. (b) Impact of any U.S., state, or other local antitrust laws and regulations on the “business of insurance” (such as the McCarran-Ferguson exemption in the U.S.), with specific examples of permissible and impermissible conduct. (c) A framework for consultation with OC, regional, and/or LOC antitrust counsel prior to activities related to the above-mentioned topics.

**ANTITRUST
BEST PRACTICE RECOMMENDATIONS**

Objective:	Establish a framework for ensuring that AIG does not engage in improper activity with competitors.
AT 4 Best Practice Recommendation:	<p>1. The OC should establish guidelines concerning interaction with competitors in accordance with applicable antitrust or competition legal requirements. Such guidelines should address, but not be limited to:</p> <ul style="list-style-type: none"> (a) Specifying when AIG personnel must consult with, and obtain approval from, LOC, regional, and/or OC antitrust counsel prior to interactions with competitors involving rate setting, joint ventures, joint underwriting, or other business activities. (b) Setting out specific examples of prohibited conduct with competitors, including, but not limited to: <ul style="list-style-type: none"> (i) Price discussions (outside of permissible joint rate-setting activities); (ii) Geographic or customer market allocations; (iii) Group boycotts; (iv) Discussion of bids or intentions to bid; (v) Discussion of sales practices; and (vi) Coordination of sales (bid rigging). (c) Establishing guidelines for the sharing of competitive information where such sharing is permissible under local law. Guidelines should address, but not be limited to, the following: <ul style="list-style-type: none"> (i) Participation in rate-setting entities; (ii) Price and other competitive information surveys; (iii) The proper context in which to share such information; and (iv) The circumstances under which such information may not be shared, directly or indirectly, with competitors. (d) Establishing guidelines for participation in trade association activities in accordance with applicable antitrust or competition legal requirements, including, but not limited to, specific instructions regarding: <ul style="list-style-type: none"> (i) Membership in trade associations and any additional

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	<p>requirements or approvals for those holding officer positions in trade associations;</p> <ul style="list-style-type: none"><li data-bbox="662 432 1425 499">(ii) Participation in trade association meetings, lobbying efforts, and other activities; and<li data-bbox="662 520 1425 621">(iii) Appropriate responses to inappropriate or illegal activity or discussions that may arise during trade association activities.
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Objective:	Establish guidelines for ensuring that AIG does not engage in anticompetitive activity with suppliers, distributors, agents, and brokers.
AT 5 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The OC should establish guidelines concerning how AIG personnel must interact with suppliers, distributors, agents, and brokers, including, but not limited to, a discussion of: <ol style="list-style-type: none"> (a) How AIG personnel should initiate and terminate relationships with suppliers, distributors, agents, and brokers; and (b) The use of exclusive dealing arrangements with agents, based on applicable laws and regulations.

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Objective:	Establish guidelines for ensuring that AIG does not engage in illegal monopolistic or unfair competitive behavior.
AT 6 Best Practice Recommendation:	1. The OC should develop guidelines concerning permissible market behavior. Such guidelines should provide concrete examples of conduct which may be inappropriate under specific circumstances, including, but not limited to: <ul style="list-style-type: none">(a) Refusals to deal;(b) Predatory pricing;(c) Improper use of market power;(d) Tying arrangements; and(e) Other potentially monopolistic behavior.

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Objective:	Establish guidelines to ensure that mergers, acquisitions, and joint ventures are subject to legal review and approval that ensures AIG's compliance with all applicable U.S. and local antitrust and competition laws and regulations.
AT 7 Best Practice Recommendation:	<ol style="list-style-type: none">1. The OC should establish guidelines to ensure that mergers, acquisitions, and joint ventures are reviewed by appropriate regional and OC antitrust counsel. Such review should:<ol style="list-style-type: none">(a) Analyze the impact of a proposed merger, acquisition, or joint venture on:<ol style="list-style-type: none">(i) Relevant product market;(ii) Relevant geographic market;(iii) Other firms in the industry; and(iv) Market share.(b) Ensure compliance with applicable laws and regulations regarding pre-merger notification and regulatory approval of mergers and acquisitions.(c) Ensure compliance with regulations of local departments of insurance regarding mergers and other combinations of insurance companies.

**BANKING AND CONSUMER FINANCE
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG identifies and complies with all applicable U.S. and local laws and regulations governing the business of banking and the provision of consumer finance products and services.
BCF 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The OC should identify all LOCs and LEs that engage in the business of banking or the provision of consumer finance products or services or that are regulated as a bank or other financial institution (“Financial Institution”). 2. For each Financial Institution, the OC should determine the applicable regulatory authorities. To determine the applicable regulatory authorities, the OC should consider, among other things: <ol style="list-style-type: none"> (a) The physical location of Financial Institution offices; (b) Where products and services offered by the Financial Institution are delivered and/or marketed (<i>e.g.</i>, consider the use of the Internet for product marketing, applications, or delivery); and (c) The types of products and services offered.

BANKING AND CONSUMER FINANCE
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG identifies and complies with all applicable U.S. and local laws and regulations governing the business of banking and the provision of consumer finance products and services.
BCF 2 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. A Financial Institution should determine all the legal and regulatory requirements to which the Financial Institution is subject, based on the consideration of relevant factors, including, but not limited to: <ol style="list-style-type: none"> (a) The products and services it offers or markets; (b) The customers to whom it markets or offers its products and services (<i>e.g.</i>, to consumers or businesses); and (c) Its type of charter or type of business (<i>e.g.</i>, a bank, a consumer credit lender, a commercial lender, a money transmitter). 2. In determining the legal requirements governing its operations, each Financial Institution should determine whether it is subject to any of the following laws or types of laws: <ol style="list-style-type: none"> (a) Laws and regulations relating to the disclosure of terms of consumer credit, such as the Truth in Lending Act, Regulation Z^{1/} and local consumer credit laws, including limitations and special disclosures required for subprime or high interest rate lending; (b) Laws and regulations relating to the limitation of interest and fees or terms of loans and/or consumer leasing transactions, such as the Servicemembers Civil Relief Act, usury laws, or local consumer credit laws; (c) Laws, regulations, and regulatory interpretations relating to the disclosure of terms of deposit accounts, such as the Truth in Savings Act, Regulation DD, and Regulation CC, and limitations of fees that may be charged on such accounts (such as returned check charges), and the operation of overdraft protection programs; (d) Laws, regulations, and regulatory policies relating to disclosures or sales practices for other products or services offered by the Financial Institution, such as the Interagency Guidance on Nondeposit Investment Products Sales Practices and the Interagency Insurance Sales Regulation, and any limitations or rules relating to the sale of credit insurance;

^{1/} All references to specific Regulations refer to regulations of the Federal Reserve Board, except as otherwise noted.

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	<ul style="list-style-type: none"> (e) Laws and regulations relating to electronic funds transfers, such as the Electronic Funds Transfer Act, Regulation E, and rules of clearing house associations; (f) Laws and interpretations relating to unfair and deceptive acts and practices, such as the Federal Trade Commission Act, Regulation AA, and similar local laws; (g) The Bank Secrecy Act, AML/CFT laws or regulations, and laws limiting transactions with specially designated nationals and blocked persons; (h) The Gramm Leach Bliley Act, the Privacy Rule, and Safeguards Rule, the Right to Financial Privacy Act, and other local legal requirements relating to the protection of private financial information; (i) Laws and regulations limiting the use of medical information, such as the Health Insurance Portability and Accountability Act, Regulation FF, and the Fair Credit Reporting Act; (j) Laws and regulations relating to credit reports and use of credit report information, such as the Fair Credit Reporting Act; (k) Fair lending laws and regulations, such as the Equal Credit Opportunity Act, Regulation B, and the Fair Housing Act; (l) Laws and regulations regarding business licensure or registration, such as consumer finance company regulation or insurance premium finance company regulation; (m) Laws and regulations requiring display of signage in lobbies, such as the Federal Deposit Insurance Corporation’s (“FDIC”) rules relating to display of the FDIC sign, the Equal Housing poster, funds availability notices under Regulation CC, local requirements for signage depending on the category of business of the Financial Institution, such as for licensed consumer lenders, and U.S. and local employment law signage; (n) Laws and regulations relating to real estate lending, such as the Flood Disaster Protection Act, regulations and regulatory policy relating to the adequacy of appraisals, and laws and regulations relating to residential real estate lending, such as the Fair Housing Act, the Home Mortgage Disclosure Act, and the Real Estate Settlement Procedures Act;
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**BANKING AND CONSUMER FINANCE
BEST PRACTICE RECOMMENDATIONS**

	<ul style="list-style-type: none"> (o) Laws and regulations limiting transactions with affiliates, such as Sections 23A and 23B of the Federal Reserve Act and Regulation W, and with insiders, such as Regulation O; (p) Laws and regulations relating to reserve requirements, such as Regulation D and capital requirements; (q) Laws and regulations that require Financial Institutions to offer certain products or to target particular markets, such as the Community Reinvestment Act; (r) Laws and regulations relating to loans for the purpose of purchasing or carrying margin stock, such as Regulation U; (s) Laws and regulations relating to collection of debts, such as the Fair Debt Collection Practices Act and the Servicemembers Civil Relief Act; (t) Laws and regulations relating to advertisements and marketing material, such as required disclosure of “Member FDIC” and “Fair Housing Lender” disclosures, fair lending considerations, Truth in Lending Act (Regulation Z), and Truth in Savings Act (Regulation DD) advertisement requirements; (u) Laws and regulations relating to the powers of the Financial Institution, such as the power to engage in certain activities, or limitations on investments, or the ability to operate in a foreign country; and (v) Any other applicable laws.
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BANKING AND CONSUMER FINANCE
BEST PRACTICE RECOMMENDATIONS

