
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 17, 2009

AMERICAN INTERNATIONAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other
jurisdiction
of incorporation)

1-8787
(Commission File Number)

13-2592361
(IRS Employer
Identification No.)

70 Pine Street
New York, New York 10270
(Address of principal executive offices)

Registrant's telephone number, including area code: **(212) 770-7000**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ([see](#) General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

Securities Exchange Agreement

On April 17, 2009, American International Group, Inc. (“AIG”) entered into a Securities Exchange Agreement (the “Exchange Agreement”) with the United States Department of the Treasury (the “Treasury Department”) pursuant to which, among other things, the Treasury Department would exchange 4,000,000 shares of AIG’s Series D Fixed Rate Cumulative Perpetual Preferred Stock, par value \$5.00 per share (the “Series D Preferred Stock”), for 400,000 shares of AIG’s Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock, par value \$5.00 per share (the “Series E Preferred Stock”).

The Exchange Agreement restricts AIG’s ability to repurchase capital stock and requires AIG to continue to maintain policies limiting corporate expenses, lobbying activities and executive compensation.

Under the Exchange Agreement, AIG is required to submit for approval at its 2009 Annual Meeting of Shareholders the following amendments to its Restated Certificate of Incorporation:

- a proposal to authorize the Board of Directors of AIG (the “Board”) to issue preferred stock in series with different rankings; and
- a proposal to cause the Series E Preferred Stock and any other series of preferred stock initially issued to the Treasury Department to rank senior to all other series of preferred stock.

The Exchange Agreement also permits the Treasury Department in certain circumstances to exchange the warrant received in connection with the issuance of the Series D Preferred Stock for 53,798,766 shares of AIG’s Series C Perpetual, Convertible, Participating Preferred Stock (the “Series C Preferred Stock”).

In addition, pursuant to the Exchange Agreement, the Treasury Department has the right to exchange the shares of the Series E Preferred Stock for a new series of AIG’s serial preferred stock with the same terms as the Series E Preferred Stock, except that the liquidation preference of such new series will be \$10,000 per share, or such amount per share as may be reasonably specified by the Treasury Department based on the number of shares of the new serial preferred stock to be exchanged.

Following execution of the Exchange Agreement, on April 17, 2009, AIG and the Treasury Department completed the exchange of the Series D Preferred Stock for the Series E Preferred Stock.

Series E Preferred Stock

Dividends on the Series E Preferred Stock are payable, if, and as when declared by the Board or a duly authorized committee thereof, on a non-cumulative basis, out of assets legally available therefor, in cash, at the rate per annum of 10 percent of the liquidation preference of \$104,011.44 per share (the “Liquidation Preference”). The Series E Preferred Stock ranks senior to the Common Stock and, subject to the approval of the amendments to AIG’s Restated Certificate of Incorporation described above, will rank senior to the Series C Preferred Stock and any other series of preferred stock subsequently issued by AIG to any person other than the Treasury Department with respect to the payment of dividends and amounts upon liquidation, dissolution and winding up of AIG.

AIG may redeem the Series E Preferred Stock at the Liquidation Preference, plus unpaid dividends for the then-current dividend period, at any time that the AIG Credit Facility Trust, a trust established for the sole benefit of the United States Treasury, or any successor entity, beneficially owns less than 30 percent of AIG’s voting securities and no holder of the Series E Preferred Stock controls or has the potential to control AIG.

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Holders of the Series E Preferred Stock will be entitled to vote for the election of the greater of two additional members of the Board and a number of directors (rounded upward) equal to 20 percent of the total number of directors of AIG if dividends payable on the shares of the Series E Preferred Stock have not been paid for four or more dividend periods, whether or not consecutive (including for this purpose the period during which the Series D Preferred Stock was outstanding).

Pursuant to the Exchange Agreement, AIG will be obligated, at the request of the Treasury Department, to file a registration statement under the Securities Act of 1933 with respect to the Series E Preferred Stock.

Replacement Capital Covenant

In connection with the exchange of the Series D Preferred Stock for the Series E Preferred Stock, AIG entered into a replacement capital covenant (the "Replacement Capital Covenant"), whereby AIG agrees for the benefit of the holders of its 6.25% Notes due 2036 (CUSIP No. 026874AZ0) that AIG may not redeem or purchase, and no subsidiary of AIG may purchase, all or any part of the Series E Preferred Stock at any time prior to April 17, 2012 except with the proceeds obtained from the issuance by AIG or any such subsidiary of certain replacement capital securities as set forth in the Replacement Capital Covenant.

The description of the Series E Preferred Stock, the Exchange Agreement and the Replacement Capital Covenant contained herein are summaries and are qualified in their entirety by reference to the full text of the Certificate of Designations relating to the Series E Preferred Stock, the Exchange Agreement and the Replacement Capital Covenant, which are attached as Exhibits 3.1, 10.1 and 99.1, respectively, hereto and incorporated into this Item 1.01 by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The issuance of the Series E Preferred Stock was exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) of the Securities Act of 1933.

Item 3.03. Material Modification to Rights of Security Holders.

The holders of the Series E Preferred Stock will have preferential dividend and liquidation rights over the holders of Common Stock and, if the stockholder proposals to amend AIG's Restated Certificate of Incorporation described in Item 1.01 are approved, over the holders of the Series C Preferred Stock and any other series of preferred stock subsequently issued by AIG to any person other than the Treasury Department. The applicable terms and preferences attached to the Series E Preferred Stock are more fully described in Item 1.01 above, and are contained in the Certificate of Designations, which was filed with the Secretary of State of the State of Delaware on April 17, 2009.

The above summary is qualified in its entirety by reference to the full text of the Certificate of Designations relating to the Series E Preferred Stock, which is attached hereto as Exhibit 3.1 and is incorporated into this Item 3.03 by reference.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

On April 17, 2009, AIG filed with the Secretary of State of the State of Delaware a Certificate of Designations to its Restated Certificate of Incorporation establishing the terms of the Series E Preferred Stock. A copy of the Certificate of Designations is attached hereto as Exhibit 3.1 and incorporated into this Item 5.03 by reference.

On April 17, 2009, AIG filed with the Secretary of State of the State of Delaware a Certificate of Elimination to its Restated Certificate of Incorporation eliminating from the Restated Certificate of Incorporation all matters set forth in the Series D Certificate of Designation with respect to the Series D Preferred Stock. A copy of the Certificate of Elimination is attached hereto as Exhibit 3.2 and incorporated into this Item 5.03 by reference.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

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- 3.1 American International Group, Inc. Certificate of Designations of Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock.
 - 3.2 American International Group, Inc. Certificate of Elimination of Series D Fixed Rate Cumulative Perpetual Preferred Stock.
 - 10.1 Securities Exchange Agreement, dated as of April 17, 2009, between American International Group, Inc. and the United States Department of the Treasury.
 - 99.1 Replacement Capital Covenant, dated as of April 17, 2009, by American International Group, Inc. in favor of and for the benefit of each Covered Debtholder.
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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN INTERNATIONAL GROUP, INC.
(Registrant)

Date: April 17, 2009

By: /s/ Kathleen E. Shannon

Name: Kathleen E. Shannon

Title: Senior Vice President and Secretary

CERTIFICATE OF DESIGNATIONS
OF
SERIES E FIXED RATE NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
AMERICAN INTERNATIONAL GROUP, INC.

American International Group, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Company"), hereby certifies that the following resolution was adopted by the Board of Directors of the Company (the "Board of Directors") as required by Section 151 of the General Corporation Law of the State of Delaware at a meeting duly held on April 17, 2009.