Objective	Ensure that AIG conducts an annual comprehensive risk assessment that identifies the compliance risks of each of its Financial Institutions.
BCF 3 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. In the conducting the Financial Institution segment of the global risk assessment, each Financial Institution should consider various factors, including, but not limited to: <ol style="list-style-type: none"> (a) An analysis of every product and service offered by the Financial Institution in every applicable jurisdiction, including: <ol style="list-style-type: none"> (i) The terms of the product or service and how it is regulated in each applicable jurisdiction; (ii) What kind of customers are the target market (<i>e.g.</i>, consumers or commercial customers? Prime or subprime customers?); (iii) How each product or service is marketed or delivered to the customers or potential customers (<i>e.g.</i>, is the marketing controlled centrally or locally? Is it delivered in a controlled environment?); and (iv) How the product was developed and whether there was legal and/or compliance review. (b) The historical performance of the Financial Institution in complying with laws and regulations as evidenced by examination reports, internal audit reports, litigation experience, and internal monitoring of compliance functions. (c) Accuracy and completeness of all disclosures made to customers and potential customers. (d) Adherence to licensing and registration requirements. (e) Timeliness, accuracy, and completeness of all regulatory filings. (f) The maintenance of adequate protection from risk, as required by applicable jurisdictions, such as carrying adequate insurance, maintaining sufficient financial reserves, providing surety bonding, and maintaining sufficient capital. (g) Satisfaction of any legal requirements to offer certain products or to target particular markets. (h) The nature and extent of any business activities with affiliates.

BANKING AND CONSUMER FINANCE
BEST PRACTICE RECOMMENDATIONS

	<ul style="list-style-type: none"> (i) The Financial Institution’s provision of products and services to insiders. (j) Creation and retention of required books and records in a manner that secures them from unauthorized alteration or use and protects them from untimely destruction. (k) Sufficiency of the Financial Institution’s AML/CFT program. (l) Protection of customer information and the sufficiency and timeliness of any required privacy notifications. (m) The extent to which compliance with identified laws and regulations is accomplished systemically (such as through automated document delivery systems or systems that control product terms). (n) Staffing issues, including, but not limited to: <ul style="list-style-type: none"> (i) The Financial Institution’s ability to attract and retain qualified staff to provide products and services in a compliant fashion, which should include consideration of the rate of employee turnover; (ii) The amount of autonomy personnel or agents have in delivering products or providing services; and (iii) Adequacy of training and supervision of employees. (o) Handling of customer complaints, including their receipt, processing, and remediation. (p) The political, regulatory, and litigation climate in which the Financial Institution offers its products and services. (q) Any changes or additions to the products or services offered by the Financial Institution. (r) New markets in which the Financial Institution is offering or intends to offer products and services. (s) Sufficiency of the Financial Institution’s contingency planning and disaster recovery plans. (t) The use of service providers. In evaluating the risks presented by its use of service providers, the Financial Institution should consider, at a minimum, the following: <ul style="list-style-type: none"> (i) Does the service provider or agent provide core functions, such as product or service origination, data processing services or check processing services?
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BANKING AND CONSUMER FINANCE
BEST PRACTICE RECOMMENDATIONS

	<ul style="list-style-type: none"> (ii) Does the service provider have access to confidential information of the Financial Institution or its customers? (iii) If the service provider or agent provides core functions or has access to confidential information, are its employees or agents appropriately trained to deliver the products or services in a manner that complies with all applicable legal requirements? (iv) Is the service provider or agent subject to examination by the Financial Institution’s primary regulator(s) or other regulators? (v) If so, does the Financial Institution have access to such regulatory reviews? (vi) What kind of due diligence does the Financial Institution conduct on its service providers and agents? (vii) Are the service provider’s or agent’s activities subject to audit or review by the Financial Institution, and are there contractual or other remedies available to the Financial Institution if a service provider or agent is not performing as required? (viii) Does the service provider or agent have adequate internal controls relating to the Financial Institution’s products and services or confidential information held by the service provider or agent? (ix) Does the Financial Institution review such internal controls on an ongoing basis, based on the quantified risk of the particular service provider? (x) If a service provider is providing mission critical functionality to the Financial Institution, such as core processing services, is the Financial Institution aware of the service provider’s disaster recovery plans and has the Financial Institution assessed the adequacy of such plans? (xi) Is employee turnover at a service provider higher than average such that maintaining quality control for compliance functions is more difficult?
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**COMPLIANCE WITH THE FOREIGN CORRUPT PRACTICES ACT
AND OTHER APPLICABLE ANTI-CORRUPTION LAWS**

BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG identifies and complies with all applicable U.S. and local anti-corruption laws and regulations.
FCPA 1 Best Practice Recommendation:	<ol style="list-style-type: none"><li data-bbox="467 485 1424 590">1. AIG should designate a subject matter expert in the Foreign Corrupt Practices Act (“FCPA”) and in anti-corruption program compliance who reports directly to AIG’s Chief Compliance Officer.<ol style="list-style-type: none"><li data-bbox="565 604 1424 751">(a) This person will be the subject matter resource for business unit, regional, and LOC personnel in order to facilitate compliance with the FCPA and applicable local anti-corruption laws.

**COMPLIANCE WITH THE FOREIGN CORRUPT PRACTICES ACT
AND OTHER APPLICABLE ANTI-CORRUPTION LAWS**

BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG conducts an annual comprehensive risk assessment that identifies each LOC's FCPA and corruption risk.
FCPA 2 Best Practice Recommendation:	<p>1. In conducting the FCPA and anti-corruption portion of the global risk assessment, the LOCs should assess whether and what type of individual employees, agents, and others acting on behalf of AIG, its business units, and the LOCs interact or may need to interact with covered foreign officials. Examples of such activities include, but are not limited to:</p> <ul style="list-style-type: none"> (a) Seeking and maintaining government or regulatory approvals or licenses; (b) Responding to requests from foreign officials for training of the foreign officials; (c) Entertaining and giving gifts to foreign officials; (d) Making or responding to requests to make individual or corporate contributions to political or charitable organizations; (e) Investing in real estate, particularly if highly regulated in the country at issue; (f) Investing in infrastructure projects; (g) Lobbying government officials; (h) Hiring government officials or relatives of government officials; (i) Resolving tax disputes with government officials; (j) Responding to claims filed by government officials; (k) Dealing with government-owned insurers; (l) Dealing with government-owned clients; (m) Managing third party funds that may be partially government-owned, such as government pension funds; (n) Dealing with state-owned enterprises, including government-owned airlines; and (o) Making or facilitating payments, such as with respect to collection agents who might require police protection.

**COMPLIANCE WITH THE FOREIGN CORRUPT PRACTICES ACT
AND OTHER APPLICABLE ANTI-CORRUPTION LAWS**

BEST PRACTICE RECOMMENDATIONS

Objective:	Develop policies and controls to ensure compliance with the FCPA and other applicable anti-corruption laws.
FCPA 3 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. In designing compliance controls in the FCPA and anti-corruption area, the policies and procedures should include, but not be limited to: <ol style="list-style-type: none"> (a) A description of the offices, personnel, and departments that are responsible for the various aspects of the policy; (b) Definitions of key terms; (c) Descriptions of and references to the FCPA and the anti-corruption statutes of the countries in which AIG does business; (d) Descriptions of the specific types of anti-corruption compliance issues the particular LOCs might face based on the results of the risk assessment applicable to that LOC; (e) Policies pertaining to gifts, travel, or hospitality expenses associated with foreign government officials; and (f) Due diligence obligations and other rules for retaining employees and third parties who may interact with foreign officials, such as those pertaining to level of compensation, key contract terms, certifications, reasonableness of fees, training and audit of their expenses. 2. The guidance should also include sample materials for the LOCs to adopt and modify as appropriate for their local compliance programs such as: <ol style="list-style-type: none"> (a) International anti-corruption compliance certificate forms; (b) Forms for the approval of gifts, travel, or hospitality expenses associated with foreign government officials; (c) Forms for the approval of individual or corporate contributions to political or charitable organizations; (d) Due diligence review questionnaires; (e) Reference check questionnaires; (f) Forms for the approval of agreements with foreign officials; (g) Sample contract provisions for agreements with non-U.S. third parties, or independent contractors; and

**COMPLIANCE WITH THE FOREIGN CORRUPT PRACTICES ACT
AND OTHER APPLICABLE ANTI-CORRUPTION LAWS**

BEST PRACTICE RECOMMENDATIONS

	(h) Sample contract provisions for sale, acquisition, or joint venture agreements.
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EMPLOYMENT

BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG complies with all applicable U.S. and local employment-related laws and regulations, as well as with the Company’s human resources (“HR”) and personnel policies and procedures.
EMP 1 Best Practice Recommendation:	<ol style="list-style-type: none"><li data-bbox="464 480 1417 781">1. AIG should designate an individual to assume responsibility for overseeing LOC compliance with all applicable U.S. and local legal requirements related to employment law as well as compliance with the Company’s HR/personnel policies and procedures.<ol style="list-style-type: none"><li data-bbox="565 642 1417 781">(a) Among other things, the individual responsible for overseeing compliance in this area should help develop guidelines for and oversee the LOC’s conduct of their risk assessments related to employment law compliance.