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors in accordance with the provisions of the Restated Certificate of Incorporation, as amended, the Board of Directors hereby creates a series of serial preferred stock, par value \$5.00 per share, of the Company, and hereby states the designation and number of shares, and fixes the voting and other powers, and the relative rights and preferences, and the qualifications, limitations and restrictions thereof, as follows:

Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock:

Part 1. Designation and Number of Shares. There is hereby created out of the authorized and unissued shares of serial preferred stock of the Company a series of preferred stock designated as the "Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock" (the "Series E Preferred Stock"). The authorized number of shares of the Series E Preferred Stock shall be 400,000. Such number of shares may be decreased by resolution of the Board of Directors, subject to the terms and conditions hereof; *provided* that no decrease shall reduce the number of shares of the Series E Preferred Stock to a number less than the number of shares then outstanding.

Part 2. Standard Provisions. The Standard Provisions contained in Annex A attached hereto are incorporated herein by reference in their entirety and shall be deemed to be a part of this Certificate of Designations to the same extent as if such provisions had been set forth in full herein.

Part 3. Definitions. The following terms are used in this Certificate of Designations (including the Standard Provisions in Annex A hereto) as defined below:

(a) "Common Stock" means the common stock, par value \$2.50 per share, of the Company.

(b) "Convertible Preferred Stock" means the Series C Perpetual, Convertible, Participating Preferred Stock of the Company. The Convertible Preferred Stock shall be

Parity Stock; *provided* that the Convertible Preferred Stock shall be Junior Stock following the effectiveness of an amendment to the Charter to allow the Series E Preferred Stock and any other series of preferred stock of the Company subsequently issued to the United States Department of the Treasury to rank senior to the Convertible Preferred Stock as to dividend rights and/or rights upon the liquidation, dissolution and winding up of the Company (the "Amendment").

(c) "Dividend Payment Date" means February 1, May 1, August 1 and November 1 of each year.

(d) "Junior Stock" means the Common Stock, the Convertible Preferred Stock (following the Amendment) and any class or series of stock of the Company (i) initially issued to any person other than the United States Department of the Treasury or (ii) initially issued to the United States Department of the Treasury and the terms of which expressly provide that it ranks junior to the Series E Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Company.

(e) "Liquidation Amount" means \$104,011.44 per share of the Series E Preferred Stock.

(f) "Parity Stock" means the Convertible Preferred Stock (before the Amendment) and any class or series of stock of the Company (other than the Series E Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to the Series E Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Company (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

(g) "Signing Date" means April 17, 2009.

Part 4. Certain Voting Matters. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of the Series E Preferred Stock and any Voting Parity Stock has been cast or given on any matter on which the holders of shares of the Series E Preferred Stock and any Voting Parity Stock are entitled to vote or consent together as a class shall be determined by the Company by reference to the specified liquidation amount of the shares of the Series E Preferred Stock voted or with respect to which a consent has been received as if the Company were liquidated on the record date for such vote or consent, if any, or, in the absence of a record date, on the date for such vote or consent. For purposes of determining the voting rights of the holders of the Series E Preferred Stock under Section 7 of the Standard Provisions forming part of this Certificate of Designations, each holder will be entitled to one vote for each \$10,000 of liquidation preference to which such holder's shares are entitled.

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IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be signed on its behalf by its Vice Chairman and attested by its Secretary this 17th day of April, 2009.

AMERICAN INTERNATIONAL GROUP, INC.

By: /s/ Anastasia D. Kelly

Name: Anastasia D. Kelly

Title: Vice Chairman

ATTEST:

/s/ Kathleen E. Shannon

Name: Kathleen E. Shannon

Title: Secretary

STANDARD PROVISIONS

Section 1 . General Matters. Each share of the Series E Preferred Stock shall be identical in all respects to every other share of the Series E Preferred Stock. The Series E Preferred Stock shall be perpetual, subject to the provisions of Section 5 of these Standard Provisions that form a part of the Certificate of Designations. The Series E Preferred Stock (a) shall rank senior to the Junior Stock in respect of the right to receive dividends and the right to receive payments out of the assets of the Company upon voluntary or involuntary liquidation, dissolution or winding up of the Company and (b) shall be of equal rank with Parity Stock as to the right to receive dividends and the right to receive payments out of the assets of the Company upon voluntary or involuntary liquidation, dissolution or winding up of the Company.

Section 2 . Standard Definitions. As used herein with respect to the Series E Preferred Stock:

(a) “Applicable Dividend Rate” means 10% per annum.

(b) “Business Combination” means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Company’s stockholders.

(c) “Business Day” means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

(d) “Bylaws” means the bylaws of the Company, as they may be amended from time to time.

(e) “Certificate of Designations” means the Certificate of Designations or comparable instrument relating to the Series E Preferred Stock, of which these Standard Provisions form a part, as it may be amended from time to time.

(f) “Charter” means the Company’s Restated Certificate of Incorporation, as amended.

(g) “Dividend Period” has the meaning set forth in Section 3(a).

(h) “Dividend Record Date” has the meaning set forth in Section 3(a).

(i) “Original Issue Date” means the date on which shares of the Series E Preferred Stock are first issued.

(j) “Preferred Director” has the meaning set forth in Section 7(b).

(k) “Preferred Stock” means any and all series of serial preferred stock of the Company, including the Series E Preferred Stock.

(l) “Series D Preferred Stock” means the Series D Fixed Rate Cumulative Perpetual Preferred Stock of the Company.

(m) “Share Dilution Amount” has the meaning set forth in Section 3(b).

(n) “Standard Provisions” mean these Standard Provisions that form a part of the Certificate of Designations relating to the Series E Preferred Stock.

(o) “Transfer Agent” has the meaning set forth in Section 13.

(p) “Trust” means the AIG Credit Facility Trust.

(q) “UST” means the United States Department of the Treasury.

(r) “Voting Parity Stock” means, with regard to any matter as to which the holders of the Series E Preferred Stock are entitled to vote as specified in Sections 7(a) and 7(b) of these Standard Provisions that form a part of the Certificate of Designations, any and all series of Parity Stock upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 3. Dividends.

(a) Rate. Holders of the Series E Preferred Stock shall be entitled to receive, on each share of the Series E Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of assets legally available therefor, non-cumulative cash dividends with respect to each Dividend Period (as defined below) at a rate per annum equal to the Applicable Dividend Rate on the Liquidation Amount per share of the Series E Preferred Stock. Such dividends shall be payable quarterly in arrears, but only if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, on each Dividend Payment Date, commencing with the first such Dividend Payment Date to occur at least 20 calendar days after the Original Issue Date. In the event that any Dividend Payment Date would otherwise fall on a day that is not a Business Day, the dividend payment due on that date will be postponed to the next day that is a Business Day and no additional dividends shall be payable nor shall interest accrue on the amount payable as a result of that postponement. The period from and including any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a “Dividend Period”; *provided* that the initial Dividend Period shall be the period from and including the Original Issue Date to, but excluding, the next Dividend Payment Date.

Dividends that are payable on Series E Preferred Stock in respect of any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on Series E Preferred Stock on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month.

Dividends that are payable on Series E Preferred Stock on any Dividend Payment Date will be payable to holders of record of the Series E Preferred Stock as they appear on the stock

register of the Company on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Dividends on the Series E Preferred Stock shall not be cumulative. Holders of Series E Preferred Stock shall not be entitled to receive any dividends not declared by the Board of Directors or any duly authorized committee of the Board of Directors, and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared. If the Board of Directors does not declare a dividend on the Series E Preferred Stock to be payable in respect of any Dividend Period before the related Dividend Payment Date, such dividend will not accrue and the Company will have no obligation to pay a dividend for that Dividend Period on the Dividend Payment Date or at any future time, whether or not dividends on the Series E Preferred Stock are declared for any future Dividend Period. Holders of the Series E Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series E Preferred Stock as specified in this Section 3 (subject to the other provisions of the Certificate of Designations).

(b) Priority of Dividends. So long as any share of the Series E Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than dividends payable solely in shares of Common Stock) or Parity Stock, subject to the immediately following paragraph in the case of Parity Stock, and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries unless dividends for the latest completed Dividend Period on all outstanding shares of the Series E Preferred Stock have been or are contemporaneously declared and paid in full (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of the Series E Preferred Stock on the applicable record date). The foregoing limitation shall not apply to (i) a dividend payable on any Junior Stock in shares of any other Junior Stock, or to the acquisition of shares of any Junior Stock in exchange for, or through application of the proceeds of the sale of, shares of any other Junior Stock; (ii) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business (including purchases to offset the Share Dilution Amount (as defined below) pursuant to a publicly announced repurchase plan) and consistent with past practice; *provided* that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount; (iii) any dividends or distributions of rights or Junior Stock in connection with a stockholders’ rights plan or any redemption or repurchase of rights pursuant to any stockholders’ rights plan; (iv) the acquisition by the Company or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Company or any of its subsidiaries), including as trustees or custodians; (v) the conversion of the Convertible Preferred Stock into Common Stock; (vi) the exchange or conversion of Junior Stock (other than the Convertible Preferred Stock) for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or

Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Signing Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock; and (vii) any purchase, redemption or other acquisition with the written consent of the UST. “Share Dilution Amount” means the increase in the number of diluted shares outstanding (determined in accordance with generally accepted accounting principles in the United States, and as measured from the date of the Company’s consolidated financial statements most recently filed with the Securities and Exchange Commission prior to the Original Issue Date) resulting from the grant, vesting or exercise of equity-based compensation to employees and equitably adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date) in full on shares of the Series E Preferred Stock and any shares of Parity Stock, all dividends declared on the Series E Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends declared shall bear the same ratio to each other as all declared but unpaid dividends per share on the shares of the Series E Preferred Stock and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Company will provide written notice to the holders of the Series E Preferred Stock prior to such Dividend Payment Date.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of the Series E Preferred Stock shall not be entitled to participate in any such dividends.

Section 4 . Liquidation, Dissolution or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, then, before any distribution or payment shall be made to the holders of Junior Stock, the holders of the Series E Preferred Stock and any shares of Preferred Stock ranking on a parity therewith as to liquidation shall be entitled to be paid in full the respective amounts of the liquidation preferences thereof, which in the case of the Series E Preferred Stock shall be \$104,011.44 per share, plus an amount equal to all dividends, if any, that have been declared but not paid prior to such distribution or payment date (but without any accumulation in respect of dividends that have not been declared

prior to such distribution or payment date). If such payment shall have been made in full to the holders of the Series E Preferred Stock and any series of Preferred Stock ranking on a parity therewith as to liquidation, the remaining assets and funds of the Company shall be distributed among the holders of Junior Stock, according to their respective rights and preferences and in each case according to their respective shares. If, upon any liquidation, dissolution or winding up of the affairs of the Company, the amounts so payable are not paid in full to the holders of all outstanding shares of the Series E Preferred Stock and any series of Preferred Stock ranking on a parity therewith as to liquidation, the holders of the Series E Preferred Stock and any series of Preferred Stock ranking on a parity therewith as to liquidation shall share ratably in any distribution of assets in proportion to the full amounts to which they would otherwise be respectively entitled. Neither the consolidation or merger of the Company, nor the sale, lease or conveyance of all or a part of its assets, shall be deemed a liquidation, dissolution or winding up of the affairs of the Company within the meaning of the foregoing provisions of this Section 4.

Section 5 . Redemption.

(a) Optional Redemption. Except as provided in this Section 5(a), the Series E Preferred Stock shall not be redeemable. At any time that (i) the Trust (or any successor entity established for the sole benefit of the United States Treasury) “beneficially owns” less than 30% of the aggregate voting power of the Company’s voting securities and (ii) no holder of the Series E Preferred Stock controls the Company, the Company may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, the shares of the Series E Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, the Series E Preferred Stock in whole or in part at a redemption price per share equal to 100% of its Liquidation Amount, plus, for purposes of the redemption price only and except as set forth in the last sentence of the next paragraph, an amount equal to all declared but unpaid dividends for the then current Dividend Period to such redemption date (regardless of whether any dividends are actually declared for that Dividend Period). “Control” for purposes of this Section 5(a) means the power to direct the management and policies of the Company, directly or indirectly, whether through the ownership of voting securities, by contract, by the power to control the Board of Directors or otherwise. “Beneficially owns” for purposes of this Section 5(a) is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended to the Signing Date. For the avoidance of doubt, while there is Board of Directors control (or the potential to gain Board of Directors control as a result of existing contractual rights) by any holder of the Series E Preferred Stock, the Company may not redeem any of the Series E Preferred Stock.

The redemption price for any shares of the Series E Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Company or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 3 above.

(b) No Sinking Fund. The Series E Preferred Stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of the Series E

Preferred Stock will have no right to require redemption or repurchase of any shares of the Series E Preferred Stock.

(c) Notice of Redemption. Notice of every redemption of shares of the Series E Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Company. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this subsection (c) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of the Series E Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of the Series E Preferred Stock. Notwithstanding the foregoing, if shares of the Series E Preferred Stock are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of the Series E Preferred Stock at such time and in any manner permitted by such facility. Each notice of redemption given to a holder shall state: (1) the redemption date; (2) the number of shares of the Series E Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price, but failure duly to give such notice to any holder of shares of the Series E Preferred Stock designated for redemption or any defect in such notice shall not affect the validity of the proceedings for the redemption of any other shares of the Series E Preferred Stock.

(d) Partial Redemption. In case of any redemption of part of the shares of the Series E Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of the Series E Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, at the election of each holder, either (i) a new certificate shall be issued representing the unredeemed shares without charge to such holder thereof or (ii) upon surrender of a certificate representing any unredeemed shares of Series E Preferred Stock, the Company shall deliver or cause to be delivered to such holder a notice that shares of Series E Preferred Stock equal in number to the unredeemed shares of Series E Preferred Stock represented by the certificate so surrendered have been registered on the books and records of the Company.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been deposited by the Company, in trust for the *pro rata* benefit of the holders of the shares called for redemption, with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least \$500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate (if the shares of Series E Preferred Stock are not in book-entry form) for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for

redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Company, after which time the holders of the shares so called for redemption shall look only to the Company for payment of the redemption price of such shares.

(f) Status of Redeemed Shares. Shares of the Series E Preferred Stock that are redeemed, repurchased or otherwise acquired by the Company shall revert to authorized but unissued shares of the Series E Preferred Stock (*provided* that any such cancelled shares of the Series E Preferred Stock may be reissued only as shares of any series of the Preferred Stock other than the Series E Preferred Stock).

Section 6 . Conversion. Holders of the Series E Preferred Stock shares shall have no right to exchange or convert such shares into any other securities.

Section 7 . Voting Rights.