EMPLOYMENT

BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that each LOC conducts an annual comprehensive risk assessment that identifies the LOC's risks in the area of employment law and HR/personnel practices.
EMP 2 Best Practice Recommendation:	<ol style="list-style-type: none">1. As part of the LOC risk assessment process, areas related to employment law and HR/personnel practices should be considered, including, but not limited to:<ol style="list-style-type: none">(a) Recruitment and hiring processes;(b) Evaluation and performance management;(c) Pay systems, including equal pay issues;(d) Wage and hour considerations;(e) Potential illegal harassment;(f) Potential pattern and practice discrimination;(g) Discipline and termination policies and practices;(h) Layoffs and reduction in force procedures and practices;(i) Employment contracts;(j) Non-compete and non-solicitation agreements; and(k) Local employment law requirements.

EMPLOYMENT

BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG complies with all applicable U.S. and local employment-related laws and regulations, as well as with the Company's HR and personnel policies and procedures.
EMP 3 Best Practice Recommendation:	<ol style="list-style-type: none"><li data-bbox="464 485 1417 730">1. In addition to any other training undertaken in the employment law area, AIG should mandate training on illegal harassment (related to sex, age, religion, race, etc.) and its policy against illegal harassment for both management and non-management employees. AIG's policy against illegal harassment and its training approach should be modified at the LOC level to the extent required by applicable local requirements.<li data-bbox="464 739 1417 814">2. Training should be completed by all employees on a periodic basis and be required of all new hires.

EMPLOYMENT
BEST PRACTICE RECOMMENDATIONS

Objective:	Design and implement an exit interview procedure to help ensure compliance with all applicable U.S. and local employment laws and regulations and AIG HR and personnel policies and procedures.
EMP 4 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. Formulate a standard format for exit interviews of departing employees that provides departing employees with the opportunity to relate any AIG compliance issues of which they have knowledge. The process should also solicit the reason for departure, to the extent it is not already known. 2. The exit interview process should provide an opportunity for departing employees to disclose: <ol style="list-style-type: none"> (a) The reason for leaving; (b) Any issues relating to legal compliance that they observed while employed; (c) Any violation of AIG’s Code of Conduct or other policies of which they have knowledge; and (d) Any suggestions that they may have relating to the employment environment. 3. The exit interview may be solicited as an in-person meeting or an opportunity to submit the information in writing. 4. The exit interview process must include a protocol for transmitting all compliance related information to the appropriate individual within the compliance function at AIG for evaluation and determination of whether the information warrants any further action, including, but not limited to, follow up investigation, modifications to AIG’s compliance controls, and modification to AIG’s compliance training.

**INSURANCE AND REINSURANCE REGULATORY COMPLIANCE
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure AIG’s compliance with all applicable U.S. and local insurance and reinsurance laws, regulations, and regulatory opinions (collectively, “Regulations”).
IR 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The OC should oversee and track LOC compliance with insurance and reinsurance Regulations, including, but not limited to: <ol style="list-style-type: none"> (a) Submission of regulatory reports in an accurate and timely manner; (b) Making and amending filings with regulators; (c) Adhering to licensing requirements; (d) Responding to market conduct examinations, regulator inquiries, and other interactions with industry regulators; (e) Handling consumer complaints, including their receipt, processing, and remediation; and (f) Managing coverage disputes. 2. The LOCs should monitor AIG affiliates and third parties for whom they are responsible (<i>e.g.</i>, agents, third party administrators) to ensure that such individuals and entities are compliant with all applicable insurance and reinsurance Regulations.

**INSURANCE AND REINSURANCE REGULATORY COMPLIANCE
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG conducts an annual comprehensive risk assessment that identifies each LOC's insurance and reinsurance compliance risk.
IR 2 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. In conducting the insurance and reinsurance portion of the risk assessment, areas that should be addressed include, but are not limited to: <ol style="list-style-type: none"> (a) Reporting to regulators, including the accuracy and completeness of reports. (b) Producer compensation, such as issues involving bid-rigging and contingent commissions. (c) Handling the funds of customers and third parties. (d) Affiliate and third-party compliance for which AIG is responsible, including: <ol style="list-style-type: none"> (i) Licensing and registration; (ii) Solvency and financial reporting; (iii) Recordkeeping; (iv) Privacy protection procedures; and (v) The use of advertising materials. (e) Cancelling, declining to renew, limiting, or declining insurance coverage, including any required notices or forms. (f) Claims handling procedures, including: <ol style="list-style-type: none"> (i) Proper investigation of claims; (ii) Appropriate, effective, and consistent treatment of claims; (iii) Responsiveness to policyholder inquiries and complaints; (iv) Identification of conflicts of interest between the insured and insurer; and (v) Claims reporting procedures. (g) Issues identified by market conduct examinations. (h) Marketing and sales practices, including: <ol style="list-style-type: none"> (i) Representations made to current and potential customers and to third parties (<i>e.g.</i> brokers and agents);

**INSURANCE AND REINSURANCE REGULATORY COMPLIANCE
BEST PRACTICE RECOMMENDATIONS**

	<ul style="list-style-type: none">(ii) Inducements offered to prospective purchasers;(iii) The proper use of credit scoring in evaluating insurance applications and pricing;(iv) Potential discriminatory practices; and(v) Obtaining appropriate regulatory approvals for products. <ul style="list-style-type: none">(i) Entering or withdrawing from markets.(j) The introduction of new products into existing markets.
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**INSURANCE AND REINSURANCE REGULATORY COMPLIANCE
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG develops and implements appropriate policies, procedures, and controls to comply with insurance and reinsurance Regulations.
IR 3 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. AIG should establish a database for each admitted and surplus lines company that underwrites business for the Company. <ol style="list-style-type: none"> (a) For each admitted and surplus lines company, the database should permit the tracking of all policies that have been issued by that company.

**INTERNATIONAL TRADE REGULATORY COMPLIANCE
(OFAC, EXPORT CONTROL, AND ANTIBOYCOTT REGULATIONS)
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG identifies and complies with all applicable U.S. and local trade regulatory laws and regulations.
TR 1: Best Practice Recommendation:	<ol style="list-style-type: none"> 1. AIG should designate a subject matter expert with expertise in international trade regulatory compliance issues. <ol style="list-style-type: none"> (a) For these purposes, “international trade regulation,” means: <ol style="list-style-type: none"> (i) The regulations and orders administered by OFAC; (ii) U.S. export control regulations; and (iii) U.S. antiboycott regulations.

**INTERNATIONAL TRADE REGULATORY COMPLIANCE
(OFAC, EXPORT CONTROL, AND ANTIBOYCOTT REGULATIONS)**

BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG conducts an annual comprehensive risk assessment that identifies each LOC’s trade regulatory risks.
TR 2: Best Practice Recommendation:	<ol style="list-style-type: none"> 1. In conducting the trade regulatory portion of the risk assessment, factors, including, but not limited to, the following should be considered: <ol style="list-style-type: none"> (a) Direct or indirect transactions or dealings involving countries subject to economic sanctions or persons or companies in or acting on behalf of such countries; (b) Direct or indirect transactions or dealings involving U.S. and other applicable sanctioned persons and companies, specifically those identified on the Specially Designated Nationals (“SDN”) List; (c) Involvement with the export or reexport of controlled goods, technology, or software to any country; and (d) Dealings involving Israel or countries that the U.S. Treasury Department identifies annually as potentially requiring participation in, or cooperation with, an international boycott. 2. The risk assessment with respect to transactions potentially subject to the orders and regulations administered by OFAC should be structured in a manner consistent with OFAC’s published “Risk Matrices.”

**INTERNATIONAL TRADE REGULATORY COMPLIANCE
(OFAC, EXPORT CONTROL, AND ANTIBOYCOTT REGULATIONS)**

BEST PRACTICE RECOMMENDATIONS

Objective:	Develop policies and controls to ensure compliance with all applicable U.S. and local trade regulatory laws and regulations.
TR 3: Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The Policy should include, but not be limited to: <ol style="list-style-type: none"> (a) A description of the offices, personnel, and departments that are responsible for the various aspects of the policy. (b) Definitions of key terms. (c) A basic explanation of the prohibitions in U.S. law and AIG’s policy regarding: <ol style="list-style-type: none"> (i) Engaging in transactions with countries and individuals subject to economic sanctions; (ii) Exporting controlled goods, technology, or software without U.S. government authorizations; and (iii) Complying with, furthering, or supporting an unsanctioned boycott, such as by responding to requests for information, agreeing to cooperate with the boycott, or implementing contracts with boycott conditions. (d) A tailored, supplemental description, reviewed by the subject matter expert, of the specific types of international trade compliance issues the particular LOCs face or may face based on the results of the risk assessment applicable to that LOC. 2. The policy and guidance regarding U.S. sanctions rules should include, but not be limited to: <ol style="list-style-type: none"> (a) Instructions for when and how to freeze affected transactions when there is a determination that an AIG business unit or LOC has or may have engaged in a prohibited transaction involving a sanctioned country, entity, or individual. (b) Descriptions of how each LOC should create appropriate, risk-based procedures to screen third parties and their addresses against the SDN list under various circumstances relevant to that LOC such as: <ol style="list-style-type: none"> (i) Before entering into any contract or otherwise completing a transaction with a third party;

**INTERNATIONAL TRADE REGULATORY COMPLIANCE
(OFAC, EXPORT CONTROL, AND ANTIBOYCOTT REGULATIONS)**

BEST PRACTICE RECOMMENDATIONS

	<ul style="list-style-type: none"> (ii) When the lists, applicable regulations, or underlying data change; and (iii) Before making a payment to payees. <ul style="list-style-type: none"> (c) A requirement that the AIG subject matter expert regularly review and provide advice to the LOCs about the application of available and acceptable screening software and systems. (d) A requirement that the LOCs seek and receive approval from the subject matter expert regarding their screening methods, software tools, and any plans to outsource screening. (e) A process for resolving “false hits” or other ambiguities involving the screening efforts. <p>3. The policy and guidance regarding U.S. antiboycott regulations should, among other things, include a clear description of the applicable reporting and recordkeeping obligations of both the U.S. Department of Commerce and the U.S. Internal Revenue Service.</p>
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**POLITICAL CONTRIBUTIONS, GOVERNMENT RELATIONS,
AND LOBBYING ACTIVITIES**

BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG identifies and complies with all applicable U.S. and local laws and regulations governing its political contributions, government relations, and lobbying activities.
PCLA 1 Best Practice Recommendation:	<ol style="list-style-type: none"><li data-bbox="464 516 1417 657">1. The OC should designate an individual to assume responsibility for overseeing AIG's compliance with the applicable U.S. and local legal requirements governing the Company's political contributions, government relations, and lobbying activities in the U.S. and abroad.<ol style="list-style-type: none"><li data-bbox="561 674 1417 779">(a) The OC's designee should coordinate with the OC's subject matter expert in FCPA and anti-corruption program compliance.

**POLITICAL CONTRIBUTIONS, GOVERNMENT RELATIONS,
AND LOBBYING ACTIVITIES**

BEST PRACTICE RECOMMENDATIONS

<p>Objective:</p>	<p>Ensure that the Company conducts an annual risk assessment that identifies the risks associated with political contributions, government relations, and lobbying activities of AIG corporate, its business units, and LOCs (“AIG”).</p>
<p>PCLA 2 Best Practice Recommendation:</p>	<p>1. In conducting the portion of the risk assessment concerning AIG’s political contributions, government relations, and lobbying activities, areas that should be addressed include, but are not limited to:</p> <ul style="list-style-type: none"> (a) Contributions to political candidates and parties: <ul style="list-style-type: none"> (i) Does AIG or its personnel make contributions to political candidates or parties? If so: <ul style="list-style-type: none"> (1) Under what circumstances? (2) In what amounts? (3) Does AIG encourage or keep track of such contributions by employees? (ii) Have political candidates or parties used any AIG resources, such as meeting rooms, catering facilities, office supplies, secretarial support, or corporate planes? If so: <ul style="list-style-type: none"> (1) Under what circumstances? (2) How frequently? (iii) Do AIG personnel solicit funds for political candidates or parties? If so: <ul style="list-style-type: none"> (1) On AIG premises? (2) Using AIG’s resources? (3) Does AIG encourage or keep track of such contributions by employees? (iv) What disclosures are AIG and its personnel required to make regarding any of the activities listed above? (b) Political action committees (“PACs”): <ul style="list-style-type: none"> (i) Does AIG have PACs? If so: <ul style="list-style-type: none"> (1) How many PACs does AIG have and where do they operate? (2) How does AIG raise funds for its PACs?

**POLITICAL CONTRIBUTIONS, GOVERNMENT RELATIONS,
AND LOBBYING ACTIVITIES**

BEST PRACTICE RECOMMENDATIONS

	<p>(3) Does AIG solicit employees to make contributions to its PACs?</p> <p>(4) If there is more than one AIG PAC, do such PACs make contributions to one another?</p> <p>(5) How are decisions made about whom the recipients of PAC funds will be?</p> <p>(6) What disclosures is AIG required to make regarding its PACs?</p> <p>(c) Communications about political candidates and parties:</p> <p>(i) Has AIG or its personnel advocated in favor of the election or defeat of a political candidate or party? If so:</p> <p>(1) When did the communication take place?</p> <p>(2) What media was used?</p> <p>a. Radio;</p> <p>b. Television;</p> <p>c. Internet;</p> <p>d. Newspaper; or</p> <p>e. Other.</p> <p>(3) How were such communications funded?</p> <p>(4) What disclosures are AIG and its personnel required to make regarding such communications?</p> <p>(d) Contact with holders of political office:</p> <p>(i) Do AIG personnel have contact with political office holders or members of their staffs? If so, what is the nature and frequency of that contact?</p> <p>(ii) Does AIG or its personnel provide anything of value to political office holders, including, but not limited to:</p> <p>(1) Gifts;</p> <p>(2) Meals;</p>
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**POLITICAL CONTRIBUTIONS, GOVERNMENT RELATIONS,
AND LOBBYING ACTIVITIES**

BEST PRACTICE RECOMMENDATIONS

	<ul style="list-style-type: none"> (3) Entertainment, such as tickets to sporting events, concerts, or the theatre; (4) Payment of travel and lodging expenses; or (5) Continuing education or other opportunities for professional training. <ul style="list-style-type: none"> (iii) Does AIG or its personnel employ the relatives of political office holders or members of their staffs? (iv) Does AIG or its personnel make contributions to charities or other organizations supported by political office holders or members of their staffs? (v) What disclosures are AIG or its personnel required to make regarding the activities listed above? <p>(e) Lobbying Activities:</p> <ul style="list-style-type: none"> (i) Does AIG conduct any lobbying activities? If so: <ul style="list-style-type: none"> (1) What is the nature and frequency of those activities? (2) How much is spent on lobbying activities? (ii) Does AIG: <ul style="list-style-type: none"> (1) Have any in-house lobbyists? (2) Retain outside lobbyists? (iii) Is AIG required to report its lobbying activities and/or its use of lobbyists to any branch of government or government agency? (iv) What kinds of contacts do outside lobbyists or their agents have with political office holders or members of their staffs? (v) Do outside lobbyists or their agents provide anything of value to political office holders or members of their staffs? (vi) Do outside lobbyists or their agents employ the relatives of political office holders or members of their staffs?
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**POLITICAL CONTRIBUTIONS, GOVERNMENT RELATIONS,
AND LOBBYING ACTIVITIES**

BEST PRACTICE RECOMMENDATIONS

	<p>(vii) Do outside lobbyists or their agents make contributions to charities or other organizations supported by political office holders or members of their staffs?</p> <p>(viii) What disclosures is AIG required to make regarding its lobbying activities, its use of lobbyists, or the activities of its lobbyists or their agents?</p> <p>(ix) What disclosures are AIG's in-house lobbyists required to make regarding their activities on behalf of AIG?</p>
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PRIVACY AND DATA SECURITY
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure AIG’s compliance with all applicable U.S. and local privacy and data security laws and regulations.
PDS 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The OC should appoint a chief privacy officer (“CPO”) with responsibility for ensuring privacy and data security compliance on a global scale. <ol style="list-style-type: none"> (a) The CPO will be responsible for overseeing a third party privacy and data security audit process. (b) The CPO will be responsible for all aspects of compliance related to privacy and data security.

PRIVACY AND DATA SECURITY
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure AIG’s compliance with all applicable U.S. and local privacy and data security laws and regulations.
PDS 2 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The OC should retain a third party consultant to conduct a privacy and data security audit that includes, but is not limited to, the following: <ol style="list-style-type: none"> (a) Perform data mapping analysis of Personally Identifiable Information (“PII”): <ol style="list-style-type: none"> (i) Identify inventory collection points (<i>i.e.</i>, sources of PII); (ii) Identify specific PII that is collected (including information collected passively or without explicit knowledge, <i>e.g.</i>, IP addresses, browser type, usage of cookies, etc.); (iii) Identify the individuals from whom PII is collected; and (iv) Develop detailed information regarding how the PII is being received, utilized, managed, and stored by AIG operations. (b) Inventory data sharing practices: <ol style="list-style-type: none"> (i) Determine what PII is transferred within AIG; (ii) Determine what PII is transferred from AIG to third parties;^{2/} (iii) Determine what PII AIG receives from third parties; and (iv) Determine what PII is transferred across state/national boundaries (<i>i.e.</i>, “cross-border” data flows). (c) Determine whether there is a valid business reason for collecting each type of PII in AIG’s possession and whether and for how long such information should be retained by AIG.

^{2/} As used in this section of the Independent Consultant’s recommendations, “third party” refers to all affiliated or unaffiliated entities.

PRIVACY AND DATA SECURITY
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG conducts an annual comprehensive risk assessment that identifies each LOC's privacy and data security risks.
PDS 3 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. Determine AIG's legal obligations under all applicable U.S. and local laws and regulations, as well as its obligations with regard to cross-border transfers of information, including, but not limited to the following: <ol style="list-style-type: none"> (a) Gramm Leach Bliley Act Privacy and Safeguards Rules; (b) Health Insurance Portability and Accountability Act; (c) Telemarketing and Consumer Fraud and Abuse Prevention Act and Telemarketing Sales Rule; (d) Telephone Consumer Protection Act and regulations; (e) CAN SPAM Act and regulations; (f) Federal Trade Commission Act and other consumer protection laws and rules enforced by the Federal Trade Commission; (g) European Union Data Privacy Directive and member state implementing laws and regulations, U.S. Safe Harbor requirements, Binding Corporate Rules (BCR), model contracts or registrations with data protection authorities; (h) Local jurisdiction privacy and data security laws (<i>e.g.</i>, consumer protection, data breach, online privacy, financial privacy laws, and regulations); (i) ISO standards; (j) PCI auditing requirements; and (k) Industry best practices.