(a) General. The holders of the Series E Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Series E Preferred Stock Directors. Whenever, at any time or times, dividends payable on the shares of the Series E Preferred Stock have not been paid for an aggregate of four quarterly Dividend Periods or more, whether or not consecutive (including for this purpose the period during which the Series D Preferred Stock was outstanding), the authorized number of directors of the Company shall automatically be increased to accommodate the number of the Preferred Directors specified below and the holders of the Series E Preferred Stock shall have the right, with holders of shares of any one or more other classes or series of Voting Parity Stock outstanding at the time, voting together as a class, to elect the greater of two directors and a number of directors (rounded upward) equal to 20% of the total number of directors of the Company after giving effect to such election (hereinafter the "Preferred Directors" and each a "Preferred Director") to fill such newly created directorships at the Company's next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of stockholders until dividends payable on all outstanding shares of the Series E Preferred Stock have been declared and paid in full for four consecutive quarterly Dividend Periods, at which time such right shall terminate with respect to the Series E Preferred Stock, except as herein or by law expressly provided, subject to revesting in the event of each and every subsequent payment failure of the character above mentioned; *provided* that it shall be a qualification for election for any Preferred Director that the election of such Preferred Director shall not cause the Company to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Company may then be listed or traded that listed or traded companies must have a majority of independent directors. Upon any termination of the right of the holders of shares of the Series E Preferred Stock and Voting Parity Stock as a class to vote for directors as provided above, the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately and the authorized number of directors shall

be reduced by the number of the Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any time, with or without cause, and any vacancy created thereby may be filled, only by the affirmative vote of the holders of a majority of the shares of the Series E Preferred Stock at the time outstanding voting separately as a class together with the holders of shares of Voting Parity Stock, to the extent the voting rights of such holders described above are then exercisable. If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(c) Class Voting Rights as to Particular Matters. So long as any shares of the Series E Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Charter, the vote or consent of the holders of at least 66 2/3% of the shares of the Series E Preferred Stock at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior or Pari Passu Stock. Any amendment or alteration of the Certificate of Designations for the Series E Preferred Stock or the Charter (including any amendment to the Charter effectuated by a Certificate of Designations) to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Company ranking senior to or *pari passu* with the Series E Preferred Stock with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Company (the "Senior or Pari Passu Securities"); *provided, however*, that the voting rights provided in this Section 7(c)(i) shall not apply to any amendment or alteration of the Charter (including any amendment to the Charter effectuated by a Certificate of Designations) to authorize or create or increase the authorized amount of, or any issuance of, any Senior or *Pari Passu* Securities initially issued to the UST;

(ii) Amendment of the Series E Preferred Stock. Any amendment, alteration or repeal of any provision of the Certificate of Designations for the Series E Preferred Stock or the Charter (including, unless no vote on such merger or consolidation is required by Section 7(c)(iii) below, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) so as to adversely affect the rights, preferences, privileges or voting powers of the Series E Preferred Stock; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Series E Preferred Stock, or of a merger or consolidation of the Company with or into another corporation or other entity, unless in each case (x) the shares of the Series E Preferred Stock remain outstanding and are not amended in any respect or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not

materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series E Preferred Stock immediately prior to such consummation, taken as a whole;

provided, however, that for all purposes of this Section 7(c), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of the Series E Preferred Stock necessary to satisfy preemptive or similar rights granted by the Company to other persons prior to the Signing Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series of the Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of the Preferred Stock, ranking pari passu with (if such securities are issued to the UST) or junior to the Series E Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Company will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Series E Preferred Stock.

(d) Changes after Provision for Redemption. No vote or consent of the holders of the Series E Preferred Stock shall be required pursuant to Section 7(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of the Series E Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to Section 5 above.

(e) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of the Series E Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules that the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Charter, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Series E Preferred Stock is listed or traded at the time.

Section 8 . Record Holders. To the fullest extent permitted by applicable law, the Company and the Transfer Agent may deem and treat the record holder of any share of the Series E Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Company nor the Transfer Agent shall be affected by any notice to the contrary.

Section 9 . Notices. All notices or communications in respect of the Series E Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Charter or Bylaws or by applicable law. Notwithstanding the foregoing, if shares of the Series E Preferred Stock are issued in book-entry form through The Depository Trust Company or any similar facility, such notices may be given to the holders of the Series E Preferred Stock in any manner permitted by such facility.

Section 10 . No Preemptive Rights. No holder of the Series E Preferred Stock shall be entitled as a matter of right to subscribe for or purchase, or have any preemptive right with respect to, any part of any new or additional issue of stock of any class whatsoever, or of securities convertible into any stock of any class whatsoever, whether now or hereafter authorized and whether issued for cash or other consideration or by way of dividend.

Section 11 . Replacement Certificates. The Company shall replace any mutilated certificate at the holder's expense upon surrender of that certificate to the Company. The Company shall replace certificates that become destroyed, stolen or lost at the holder's expense upon delivery to the Company of reasonably satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be reasonably required by the Company.

Section 12 . Form.

(a) The Series E Preferred Stock shall be initially issued in the form of one or more certificates in definitive, fully registered form with, until such time as otherwise determined by the Company, the restricted shares legend (the "Restricted Shares Legend"), as set forth on the form of the Series E Preferred Stock attached hereto as Exhibit A (each, a "Series E Preferred Share Certificate"), which is hereby incorporated in and expressly made a part of this Certificate of Designations. The Series E Preferred Share Certificate may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Company is subject, if any, or usage (*provided* that any such notation, legend or endorsement is in a form acceptable to the Company).

(b) An Officer shall sign the Series E Preferred Share Certificate for the Company, in accordance with the Company's Bylaws and applicable law, by manual or facsimile signature. "Officer" means the Chairman, any Vice President, the Treasurer or the Secretary of the Company.

(c) If an Officer whose signature is on a Series E Preferred Share Certificate no longer holds that office at the time of the issuance of such Series E Preferred Share Certificate, such Series E Preferred Share Certificate shall be valid nevertheless.

(d) A Series E Preferred Share Certificate shall not be valid or obligatory until an authorized signatory of the Transfer Agent manually countersigns the Series E Preferred Share Certificate. The signature shall be conclusive evidence that such Series E Preferred Share Certificate has been authenticated under this Certificate of Designations. Each Series E Preferred Share Certificate shall be dated the date of its authentication.

Other than upon original issuance, all transfers and exchanges of the Series E Preferred Stock shall be made by direct registration on the books and records of the Company.

Section 13 . Transfer Agent And Registrar. The duly appointed Transfer Agent and Registrar for the Series E Preferred Stock shall be Wells Fargo Bank, N.A. (the "Transfer Agent"). The Company may, in its sole discretion, remove the Transfer Agent in accordance with the agreement between the Company and the Transfer Agent; provided that the Company

shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal; *provided further* that such successor transfer agent shall be the Transfer Agent for purposes of this Certificate of Designations.

Section 14 . Other Rights. The shares of the Series E Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Charter or as provided by applicable law.

EXHIBIT A

**FORM OF SERIES E FIXED RATE NON-CUMULATIVE
PERPETUAL PREFERRED STOCK
(\$[•] LIQUIDATION PREFERENCE)**

NUMBER

[_____]

SHARES

[_____]

CUSIP [_____]

AMERICAN INTERNATIONAL GROUP, INC.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE

THIS CERTIFICATE IS TRANSFERABLE

IN THE CITY OF SOUTH ST. PAUL, MINNESOTA

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR SUCH LAWS. EACH PURCHASER OF THE SECURITIES REPRESENTED BY THIS INSTRUMENT IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. ANY TRANSFEREE OF THE SECURITIES REPRESENTED BY THIS INSTRUMENT BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (2) AGREES THAT IT WILL NOT OFFER, SELL OR OTHERWISE TRANSFER THE SECURITIES REPRESENTED BY THIS INSTRUMENT EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT WHICH IS THEN EFFECTIVE UNDER THE SECURITIES ACT, (B) FOR SO LONG AS THE SECURITIES REPRESENTED BY THIS INSTRUMENT ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) TO THE ISSUER OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THE SECURITIES REPRESENTED BY THIS INSTRUMENT ARE TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Exh A-1

This is to certify that the UNITED STATES DEPARTMENT OF THE TREASURY is the owner of FOUR HUNDRED THOUSAND (400,000) fully paid and non-assessable shares of Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock, \$5.00 par value, liquidation preference \$104,011.44 per share (the "Stock"), of the American International Group, Inc. (the "Company"), transferable on the books of the Company by the holder hereof in person or by duly authorized attorney upon surrender of this certificate properly endorsed.