PRIVACY AND DATA SECURITY
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG conducts an annual comprehensive risk assessment that identifies each LOC's privacy and data security risks.
PDS 4 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. In conducting the privacy and data security portion of the risk assessment, factors, including, but not limited to, the following should be considered: <ol style="list-style-type: none"> (a) Identify the types of PII collected from customers, employees, and other sources, and determine whether each type of information is necessary to the operation of the business. (b) Determine the collection method for each type of PII (including any passive collection techniques). (c) Identify the primary, secondary, and other uses of each type of PII. (d) Determine whether PII is transferred to any third party. (e) Indicate the purpose (<i>e.g.</i>, marketing, processing) of any transfer of PII to any third party. (f) Determine whether PII is transferred cross-border. (g) Subject to applicable law, determine if data subjects are informed of each use of the information and whether they have consented to same. (h) Determine the retention period for PII. (i) Determine whether the PII is retained longer than is reasonably necessary to carry out business uses of the information. (j) Identify all publicly available (external) privacy/information handling policies, and determine whether such policies: <ol style="list-style-type: none"> (i) Accurately describe the relevant entity's information collection methods (including passive collection methods), information sharing and use activities, data retention, and security practices; and (ii) Are properly aligned with all relevant internal policies and practices regarding collection, use, and distribution of PII. (k) Determine which employees have access to PII and the purpose of such access.

PRIVACY AND DATA SECURITY
BEST PRACTICE RECOMMENDATIONS

	<ul style="list-style-type: none"><li data-bbox="565 323 1425 394">(l) Identify all technical and physical security measures in place to protect PII.<li data-bbox="565 415 1425 487">(m) Identify all potential security threats and vulnerabilities to PII.
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PRIVACY AND DATA SECURITY
BEST PRACTICE RECOMMENDATIONS

Objective:	Develop policies and controls to ensure compliance with all applicable U.S. and local privacy and data security laws and regulations.
PDS 5 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. In designing compliance controls in the privacy and data security area, the policies and procedures should include, but not be limited to: <ol style="list-style-type: none"> (a) The collection, use and transfer (either to third parties or cross-border) of PII. (b) Measures to ensure the security of PII. (c) Employee training related to privacy and data security. (d) Practices to ensure compliance with both internal and external privacy and data security policies. (e) Practices to ensure training of third party vendors, independent agents, and brokers regarding their privacy and data security obligations. (f) Incident response programs, including: <ol style="list-style-type: none"> (1) data breach response measures, and (2) policies for dealing with lost or stolen laptops, back-up tapes, hacking incidents, and other incidents that might compromise customer or employee information. (g) Measures addressing employee Internet usage and personal email. (h) Use of Social Security number or other national identification numbers. (i) Use of PII to conduct telephone, fax, or email marketing and any restrictions related to such marketing. (j) For all transfers of PII, indicate whether and how AIG: <ol style="list-style-type: none"> (i) Monitors the location of its data centers and servers to ensure compliance with cross-border information transfer restrictions; (ii) Has in place necessary model contracts, consents, BCRs, U.S. Safe Harbor requirements, notifications, and registration with local data protection authorities to legally transfer information cross-border; (iii) Conducts due diligence of third parties who receive PII; and

**PRIVACY AND DATA SECURITY
BEST PRACTICE RECOMMENDATIONS**

	<ul style="list-style-type: none"> (iv) Enters into contractual arrangements with such third parties, and whether the contracts address privacy and data security issues. (k) Determine whether proper retention periods and practices are reflected in relevant document management programs. (l) Determine whether appropriate data security protections, including technical and physical safeguards, are in place to maintain, store, and transfer PII, including: <ul style="list-style-type: none"> (i) Restrictions on access by unauthorized individuals to PII; and (ii) Internal controls over AIG’s information technology infrastructure to minimize vulnerability to data breaches, hacking or other external attacks, including: <ul style="list-style-type: none"> (1) Monitoring of security threats and identification of vulnerabilities; (2) Periodic testing of technological and physical safeguards; and (3) Incident response mechanisms and follow up training to ensure proper implementation.
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**SECURITIES AND COMMODITIES FUTURES LAW
BEST PRACTICE RECOMMENDATIONS**

<p>Objective:</p>	<p>Ensure that AIG identifies and complies with all applicable U.S. and local laws and regulations and self regulatory organization (“SRO”) rules and guidance governing the sale and purchase of securities and commodities futures and the giving of investment advice.</p>
<p>SCFL 1 Best Practice Recommendation:</p>	<ol style="list-style-type: none"> 1. The OC should identify counsel with experience in overseeing compliance programs for U.S. registered broker dealers, investment advisers, investment companies, and futures intermediaries. 2. Based on the results of the securities and commodities futures law component of the global risk assessment, the OC and corporate securities/commodities futures law counsel will determine the regions and LOCs which require legal expertise in securities/commodities futures law. <ol style="list-style-type: none"> (a) Such securities law expertise can be in-house counsel or outside counsel. (b) Among other things, local securities law counsel will be responsible for identifying applicable securities law requirements for that jurisdiction.

SECURITIES AND COMMODITIES FUTURES LAW
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG identifies and complies with all applicable U.S. and local laws and regulations and SRO rules and guidance governing the sale and purchase of securities and commodities futures and the giving of investment advice.
SCFL 2 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The OC should identify all LOCs and LEs that are involved in the business of buying or selling securities or commodities futures or that provide investment advice. 2. For each LOC and LE that engages in the business of buying or selling securities or commodities futures or that provides investment advice, the OC should determine the applicable jurisdictional regulatory authority(ies) and SRO(s) (<i>e.g.</i>, in the case of U.S. broker dealers, Financial Industry Regulatory Authority) that governs the LOC's and LE's securities/commodities futures business.

SECURITIES AND COMMODITIES FUTURES LAW
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG conducts an annual comprehensive risk assessment that identifies the compliance risks of all AIG LOCs and LEs that buy or sell securities or commodities futures or that provide investment advice.
SCFL 3 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The portion of the global risk assessment related to AIG’s broker dealers should include, but not be limited to, a review of: <ol style="list-style-type: none"> (a) Products and services offered by the broker dealer, including any changes in the business activities of the broker dealer; (b) Fiduciary obligations of the broker dealer and its associated persons; (c) Potential conflicts of interest; (d) Fraud risks, including insider trading; (e) Handling of non-public information; (f) The completeness and accuracy of all filings, disclosures, and certifications that the broker dealer is required to make to its regulators, including such financial reporting issues as compliance with net capital and any applicable customer reserve obligations; (g) The completeness and accuracy of communications with the public and the broker dealer’s customers; (h) Protection of customer information and the sufficiency and timeliness of any required privacy notifications; (i) Handling of customer funds and securities; (j) Transactions with customers, including, but not limited to, a review of associated person’s recommendations, and the broker dealer’s best execution obligations; (k) Handling of customer complaints; (l) Commissions, mark-ups, and other charges; (m) Sufficiency of staffing and proper designation of supervisory personnel; (n) Licensing, supervision, and training of the broker dealer’s associated persons; (o) Personal trading by associated persons, as well as the broker dealer’s proprietary trading; (p) Gifts and gratuities provided by third parties to the broker dealer’s associated persons;

SECURITIES AND COMMODITIES FUTURES LAW
BEST PRACTICE RECOMMENDATIONS

	<ul style="list-style-type: none">(q) Sufficiency of the broker dealer’s business continuity and disaster recovery plans;(r) Sufficiency of the broker dealer’s AML/CFT program and training;(s) Creation and retention of required books and records in a manner that secures them from unauthorized alteration or use and protects them from untimely destruction; and(t) Pending litigation and the results of any regulatory examinations or compliance matters.
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SECURITIES AND COMMODITIES FUTURES LAW
BEST PRACTICE RECOMMENDATIONS

<p>Objective:</p>	<p>Ensure that AIG conducts an annual comprehensive risk assessment that identifies the compliance risks of all AIG LOCs and LEs that are involved in the business of buying or selling securities or commodities futures or that provide investment advice.</p>
<p>SCFL 4 Best Practice Recommendation:</p>	<ol style="list-style-type: none"> 1. The portion of the global risk assessment related to AIG’s investment advisers should include, but not be limited to, a review of: <ol style="list-style-type: none"> (a) Products and services offered by the investment adviser and its affiliates, including any changes in the business activities of the investment adviser and its affiliates; (b) The investment adviser’s fiduciary obligations and any potential conflicts of interest between the investment adviser and its clients; (c) Accuracy and completeness of filings, disclosures, or certifications that the investment adviser must make to its regulators; (d) Sufficiency of staffing and proper designation of supervisory personnel; (e) Licensing, supervision, and training of the investment adviser’s representatives; (f) Fraud risks, including insider trading; (g) Handling of non-public information; (h) Agreements with third parties that provide services to the investment adviser, such as solicitation activities or custody of client funds or securities; (i) Portfolio management processes, including allocation of investment opportunities among clients, the consistency of portfolios with clients’ investment objectives, disclosures by the adviser, and applicable regulatory restrictions; (j) Trading processes, including procedures by which the investment adviser satisfies its best execution obligations, uses client brokerage to obtain research and other services, and allocates aggregated trades among clients; (k) Proper calculation of performance and other fees; (l) Proprietary trading of the investment adviser and personal trading of its supervised persons;

SECURITIES AND COMMODITIES FUTURES LAW
BEST PRACTICE RECOMMENDATIONS

	<ul style="list-style-type: none">(m) Protection and custody of client assets;(n) Valuation of client holdings and the determination of fee arrangements based on those holdings;(o) Accuracy and completeness of communications with the public, including the marketing of advisory services;(p) Accuracy and completeness of all disclosures to customers, including, but not limited to, disclosures in account statements, marketing materials, advisory contracts, and investment policy statements regarding such matters as fee arrangements, conflicts of interests, performance results, brokerage arrangements, financial and disciplinary information;(q) Handling of customer complaints;(r) Protection of client information and the sufficiency and timeliness of any required privacy notifications;(s) Creation and retention of required books and records in a manner that secures them from unauthorized alteration or use and protects them from untimely destruction;(t) Sufficiency of the AML/CFT program and training;(u) Sufficiency of business continuity and disaster recovery plans; and(v) Pending litigation and the results of any regulatory examinations or compliance matters that have arisen during the year.
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SECURITIES AND COMMODITIES FUTURES LAW
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure that AIG conducts an annual comprehensive risk assessment that identifies the compliance risks of all AIG LOCs and LEs that are involved in the business of buying or selling securities or commodities futures or that provide investment advice.
SCFL 5 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The portion of the global risk assessment related to AIG’s investment companies should include, but not be limited to, a review of: <ol style="list-style-type: none"> (a) Products and services offered by the investment company, including any changes in the business activities of the investment company and its affiliates; (b) The investment company’s fiduciary obligations and any potential conflicts of interest between the investment company and its clients; (c) Accuracy and completeness of all filings, disclosures, or certifications that the investment company must make to its regulators; (d) Sufficiency of staffing and proper designation of supervisory personnel; (e) Licensing, supervision, and training of the investment company’s personnel; (f) Fraud risks, including insider trading; (g) Handling of non-public information; (h) Agreements with certain service providers (<i>e.g.</i>, investment advisers and transfer agents); (i) The compliance policies and procedures established by these service providers; (j) Accuracy and completeness of communications with the public and customers; (k) Identification of affiliated persons in order to prevent self-dealing; (l) Creation and retention of required books and records in a manner that secures them from unauthorized alteration or use and protects them from untimely destruction;

SECURITIES AND COMMODITIES FUTURES LAW
BEST PRACTICE RECOMMENDATIONS

	<ul style="list-style-type: none">(m) Portfolio management processes, including allocation of investment opportunities among clients, consistency of portfolios with clients' investment objectives, disclosures by the investment company, and applicable regulatory restrictions;(n) Trading processes, including procedures by which the investment company satisfies its best execution obligations, uses client brokerage to obtain research and other services, and allocates aggregated trades among clients;(o) Proprietary trading of the investment company and personal trading of its supervised persons;(p) Protection and custody of client assets and securities;(q) Valuation of client holdings and the determination of fee arrangements based on those holdings;(r) Accuracy and completeness of all disclosures to customers, including, but not limited to disclosures in account statements, advertising, marketing materials, and prospectuses;(s) Handling of customer complaints;(t) Protection of client information and the sufficiency and timeliness of any required privacy notifications;(u) Satisfaction of corporate governance requirements, including any requirements to make reports to the investment company's board of directors;(v) Sufficiency of AML/CFT programs and training;(w) Sufficiency of business continuity and disaster recovery plans; and(x) Pending litigation and the results of any regulatory examinations or compliance matters that have arisen during the year.
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**COMPLIANCE REPORTING SYSTEM
BEST PRACTICE RECOMMENDATIONS**

<p>Objective:</p>	<p>Create a mechanism that enables employees and non-employees to confidentially, and if desired and permitted by local law, anonymously, report concerns regarding (1) compliance issues, (2) accounting, internal accounting controls, and auditing matters, and (3) complex structured finance transactions (“CSFTs”) (collectively, “Compliance Concerns”) to AIG.</p>
<p>CRS 1 Best Practice Recommendation:</p>	<p>1. The OC should develop policies and procedures governing the scope and operation of the Compliance Reporting System (“CRS”). To the extent practicable and legally permissible, AIG’s CRS policies and procedures should apply throughout the Company’s operations worldwide and should:</p> <ul style="list-style-type: none"> (a) Establish procedures for the receipt, retention, evaluation, and investigation of Compliance Concerns received through the CRS; (b) Ensure that such Compliance Concerns may be reported confidentially, and if desired and permitted by local law, anonymously; (c) State that it is AIG’s policy not to permit retaliation against an employee who reports a Compliance Concern (“Whistleblower”) and that AIG personnel who retaliate against Whistleblowers can be subject to discipline up to and including termination; (d) Require the OC to report at least quarterly (1) to the Regulatory, Compliance and Legal Committee of AIG’s Board of Directors regarding all Compliance Concerns received through the CRS and (2) to the Audit Committee of the Board of Directors and the CSFT Committee (“CSFTC”) regarding all reports concerning accounting, internal accounting controls, auditing matters, and CSFTs received through the CRS. All such reports should include the status of any investigations of the Compliance Concern and any resolution of the Compliance Concern; and (e) Require that all Compliance Concerns, investigative materials, and other documentation received or created in connection with the CRS be secured and that access to such information be restricted to appropriate personnel.

**COMPLIANCE REPORTING SYSTEM
BEST PRACTICE RECOMMENDATIONS**

Objective:	Create a mechanism that enables employees and non-employees to confidentially, and if desired and permitted by local law, anonymously, report Compliance Concerns to AIG.
CRS 2 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. To the extent permissible by law, AIG should create a single Compliance Helpline that will receive all employee and non-employee telephone calls related to Compliance Concerns. 2. The Compliance Helpline should be: <ol style="list-style-type: none"> (a) Accessible to both AIG personnel and third parties; (b) Operated by a third-party vendor; (c) Capable of ensuring the confidentiality of callers and, if desired and permitted by local law, their anonymity; (d) Staffed with live operators 24 hours a day, 7 days a week; (e) Available to callers from anywhere in the world, toll-free; (f) Capable of conducting interviews with callers in any language used in the countries in which AIG operates; and (g) Able to assign each report a unique identification number or password that enables callers either to call back later to receive confirmation that the matter is under review or to provide additional information regarding the Compliance Concern to the Compliance Helpline. 3. The OC should ensure that staff of the Compliance Helpline receive training regarding the appropriate methods for collecting information.

**COMPLIANCE REPORTING SYSTEM
BEST PRACTICE RECOMMENDATIONS**

Objective:	Create a mechanism that enables employees and non-employees to confidentially, and if desired and permitted by local law, anonymously, report Compliance Concerns to AIG.
CRS 3 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. AIG should establish a web-based CRS reporting system that permits reporting of Compliance Concerns and, if desired and permissible by local law, to allow such reporting to be anonymous. <ol style="list-style-type: none"> (a) The web form should include a category allowing a person to flag his or her report for immediate attention in cases involving imminent fraud or threats of violence. Additionally, direction to call the Compliance Helpline number should be given, along with appropriate dialing instructions, for urgent matters. 2. In addition to the Compliance Helpline and the web-based reporting mechanism, AIG should establish alternative CRS mechanisms. These may include, but are not limited to the following: <ol style="list-style-type: none"> (a) Email: An email address should be established for the receipt of Compliance Concerns; (b) Mail: A mailing address should be established for the receipt of Compliance Concerns; and (c) FAX: A Fax number should be established for the receipt of Compliance Concerns.

**COMPLIANCE REPORTING SYSTEM
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG personnel are aware of and have ready access to information about the Compliance Helpline and alternative CRS methods.
CRS 4 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. CRS contact information should be easily identifiable and accessible to AIG personnel. 2. The Compliance Helpline telephone number, webpage address, email address, mailing address, and fax number, should be posted on AIG’s Intranet and published in AIG’s employee handbooks, training materials, and newsletters. 3. Specific instructions for calling the Compliance Helpline from locations outside of the United States should be included with the Compliance Helpline number. Employees should not be referred to local management or compliance personnel for guidance on accessing the Compliance Helpline. 4. A link to a webpage containing all CRS contact information should be featured on AIG’s main Intranet page. A link to the same CRS webpage should also be featured on the Corporate Compliance Group’s homepage. <ol style="list-style-type: none"> (a) The CRS webpage should contain the Compliance Helpline number (with dialing instructions), the CRS email address, mailing address, and fax number, as well as a link to the web-based form used to collect CRS reports. (b) The CRS webpage should also include a statement that it is AIG’s policy not to permit retaliation against Whistleblowers and that AIG personnel who retaliate against Whistleblowers can be subject to discipline up to and including termination.

**COMPLIANCE REPORTING SYSTEM
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that the Compliance Helpline is made available to the public for the reporting of Compliance Concerns.
CRS 5 Best Practice Recommendation:	<ol style="list-style-type: none"><li data-bbox="464 443 1417 583">1. The Compliance Helpline number, the CRS email address, mailing address, fax number, and a link to the web-based form used to collect CRS reports should be posted on the homepage of AIG's corporate website.<ol style="list-style-type: none"><li data-bbox="565 604 1417 678">(a) Instructions should be provided for accessing the Compliance Helpline from both within and outside the U.S.

**COMPLIANCE REPORTING SYSTEM
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that all reports received through the CRS are handled appropriately.
CRS 6 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The Deputy Chief Compliance Officer – Investigations or his or her designee should review all reports received through the CRS in the first instance. <ol style="list-style-type: none"> (a) The Deputy Chief Compliance Officer – Investigations should be responsible for determining whether a CRS report requires further investigation and for determining who is best suited to handle the matter.