This certificate is not valid or obligatory for any purpose unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

Dated: April 17, 2009

Name:
Title:

Name:
Title:

Countersigned and Registered

as Transfer Agent and Registrar

By: _____
Authorized Signature

Exh A-2

AMERICAN INTERNATIONAL GROUP, INC.

AMERICAN INTERNATIONAL GROUP, INC. (the "Company") will furnish, without charge to each stockholder who so requests, a copy of the certificate of designations establishing the powers, preferences and relative, participating, optional or other special rights of each class of stock of the Company or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights applicable to each class of stock of the Company or series thereof. Such information may be obtained by a request in writing to the Secretary of the Company at its principal place of business.

This certificate and the share or shares represented hereby are issued and shall be held subject to all of the provisions of the Company's Restated Certificate of Incorporation, as amended, and the Certificate of Designations of the Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock (Liquidation Preference \$104,011.44 per share) (copies of which are on file with the Transfer Agent), to all of which the holder, by acceptance hereof, assents.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF GIFT MIN ACT-	_____Custodian _____
TEN ENT	- as tenants by the entirety		(Minor) (Cust)
JT TEN	- as joint tenants with right of survivorship and not as tenants in common		under Uniform Gifts to Minors Act

			(State)

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE

_____ shares
of the capital stock represented by the within certificate, and do(es) hereby irrevocably constitute and appoint _____, Attorney to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Exh A-3

Dated _____

Signature

NOTICE: The signature to this assignment must correspond with the name as written upon the face of this certificate in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in an approved signature guarantee medallion program), pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.

Exh A-4

CERTIFICATE OF ELIMINATION
OF
SERIES D FIXED RATE CUMULATIVE PERPETUAL PREFERRED STOCK
OF
AMERICAN INTERNATIONAL GROUP, INC.

(Pursuant to Section 151(g)
of the General Corporation Law
of the State of Delaware)

American International Group, Inc., a Delaware corporation (the "Corporation"), hereby certifies in accordance with the provisions of Section 151(g) of the General Corporation Law of the State of Delaware that the following resolutions were duly adopted by the Board of Directors of the Corporation:

FURTHER RESOLVED, that pursuant to Section 151 of the General Corporation Law of the State of Delaware and the authority granted to and vested in the Board of Directors of the Corporation (the "Board") in accordance with the provisions of the Restated Certificate of Incorporation of the Corporation, as amended (the "Restated Certificate of Incorporation"), the Board, by resolutions duly adopted, authorized the issuance of a series of 4,000,000 shares of Series D Fixed Rate Cumulative Perpetual Preferred Stock, par value \$5.00 per share (the "Series D Preferred Stock"), of the Corporation, and established the voting powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations or restrictions thereof, and, on November 24, 2008, filed a Certificate of Designations with respect to the Series D Preferred Stock (the "Series D Certificate of Designations") in the office of the Secretary of State of the State of Delaware; and

FURTHER RESOLVED, as of the date hereof, no shares of the Series D Preferred Stock are outstanding and no shares of the Series D Preferred Stock will be issued subject to the Series D Certificate of Designations; and

FURTHER RESOLVED, that when a certificate setting forth this resolution becomes effective, it shall have the effect of eliminating from the Restated Certificate of Incorporation all matters set forth in the Series D Certificate of Designations with respect to the Series D Preferred Stock.

[Signature page follows]

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Elimination to be signed on its behalf by its duly authorized Vice Chairman this 17th day of April, 2009.

American International Group, Inc.

By: /s/ Anastasia D. Kelly

Name: Anastasia D. Kelly

Title: Vice Chairman

SECURITIES EXCHANGE AGREEMENT

dated as of

April 17, 2009

between

American International Group, Inc.

and

United States Department of the Treasury

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SECURITIES EXCHANGE AGREEMENT

Recitals:

WHEREAS, on November 25, 2008, American International Group, Inc. (the “**Company**”) issued to the United States Department of the Treasury (the “**Investor**”) in a private placement 4,000,000 shares of the Series D Fixed Rate Cumulative Perpetual Preferred Stock (the “**Series D Preferred Stock**”);

WHEREAS, the Company and the Investor intend to exchange (the “**Exchange**”) the 4,000,000 shares of Series D Preferred Stock for 400,000 shares of the Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock of the Company (the “**Series E Preferred Stock**”);

WHEREAS, the Exchange will be governed by this Securities Exchange Agreement (including the Schedules and Annexes hereto) (the “**Agreement**”); and

WHEREAS, the Investor has tendered consent to the issuance of the Series E Preferred Stock.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein, the parties agree as follows:

Article 1 Exchange; Closing

1.1 *Exchange*. On the terms and subject to the conditions set forth in this Agreement, the Investor agrees to deliver to the Company the share certificate representing 4,000,000 shares of Series D Preferred Stock (the “**Series D Preferred Stock Certificate**”) with an aggregate liquidation preference of \$40,000,000,000 and the Company agrees to deliver to the Investor a share certificate representing 400,000 shares of the Series E Preferred Stock with an aggregate liquidation preference of \$41,604,576,000 in exchange for the Series D Preferred Stock Certificate, at the Closing (as hereinafter defined).

1.2 *Closing*.

(a) On the terms and subject to the conditions set forth in this Agreement, the closing of the Exchange (the “**Closing**”) will take place at the location specified in Schedule A, at the time and on the date set forth in Schedule A, or as soon as practicable thereafter, or at such other place, time and date as shall be agreed between the Company and the Investor. The time and date on which the Closing occurs is referred to in this Agreement as the “**Closing Date**”.

(b) Subject to the fulfillment or waiver of the conditions to the Closing in this Section 1.2, at the Closing (i) the Company will deliver the Series E Preferred Stock to the Investor, as evidenced by one or more certificates dated the Closing Date and bearing

appropriate legends as hereinafter provided for and (ii) the Investor will deliver the Series D Preferred Stock Certificate to the Company.

(c) The respective obligations of each of the Investor and the Company to consummate the Exchange are subject to the fulfillment (or waiver by the Investor and the Company, as applicable) prior to the Closing of the conditions that (i) any approvals or authorizations of all United States and other governmental, regulatory or judicial authorities (collectively, "**Governmental Entities**") required for the consummation of the Exchange shall have been obtained or made in form and substance reasonably satisfactory to each party and shall be in full force and effect and all waiting periods required by United States and other applicable law, if any, shall have expired and (ii) no provision of any applicable United States or other law and no judgment, injunction, order or decree of any Governmental Entity shall prohibit the Exchange.

(d) The obligation of the Investor to consummate the Exchange is also subject to the fulfillment (or waiver by the Investor) at or prior to the Closing of each of the following conditions:

(i) (A) the representations and warranties of the Company set forth in Sections 2.2(a) through (e) shall be true and correct in all material respects as though made on and as of the Closing Date (other than representations and warranties that by their terms speak as of another date, which representations and warranties shall be true and correct in all material respects as of such other date) and (B) the Company shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing;

(ii) the Investor shall have received a certificate signed on behalf of the Company by a senior executive officer certifying to the effect that the conditions set forth in Section 1.2(d)(i) have been satisfied;

(iii) the Company shall have duly adopted, prior to the consummation of the Exchange, and filed with the Secretary of State of Delaware, immediately after the consummation of the Exchange, the certificate of elimination for the Series D Preferred Stock (the "**Certificate of Elimination**") and such filing shall have been accepted;

(iv) the Company shall have duly adopted, prior to the consummation of the Exchange, and filed with the Secretary of State of Delaware, prior to the consummation of the Exchange, the certificate of designations for the Series E Preferred Stock in substantially the form attached hereto as Annex A (the "**Certificate of Designations**") and such filing shall have been accepted;

(v) (A) the Company shall have taken all necessary action to effect such changes to its existing compensation, bonus, incentive and other benefit plans, arrangements and agreements (including golden parachute, severance and employment agreements) (collectively, "**Plans**", and together with all such plans, arrangements and agreements hereafter adopted, created or entered into, "**Benefit Plans**") with respect to the Senior Executive Officers (and to the extent necessary for such changes to be legally

enforceable, each of the Senior Executive Officers shall have duly consented in writing to such changes), as may be necessary, during the Relevant Period, in order to comply with Section 111 of the Emergency Economic Stabilization Act of 2008, as amended (the "EESA"), including the provisions for Systemically Significant Failing Institutions, as implemented by guidance or regulation issued thereunder, including Notice 2008-PSSF, that has been issued and is in effect as of the Closing Date, including provisions prohibiting severance payments to the Senior Executive Officers, (B) the Company shall have taken all necessary action to effect such changes to its Plans with respect to the U.S.-based Senior Partners (and to the extent necessary for such changes to be legally enforceable, each of the U.S.-based Senior Partners shall have duly consented in writing to such changes), as may be necessary, during the Relevant Period, in order to comply with the requirements in Section 4.9 of this Agreement (as the requirements referred to in such Section are in effect as of the Closing Date), (C) the Company shall have used its best efforts to take all necessary action to effect such changes to its Plans with respect to the other Senior Partners (and to the extent necessary for such changes to be legally enforceable, to have each of the other Senior Partners duly consent in writing to such changes), as may be necessary, during the Relevant Period, in order to comply with the requirements in Section 4.9 of this Agreement (as the requirements referred to in such Section are in effect as of the Closing Date) and (D) the Investor shall have received a certificate signed on behalf of the Company by a senior executive officer certifying to the effect that the conditions set forth in Section 1.2(d)(v)(A) and (B) have been satisfied; "**Relevant Period**" means the period in which any obligation of the Company arising from financial assistance provided under the Troubled Asset Relief Program remains outstanding (excluding any period during which the Federal government only holds warrants to purchase Common Stock);

(vi) the Company shall have delivered to the Investor a written opinion from counsel to the Company (which may be internal counsel), addressed to the Investor and dated as of the Closing Date, in substantially the form attached hereto as Annex B; and

(vii) the Company shall have delivered certificates in proper form or, with the prior consent of the Investor, evidence of shares in book-entry form, evidencing the Series E Preferred Stock to the Investor or its designee(s).

(e) The obligation of the Company to consummate the Exchange is also subject to the condition that the Investor shall have delivered the Series D Preferred Stock Certificate to the Company.

1.3 *Interpretation.* When a reference is made in this Agreement to "Recitals," "Articles," "Sections," "Annexes" or "Schedules" such reference shall be to a Recital, Article or Section of, or Annex or Schedule to, this Agreement. The terms defined in the singular have a comparable meaning when used in the plural, and vice versa. References to "herein", "hereof", "hereunder" and the like refer to this Agreement as a whole and not to any particular section or provision, unless the context requires otherwise. The table of contents and headings contained in this Agreement are for reference purposes only and are not part of this Agreement. Whenever

the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed followed by the words “without limitation.” No rule of construction against the draftsman shall be applied in connection with the interpretation or enforcement of this Agreement, as this Agreement is the product of negotiation between sophisticated parties advised by counsel. All references to “\$” or “dollars” mean the lawful currency of the United States of America. Except as expressly stated in this Agreement, all references to any statute, rule or regulation are to the statute, rule or regulation as amended, modified, supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under the statute) and to any section of any statute, rule or regulation include any successor to the section. References to a “**business day**” shall mean any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

Article 2

Representations and Warranties

2.1 *Disclosure.* “**Company Material Adverse Effect**” means a material adverse effect on (i) the business, results of operation or financial condition of the Company and its consolidated subsidiaries taken as a whole; *provided, however*, that Company Material Adverse Effect shall not be deemed to include the effects of (A) changes after the date of this Agreement (the “**Signing Date**”) in general business, economic or market conditions (including changes generally in prevailing interest rates, credit availability and liquidity, currency exchange rates and price levels or trading volumes in the United States or foreign securities or credit markets), or any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism, in each case generally affecting the industries in which the Company and its subsidiaries operate, (B) changes or proposed changes after the Signing Date in generally accepted accounting principles in the United States (“**GAAP**”) or regulatory accounting requirements, or authoritative interpretations thereof, (C) changes or proposed changes after the Signing Date in securities, insurance and other laws of general applicability or related policies or interpretations of Governmental Entities (in the case of each of these clauses (A), (B) and (C), other than changes or occurrences to the extent that such changes or occurrences have or would reasonably be expected to have a materially disproportionate adverse effect on the Company and its consolidated subsidiaries taken as a whole relative to comparable U.S. insurance or financial services organizations), or (D) changes in the market price or trading volume of the Company’s common stock, par value \$2.50 per share (“**Common Stock**”), or any other equity, equity-related or debt securities of the Company or its consolidated subsidiaries (it being understood and agreed that the exception set forth in this clause (D) does not apply to the underlying reason giving rise to or contributing to any such change); or (ii) the ability of the Company to consummate the Exchange and the other transactions contemplated by this Agreement and perform its obligations hereunder on a timely basis.

2.2 *Representations and Warranties of the Company.* The Company represents and warrants to the Investor that as of the Signing Date and as of the Closing Date (or such other date specified herein):

(a) Organization, Authority and Significant Subsidiaries. The Company has been duly incorporated and is validly existing and in good standing under the laws of the State of Delaware, with the necessary power and authority to own its properties and conduct its business in all material respects as currently conducted; except as has not had, individually or in the aggregate, and would not reasonably be expected to have a Company Material Adverse Effect, the Company has been duly qualified as a foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification; each subsidiary of the Company that is a “**significant subsidiary**” within the meaning of Rule 1-02(w) of Regulation S-X under the Securities Act of 1933 (the “**Securities Act**”) has been duly organized and is validly existing in good standing under the laws of its jurisdiction of organization. The Restated Certificate of Incorporation of the Company, as amended (the “**Charter**”) and bylaws of the Company, copies of which have been provided to the Investor prior to the Signing Date, are true, complete and correct copies of such documents as in full force and effect as of the Signing Date.

(b) Capitalization. The authorized capital stock of the Company, and the outstanding capital stock of the Company (including securities convertible into, or exercisable or exchangeable for, capital stock of the Company) as of the most recent fiscal month-end preceding the Signing Date, or such other date as the parties may agree (the “**Capitalization Date**”), is set forth on Schedule B. The outstanding shares of capital stock of the Company have been duly authorized and are validly issued and outstanding, fully paid and non-assessable, and subject to no preemptive rights (and were not issued in violation of any preemptive rights). As of the Signing Date, the Company does not have outstanding any securities or other obligations providing the holder the right to acquire Common Stock that is not reserved for issuance, and the Company has not made any other commitment to authorize, issue or sell any Common Stock, except as specified on Schedule B and including the Series C Perpetual, Convertible, Participating Preferred Stock, par value \$5.00 per share (the “**Series C Preferred Stock**”). Since the Capitalization Date, the Company has not issued any shares of Common Stock, other than (i) shares issued upon the exercise of stock options or delivered under other equity-based awards or other convertible securities or warrants which were issued and outstanding on the Capitalization Date and disclosed on Schedule B and (ii) shares disclosed on Schedule B.

(c) Series E Preferred Stock. The Series E Preferred Stock has been duly and validly authorized, and, when issued and delivered pursuant to this Agreement, such Series E Preferred Stock will be duly and validly issued and fully paid and non-assessable, will not be issued in violation of any preemptive rights, and, until the approval by the Company’s stockholders of the amendment to the Charter to cause the Series D Preferred Stock and any other series of Serial Preferred Stock (as defined in the Charter) issued to the Investor to rank senior to the Series C Preferred Stock and any subsequently issued series of Serial Preferred Stock (as defined in the Charter) that is not initially issued to the Investor, will rank *pari passu* with all other series or classes of the Company’s preferred stock, whether or not issued or outstanding, with respect to the payment of dividends and the distribution of assets in the event of any dissolution, liquidation or winding up of the Company.