**COMPLIANCE REPORTING SYSTEM
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that investigations of CRS reports are conducted in an effective and timely fashion.
CRS 7 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The Deputy Chief Compliance Officer – Investigations should supervise all investigations of CRS reports to ensure that investigators are using appropriate practices. <ol style="list-style-type: none"> (a) Investigators should promptly report all material developments in an investigation or its resolution to the Deputy Chief Compliance Officer – Investigations and provide monthly reports regarding the status of all investigations. (b) At the close of an investigation, the investigator should draft a report informing the Deputy Chief Compliance Officer – Investigations of the factual findings of the investigation.

**COMPLIANCE REPORTING SYSTEM
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG personnel receive adequate training regarding the purpose and use of the CRS.
CRS 8 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The CRS policies and procedures should be issued Company-wide. <ol style="list-style-type: none"> (a) AIG personnel should be reminded about CRS policies and procedures at least annually. (b) Upon hire, all employees should receive a copy of the CRS policies and procedures and acknowledge receipt in writing. 2. All compliance training materials should: <ol style="list-style-type: none"> (a) Remind employees about the existence and purpose of the CRS and encourage them to report their Compliance Concerns through the CRS; (b) Explain that reports made through the CRS may be made confidentially, and, if desired and permitted by local law, anonymously; (c) State that it is against AIG policy to permit retaliation against Whistleblowers and that AIG personnel who retaliate against Whistleblowers can be subject to discipline up to and including termination; and (d) Provide CRS contact information, including the telephone number for the Compliance Helpline for the country in which the trainee works, the CRS email address, mailing address, and fax number, as well as a link to the web-based form used to collect CRS reports.

**COMPLIANCE REPORTING SYSTEM
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure that AIG monitors the use and effectiveness of the CRS on a regular basis.
CRS 9 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The OC should periodically evaluate the use and effectiveness of the CRS, including, but not limited to: <ol style="list-style-type: none"> (a) The accessibility of CRS reporting mechanisms; and (b) The effectiveness of the CRS in evaluating and resolving complaints. 2. The OC should work with IAD to develop methods to test the effectiveness of the CRS. 3. AIG's CRS reporting policies and procedures should be reviewed and updated as needed to take into account the Company's experiences with the CRS, the results of all IAD audits, and any pertinent legal or regulatory changes.

DISCLOSURE CONTROLS AND PROCEDURES
BEST PRACTICE RECOMMENDATIONS

<p>Objective:</p>	<p>Maintain disclosure controls and procedures to ensure that information required to be disclosed by AIG in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported, within the time periods specified in applicable rules and forms.</p>
<p>DC 1 Best Practice Recommendation:</p>	<ol style="list-style-type: none"> 1. AIG should adopt written disclosure controls and procedures as defined by Rule 13a-15(e) under the Securities Exchange Act of 1934. These disclosure controls and procedures should cover, at a minimum: <ol style="list-style-type: none"> (a) Methods of identifying and communicating material information to management on a timely basis; (b) Processes for preparing and reviewing current and periodic reports and other potential required disclosures (<i>e.g.</i>, press releases); and (c) Processes for updating the description of Company risks. 2. AIG’s Financial Statement Disclosure Committee should have a written charter that, among other things, charges the Committee with preparing and carrying out these disclosure controls and procedures. 3. The Financial Statement Disclosure Committee should appoint an individual to be responsible for monitoring compliance with the disclosure controls and procedures. 4. Training on these disclosure controls and procedures should be provided periodically to appropriate AIG personnel. Such personnel should include, but not necessarily be limited to, the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) of each LOC, business unit, and AIG corporate, members of AIG’s legal, accounting, and investor relations departments, and members of the Financial Statement Disclosure Committee. 5. A formal process should be established for the regular review and updating of disclosure controls and procedures.

**SARBANES-OXLEY CERTIFICATIONS
BEST PRACTICE RECOMMENDATIONS**

Objective:	Ensure accuracy of certifications by AIG’s President and CEO and CFO pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 (“Certifications”).
SOX 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. AIG should designate a person responsible for the certification process, as set out below. 2. AIG should develop processes and procedures to ensure the accuracy of the Certifications, including, but not limited to: <ol style="list-style-type: none"> (a) Identifying appropriate sub-certifying officers and other employees; (b) Developing appropriate forms of sub-certification; (c) Gathering and reviewing completed sub-certifications; (d) Identifying and addressing issues (including exceptions) and appropriate documentation of this process; and (e) Reporting relevant information, as appropriate, to the CEO, CFO, Comptroller, and Disclosure Committee. 3. AIG should adopt procedures to ensure that all persons involved in the Certification and sub-certification process are informed of relevant processes and procedures. 4. A formal process should be established for the periodic review of all sub-certification exceptions to monitor the effectiveness of the Certification process.

CODES OF CONDUCT
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure compliance with New York Stock Exchange listing standards relating to codes of conduct.
CC 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. AIG has a Code of Business Conduct and Ethics for AIG Directors, Executive Officers and Senior Financial Officers (no date given for adoption). AIG also has a Code of Conduct applicable to all employees (dated November 2004). AIG should adopt revisions to these codes of conduct^{3/} to reflect current best practices, including, but not limited to: <ol style="list-style-type: none"> (a) Providing a formal mission statement tailored to AIG; (b) Discussion of additional policies and procedures relating to areas of specific relevance to AIG, its operations, and its geographic locations; (c) Examples of acceptable and unacceptable conduct related to various standards and policies; and (d) Inclusion of a more detailed section on ethical business conduct. 2. The AIG Code of Business Conduct and Ethics for AIG Directors, Executive Officers and Senior Financial Officers should include a policy on granting personal loans to employees and set forth stock ownership guidelines for management and directors. 3. AIG should designate an individual to be responsible for monitoring compliance with the codes of conduct. 4. AIG should adopt procedures to implement the codes of conduct, including, but not limited to, procedures to: <ol style="list-style-type: none"> (a) Ensure appropriate AIG employees and all AIG directors are informed of the policy; (b) Address requested waivers of the Code of Business Conduct and Ethics; and (c) Ensure violations of the codes of conduct are dealt with promptly and consistently.

^{3/} We understand that AIG commissioned an assessment of its codes of conduct by LRN. We have recently been provided with a copy of LRN's draft report dated April 5, 2007. That draft report also concludes that AIG should make changes to its codes of conduct. We will review these recommendations and AIG's response to those recommendations during the implementation phase of our work.

CODES OF CONDUCT
BEST PRACTICE RECOMMENDATIONS

	<ol style="list-style-type: none"><li data-bbox="467 327 1424 464">5. The codes of conduct should be posted on the AIG intranet in an easily identifiable and accessible manner. Hard copy versions of the codes of conduct should be made available to all employees who do not have access to the AIG intranet.<li data-bbox="467 485 1424 560">6. Training on the policy and related procedures should be provided periodically to all AIG directors and employees.
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RELATED-PARTY TRANSACTIONS APPROVAL POLICY
BEST PRACTICE RECOMMENDATIONS

Objective:	Provide for the review and approval of related-party transactions to ensure compliance with the AIG Code of Business Conduct and Ethics and New York Stock Exchange listing requirements.
RPT 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The AIG Board of Directors has adopted a Related-Party Transactions Approval Policy (dated January 17, 2007) that, with the following additions, reflects best practices in this area: <ol style="list-style-type: none"> (a) The policy should provide guidance concerning the manner in which related-party transactions must be submitted for approval; and (b) The policy should reflect how approved related-party transactions are reported to the Disclosure Committee or otherwise made known to persons responsible for timely disclosure of such transactions. 2. AIG should adopt procedures to implement the policy, including, but not limited to, procedures to ensure that the policy is provided to appropriate AIG employees and all AIG directors and maintained in an easily identifiable and accessible manner. 3. Training on the policy and related procedures should be provided periodically to all directors and appropriate AIG personnel. 4. A formal process should be established for the regular review (at least annually) of all transactions submitted for review and approval to monitor the application of approval criteria and reporting of approved transactions.

INSIDER TRADING POLICY
BEST PRACTICE RECOMMENDATIONS

Objective:	Provide a written policy to ensure compliance by AIG employees and directors with insider trading laws.
ITP 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The AIG Board of Directors has adopted an Insider Trading Policy (dated January 8, 2007). AIG should adopt revisions to the Insider Trading Policy to reflect current best practices, including, but not limited to: <ol style="list-style-type: none"> (a) Inclusion of a statement of purpose of the policy; (b) Designation of one person, identified in the policy, as having responsibility for administering the policy to ensure consistency of interpretation and application; (c) Definition and limitation of any appropriate exceptions that may be granted to the policy; (d) Coordination of the prohibitions of this policy with the permitted transactions under AIG’s equity compensation plans (stock option, 401(k), etc.); (e) Development and inclusion of guidelines to ensure compliance with the provision relating to responsibilities of AIG directors and employees to refrain from trading in the securities of AIG’s customers, business partners, etc., while in possession of material nonpublic information about those parties; (f) Development and inclusion of guidelines related to the consideration and approval of Rule 10b5-1 pre-planned trading programs for directors and employees; and (g) Clarification in the policy that any trading in AIG or another company’s securities when “in possession of material nonpublic information” about those companies is prohibited. 2. AIG should adopt procedures to implement the Insider Trading Policy, including, but not limited to, procedures: <ol style="list-style-type: none"> (a) To identify those persons to whom special restrictions of the policy will apply (currently referred to as “Access Persons”) and to notify such persons of their status under the policy; (b) For the purpose of identifying “special blackout periods” and communicating the existence and then the termination of any such periods to affected persons; (c) For notifying affected persons of dates of closed window periods under the policy; and

INSIDER TRADING POLICY
BEST PRACTICE RECOMMENDATIONS

	<p>(d) For the review and approval of 10b5-1 pre-planned trading programs and publication to affected persons of the requirements for approval of such plans under the policy.</p> <p>3. The Insider Trading Policy should be maintained on the AIG intranet in an easily identifiable and accessible manner.</p> <p>4. AIG should provide appropriate training for all directors and employees regarding the prohibitions on insider trading and the requirements of AIG's Insider Trading Policy. This training should be repeated periodically and provided to all new hires.</p>
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COMPLIANCE WITH REGULATION FD (FAIR DISCLOSURE)
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure AIG compliance with Regulation FD.
FD 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. AIG should adopt a formal disclosure policy for its communications with analysts, brokers, and stockholders and its interaction with the media to ensure compliance with Regulation FD. This policy should address, at a minimum, AIG’s policies and procedures for: <ol style="list-style-type: none"> (a) Dissemination of material information; (b) Handling inquiries from and dealing with analysts, investment banks, institutional investors, brokers, and the media; (c) The conduct of investor and analyst conference calls and participation in conferences where financial and related presentations will be made; and (d) Handling inadvertent selective disclosure. 2. AIG should designate an individual to be responsible for monitoring compliance with the Regulation FD policy. 3. Training on the Regulation FD policy and related procedures should be provided periodically to appropriate AIG personnel.