(d) Authorization, Enforceability.

(i) The Company has the corporate power and authority to execute and deliver this Agreement and, subject to the approval of its stockholders described in Section 3.1(b) and the corporate authorizations necessary to effect the transactions contemplated by Sections 3.7 and 3.8, to carry out its obligations hereunder (which includes the issuance of the Series E Preferred Stock). The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company and its stockholders, and no further approval or authorization is required on the part of the Company or its stockholders, except as described in Section 3.1(b) and the corporate authorizations necessary to effect the transactions contemplated by Sections 3.7 and 3.8. This Agreement is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity.

(ii) The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby and compliance by the Company with the provisions hereof, will not (A) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or result in a right of termination or acceleration of, or result in the creation of, any lien, security interest, charge or encumbrance upon any of the properties or assets of the Company or any subsidiary of the Company (each a "**Company Subsidiary**" and, collectively, the "**Company Subsidiaries**") under any of the terms, conditions or provisions of (i) subject to the approval of the Company's stockholders as described in Section 3.1(b) and the corporate authorizations necessary to effect the transactions contemplated by Sections 3.7 and 3.8, its organizational documents or (ii) any note, bond, mortgage, indenture, deed of trust, license, lease, agreement or other instrument or obligation to which the Company or any Company Subsidiary is a party or by which it or any Company Subsidiary may be bound, or to which the Company or any Company Subsidiary or any of the properties or assets of the Company or any Company Subsidiary may be subject, or (B) subject to compliance with the statutes and regulations referred to in the next paragraph, violate any statute, rule or regulation or any judgment, ruling, order, writ, injunction or decree applicable to the Company or any Company Subsidiary or any of their respective properties or assets except, in the case of clauses (A)(ii) and (B), for those occurrences that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

(iii) Other than the filing of the Certificate of Designations with the Secretary of State of Delaware, the Certificate of Elimination with the Secretary of State of

Delaware, any current report on Form 8-K required to be filed with the Securities and Exchange Commission (the “SEC”), such filings and approvals as are required to be made or obtained under any state “blue sky” laws, the filing of any proxy statement contemplated by Section 3.1(b), any filings or approvals required in connection with the transactions contemplated by Sections 3.7 and 3.8 and such as have been made or obtained, no notice to, filing with, exemption or review by, or authorization, consent or approval of, any Governmental Entity is required to be made or obtained by the Company in connection with the consummation by the Company of the Exchange except for any such notices, filings, exemptions, reviews, authorizations, consents and approvals the failure of which to make or obtain would not, individually or in the aggregate, reasonably be expected to have a Company Material Adverse Effect.

(e) Anti-takeover Provisions and Rights Plan. The Board of Directors of the Company (the “**Board of Directors**”) has taken all necessary action to ensure that the transactions contemplated by this Agreement and the consummation of the transactions contemplated hereby will be exempt from any anti-takeover or similar provisions of the Company’s Charter and bylaws, and any other provisions of any applicable “moratorium”, “control share”, “fair price”, “interested stockholder” or other anti-takeover laws and regulations of any jurisdiction. The Company has taken all actions necessary to render any stockholders’ rights plan of the Company inapplicable to this Agreement and the consummation of the transactions contemplated hereby.

(f) Offering of Securities. Neither the Company nor any person acting on its behalf has taken any action (including any offering of any securities of the Company under circumstances which would require the integration of such offering with the offering of any of the Series E Preferred Stock under the Securities Act, and the rules and regulations of the SEC promulgated thereunder), which might subject the offering or issuance of any of the Series E Preferred Stock to the Investor pursuant to this Agreement to the registration requirements of the Securities Act.

(g) Brokers and Finders. No broker, finder or investment banker is entitled to any financial advisory, brokerage, finder’s or other fee or commission in connection with this Agreement or the transactions contemplated hereby based upon arrangements made by or on behalf of the Company or any Company Subsidiary for which the Investor could have any liability.

(h) No Inconsistent Agreement. Prior to the Signing Date, the Company has not entered into an agreement with respect to its securities that is inconsistent with the order of priority set forth in Section 4.5(a)(vi) for the offering of securities under a Shelf Registration Statement pursuant to Section 4.5(a)(ii) or a Piggyback Registration under Section 4.5(a)(iv).

2.3 Representations and Warranties of the Investor. The Investor represents and warrants to the Company that as of the Signing Date and as of the Closing Date:

(a) Ownership of Series D Preferred Stock. The Investor has good and unencumbered title to 4,000,000 shares of Series D Preferred Stock, free and clear of all pledges, security

interests, liens, claims, encumbrances, rights of first refusal, and options of any kind whatsoever (other than any applicable federal and state securities law restrictions).

(b) **No Encumbrances.** The Investor has full right, power and authority to consummate the Exchange and upon completion of the Exchange the Company shall receive the 4,000,000 shares of Series D Preferred Stock, free and clear of all pledges, security interests, liens, claims, encumbrances, rights of first refusal, and options of any kind whatsoever (other than any applicable federal and state securities law restrictions).

Article 3 Covenants

3.1 *Consummation of Exchange and Charter Amendment.* (a) Subject to the terms and conditions of this Agreement, each of the parties will use its commercially reasonable efforts in good faith to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or desirable, or advisable under applicable laws, so as to permit consummation of the Exchange as promptly as practicable and otherwise to enable consummation of the transactions contemplated hereby and shall use commercially reasonable efforts to cooperate with the other party to that end.

(b) At and prior to the next annual meeting of the Company's stockholders following the Closing Date, the Company shall take all action necessary under all applicable laws and regulations and the Charter to vote at such meeting on a proposal (the "**Stockholder Proposal**") to amend the Charter to (i) permit the Board of Directors to issue classes of Serial Preferred Stock (as defined in the Charter) that are not of equal rank, such that the Board of Directors or a duly authorized committee thereof may, prior to issuance, in the resolution or resolutions providing for the issue of shares of each particular series, provide whether the shares of such series rank senior or junior to any other class of Serial Preferred Stock as to the right to receive dividends and the right to receive payments out of the assets of the Company upon voluntary or involuntary liquidation, dissolution or winding up of the Company and (ii) cause the Series E Preferred Stock and any other series of Serial Preferred Stock subsequently issued to the Investor to rank senior to the Series C Preferred Stock and any other subsequently issued series of Serial Preferred Stock that is not issued to the Investor, so that as a result of these amendments the Series C Preferred Stock and any subsequently issued series of Serial Preferred Stock that ranks *pari passu* with or junior to the Series C Preferred Stock would not be entitled to vote on the subsequent creation or issuance of any such senior Serial Preferred Stock. In connection with such meeting, the Company shall prepare (and the Investor will reasonably cooperate with the Company to prepare) and file with the SEC a preliminary proxy statement, shall use its reasonable best efforts to respond to any comments of the SEC or its staff thereon and to cause a definitive proxy statement related to such stockholders' meeting to be mailed to the Company's stockholders not more than five business days after clearance thereof by the SEC. The Company shall notify the Investor promptly of the receipt of any comments from the SEC or its staff with respect to the proxy statement and of any request by the SEC or its staff for amendments or supplements to such proxy statement or for additional information and will supply the Investor

with copies of all correspondence between the Company or any of its representatives, on the one hand, and the SEC or its staff, on the other hand, with respect to such proxy statement. If at any time prior to such stockholders' meeting there shall occur any event that is required to be set forth in an amendment or supplement to the proxy statement, the Company shall as promptly as practicable prepare and mail to its stockholders such an amendment or supplement. Each of the Investor and the Company agrees promptly to correct any information provided by it or on its behalf for use in the proxy statement if and to the extent that such information shall have become false or misleading in any material respect, and the Company shall as promptly as practicable prepare and mail to its stockholders an amendment or supplement to correct such information to the extent required by applicable laws and regulations. The Company shall consult with the Investor prior to filing any proxy statement, or any amendment or supplement thereto, and provide the Investor with a reasonable opportunity to comment thereon. In the event that the approval of the Stockholder Proposal is not obtained at such annual stockholders meeting, the Company shall include a proposal to approve such proposal at a meeting of its stockholders no less than once in each subsequent twelve-month period beginning on June 1, 2009 until such approval is obtained or made.