**COMPLIANCE WITH REGULATION BTR
(BLACKOUT TRADING RESTRICTIONS)
BEST PRACTICE RECOMMENDATION**

Objective:	Ensure AIG compliance with Regulation BTR.
BTR 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. AIG should adopt a formal policy regarding compliance with Regulation BTR. This policy should cover, at a minimum: <ol style="list-style-type: none"> (a) Which AIG directors and officers are covered by the policy; (b) Which AIG individual account plans are covered by the policy; (c) Under what circumstances trading restrictions of Regulation BTR are triggered; (d) The persons responsible for monitoring such circumstances; and (e) Procedures for notifying affected directors and officers of the existence of trading restrictions and receiving confirmation from such persons that notice has been received. 2. AIG should designate an individual to be responsible for monitoring compliance with the Regulation BTR policy. 3. Training on the Regulation BTR policy and related procedures should be provided periodically to appropriate AIG personnel. 4. AIG individual account plans covered by Regulation BTR should be evaluated to determine whether they contain appropriate safeguards that will block prohibited trades during a blackout period.

EXAMINATION OF INTERNAL AUDIT AND COMPLIANCE
BEST PRACTICE RECOMMENDATIONS

<p>Objective:</p>	<p>Ensure that AIG’s Audit Committee and Regulatory, Compliance and Legal Committee, respectively, examine AIG’s internal audit department (“IAD”) and the compliance functions within AIG’s legal department, including compliance with all of the terms and conditions of the Final Judgment.</p>
<p>EIAC 1 Best Practice Recommendation:</p>	<ol style="list-style-type: none"> 1. In accordance with the Audit Committee Charter (amended March 14, 2007), the Audit Committee is responsible for reviewing the organization of AIG’s IAD, the adequacy of its resources, and the competence of its staff. 2. The Audit Committee should establish procedures to carry out this responsibility. Such procedures should include, but not be limited to, regular meetings with the head of AIG’s IAD and periodic independent “quality assurance reviews” of the IAD. 3. In accordance with the Regulatory, Compliance and Legal Committee Charter (amended March 14, 2007), the Regulatory Compliance and Legal Committee is responsible for periodically reviewing management’s implementation of AIG’s compliance program. The Regulatory, Compliance and Legal Committee should also be responsible for reviewing AIG’s compliance with all the terms and conditions of the Final Judgment. 4. The Regulatory, Compliance and Legal Committee should be responsible for reviewing the plan for the establishment of the compliance function within AIG’s legal department, including, but not limited to, the adequacy of resources assigned to such compliance function. The Committee should receive regular reports from management regarding implementation of the various elements of AIG’s compliance program, including compliance with the Final Judgment.

ESTABLISHED COMMITTEES
BEST PRACTICE RECOMMENDATIONS

<p>Objective:</p>	<p>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 Generally Accepted Accounting Principles (“GAAP”).</p>
<p>EC 1 Best Practice Recommendation:</p>	<ol style="list-style-type: none"> 1. Accounting Policy Committee: <ol style="list-style-type: none"> (a) The Accounting Policy Committee should be responsible for resolving accounting and financial reporting issues and serve as the final accounting and financial reporting authority for AIG, with the concurrence of AIG’s CFO. Its purpose and responsibilities should be set out in a written charter. (b) The charter of the Accounting Policy Committee should address, at a minimum: <ol style="list-style-type: none"> (i) The purpose of the Committee; (ii) Committee membership; (iii) Triggers for holding a Committee meeting; (iv) Procedures for resolutions of disputes brought before the Committee; and (v) Procedures to resolve situations where the AIG CFO does not concur with the accounting and financial reporting conclusions reached by the Committee. (c) Meetings and determinations of the Accounting Policy Committee should be documented. Such documentation should be retained and disseminated to LOC CFOs. Documentation should include, but not be limited to: <ol style="list-style-type: none"> (i) The attendees in any meeting(s) at which accounting or financial reporting issues are reviewed; (ii) A description of all issues considered by the Committee; (iii) The determinations made about those issues and the reasons for those determinations; and (iv) Any conditions attached to the approval of an accounting or financial reporting issue.

**ESTABLISHED COMMITTEES
BEST PRACTICE RECOMMENDATIONS**

Objective:	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.
EC 2 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. Derivatives Committee: <ol style="list-style-type: none"> (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. (b) The charter of the Derivatives Committee should address, at a minimum: <ol style="list-style-type: none"> (i) The purpose of the Committee; (ii) Committee membership; (iii) The types of derivative transactions or programs that warrant review by the Committee; and (iv) The procedures to take when bringing a derivative transaction or program to the attention of the Committee. (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.

ESTABLISHED COMMITTEES
BEST PRACTICE RECOMMENDATIONS

Objective:	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.
EC 3 Best Practice Recommendation	<p>1. CSFTC:</p> <p>(a) Pursuant to the Consent dated November 30, 2004, entered into by AIG and the Securities and Exchange Commission in <i>Securities and Exchange Commission v. American International Group, Inc.</i>, No. 1:04CV02070 (D.D.C.) (“November 2004 Consent”), the Company agreed, among other things, to establish a Transaction Review Committee (“TRC”). The Company named this entity the CSFTC. As part of this structure, AIG also established individual TRCs in each of the Company’s significant business units.</p> <p>(b) The purpose of the CSFTC is to review, determine the appropriateness of, and approve any transaction or product that may involve a heightened legal, regulatory, accounting, tax, or reputational risk that is developed, marketed, or proposed by AIG or a third party.</p> <p>(c) Under the November 2004 Consent, the Independent Consultant was to review the policies and procedures of the CSFTC to ensure that they were appropriately designed to accomplish its goals. A report on Independent Consultant’s evaluation of the CSFTC process was issued on July 7, 2006.</p>

CORPORATE GOVERNANCE GUIDELINES
BEST PRACTICE RECOMMENDATIONS

Objective:	Provide for governance of AIG and ensure compliance with New York Stock Exchange listing requirements relating to Corporate Governance Guidelines.
CGG 1 Best Practice Recommendation:	<ol style="list-style-type: none"> 1. The AIG Board of Directors has adopted Corporate Governance Guidelines (amended May 16, 2007) that, with the following recommendation, reflect best practices in this area: <ol style="list-style-type: none"> (a) The Corporate Governance Guidelines should state under what circumstances they may be amended or waived. 2. AIG should adopt programs, policies, and procedures as needed to implement the Corporate Governance Guidelines, including, but not limited to: <ol style="list-style-type: none"> (a) Procedures for making director independence determinations. (b) A formal orientation and continuing education program for directors that covers: <ol style="list-style-type: none"> (i) The role and responsibilities of directors in their capacities as members of the Board and of the committees on which they serve, including training on the subject matter areas covered by each director's committee assignment; (ii) Material on AIG, its business plan, and its risk profile; and (iii) Meetings with senior management. (c) A plan addressing management succession. (d) Standards to be utilized by management in determining the types of transactions that should be submitted to the Board for review and approval or notification. 3. A formal process should be established for the regular review (at least annually) and updating of the Corporate Governance Guidelines and related processes and procedures to reflect changes in laws, regulations, policies and other relevant matters. 4. The corporate governance guidelines should be posted on the AIG website in an easily identifiable and accessible manner.

CORPORATE GOVERNANCE
BEST PRACTICE RECOMMENDATIONS

Objective:	Ensure appropriate corporate governance.
CG 1 Best Practice Recommendation:	<ol style="list-style-type: none"> <li data-bbox="467 411 1421 621">1. The respective responsibilities of each Committee of the Board of Directors should be set out clearly in their charters. In doing this, the Board should ensure that all appropriate responsibilities are covered by a Committee, that redundancies of function are eliminated to the extent practicable, and that each Committee can effectively perform the duties assigned to it. <li data-bbox="467 642 1421 779">2. Management responsibility for compliance with AIG’s corporate governance function (including compliance with the Corporate Governance Guidelines) should be centralized in a single office or department to ensure accountability and efficiency. <li data-bbox="467 800 1421 905">3. AIG should assign sufficient qualified personnel to AIG’s corporate governance office or department to ensure corporate governance measures are implemented effectively and in a timely manner. <li data-bbox="467 926 1421 1031">4. Each committee of the Board of Directors should establish procedures to adhere to its respective charter and committee best practices.