(c) None of the information supplied by the Company or any of the Company Subsidiaries for inclusion in any proxy statement in connection with any such stockholders meeting of the Company will, at the date it is filed with the SEC, when first mailed to the Company's stockholders and at the time of any stockholders meeting, and at the time of any amendment or supplement thereof, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading.

3.2 *Expenses.* Unless otherwise provided in this Agreement, each of the parties hereto will bear and pay all costs and expenses incurred by it or on its behalf in connection with the transactions contemplated under this Agreement, including fees and expenses of its own financial or other consultants, investment bankers, accountants and counsel.

3.3 *Exchange Listing.* If requested by the Investor, the Company shall promptly use its reasonable best efforts to cause the Series E Preferred Stock to be approved for listing on a national securities exchange as promptly as practicable following such request.

3.4 *Certain Notifications Until Closing.* From the Signing Date until the Closing, the Company shall promptly notify the Investor of (i) any fact, event or circumstance of which it is aware and which would reasonably be expected to cause any representation or warranty of the Company contained in this Agreement to be untrue or inaccurate in any material respect or to cause any covenant or agreement of the Company contained in this Agreement not to be complied with or satisfied in any material respect and (ii) except as set forth or incorporated by reference in the Company's Annual Report on Form 10-K for the most recently completed fiscal year of the Company filed with the SEC or in the Company's other publicly available reports and forms filed with or furnished to the SEC under Sections 13(a), 14(a) or 15(d) of the Securities Exchange Act of 1934, as amended from time to time (the "**Exchange Act**"), on or after December 31, 2008 and prior to the Signing Date, any fact, circumstance, event, change,

occurrence, condition or development of which the Company is aware and which, individually or in the aggregate, has had or would reasonably be expected to have a Company Material Adverse Effect; *provided, however*, that delivery of any notice pursuant to this Section 3.4 shall not limit or affect any rights of or remedies available to the Investor; *provided, further*, that a failure to comply with this Section 3.4 shall not constitute a breach of this Agreement or the failure of any condition set forth in Section 1.2 to be satisfied unless the underlying Company Material Adverse Effect or material breach would independently result in the failure of a condition set forth in Section 1.2 to be satisfied.

3.5 Information and Confidentiality.

(a) Until such time as the Investor ceases to own any Series E Preferred Stock, or except as otherwise agreed, the Company shall provide the Investor (i) the information required to be provided by the Company to the Federal Reserve Bank of New York (“**FRBNY**”) pursuant to Section 5.04 of the Credit Agreement dated as of September 22, 2008 between the Company and the FRBNY, as amended from time to time (the “**Credit Agreement**”) and within the time periods for delivery thereof specified in the Credit Agreement and (ii) the notices required by Section 5.05 of the Credit Agreement and within the time periods for delivery thereof specified in the Credit Agreement. After the termination of the Credit Agreement, such informational and notice requirements as are provided in Section 5.04 and Section 5.05 of the Credit Agreement shall remain in full force and effect until such time as the Investor no longer owns any Series E Preferred Stock. In addition, during the Relevant Period, except as otherwise agreed, the Company shall provide the Investor a bi-annual report on the steps taken by the Company to comply in all respects with Section 111 of the EESA, including the provisions for Systemically Significant Failing Institutions, as implemented by any guidance or regulation issued thereunder as of the date of such report, including Notice 2008-PSSFI, any amendments to Notice 2008-PSSFI, or any other guidance or regulation applicable to the Company, and with Section 4.9 of this Agreement. In addition, the Company shall promptly provide the Investor such other information and notices as the Investor may reasonably request from time to time.

(b) The Investor will use reasonable best efforts to hold, and will use reasonable best efforts to cause its agents, consultants, contractors and advisors to hold, in confidence all non-public records, books, contracts, instruments, computer data and other data and information (collectively, “**Information**”) concerning the Company furnished or made available to it by the Company or its representatives pursuant to this Agreement (including pursuant to Sections 3.5 and 3.6) (except to the extent that such information can be shown to have been (i) previously known by such party on a non-confidential basis, (ii) in the public domain through no fault of such party or (iii) later lawfully acquired from other sources by the party to which it was furnished (and without violation of any other confidentiality obligation)); *provided* that nothing herein shall prevent the Investor from disclosing any Information to the extent required by applicable laws or regulations or by any subpoena or similar legal process.

3.6 *Additional Inspection Rights.* During the Relevant Period, the Company shall permit (i) the Investor and its agents, consultants, contractors and advisors, (ii) the Special Inspector General of the Troubled Asset Relief Program, and (iii) the Comptroller General of the

United States access to personnel and any books, papers, records or other data delivered to it pursuant to this Agreement or otherwise in its possession, custody or control, in each case to the extent relevant to ascertaining compliance with the terms and conditions set forth in this Agreement, during normal business hours and upon reasonable notice to the Company; *provided* that prior to disclosing any information pursuant to clause (i), (ii) or (iii), the Investor, the Special Inspector General of the Troubled Asset Relief Program and the Comptroller General of the United States shall have agreed, with respect to documents obtained under this Agreement in furtherance of their respective functions, to follow applicable laws and regulations (and the applicable customary policies and procedures, including those for inspectors general) regarding the dissemination of confidential materials, including redacting confidential information from the public version of its reports, as appropriate, and soliciting input from the Company as to information that should be afforded confidentiality. The Investor represents that it has been informed by the Special Inspector General of the Troubled Asset Relief Program and the Comptroller General of the United States that they, before making any request for access or information pursuant to their oversight and audit functions, will establish a protocol to avoid, to the extent reasonably possible, duplicative requests. Nothing in this Section 3.6 shall be construed to limit the authority that the Special Inspector General of the Troubled Asset Relief Program or the Comptroller General of the United States have under law.

3.7 *Exchange of Warrant.* (a) If, at the meeting of the Company's shareholders referred to in Section 6.2(a) of the Series C Perpetual, Convertible, Participating Preferred Stock Purchase Agreement, dated as of March 1, 2009 (the "**Series C Preferred Stock Purchase Agreement**"), between the Company and the AIG Credit Facility Trust, a trust established for the sole benefit of the United States Treasury (the "**Trust**"), the Common Stock Amendment Proposal (as defined in the Series C Preferred Stock Purchase Agreement) is not approved by the holders of Company's capital stock but the Series C Preferred Stock Amendment Proposal and the Serial Preferred Stock Amendment Proposal (each as defined in the Series C Preferred Stock Purchase Agreement) are so approved, the Investor shall have the right, at any time and in its sole discretion, by giving a notice in accordance with Section 5.6 to exchange the warrant issued to the Investor on November 25, 2008 (the "**Warrant**") for 53,798,766 shares of the Company's Series C Preferred Stock (after giving effect to the Series C Preferred Stock Amendment Proposal and the Serial Preferred Stock Amendment Proposal referred to above and subject to adjustment for any stock splits and reverse stock splits effected between the Closing Date and the date on which such exchange is effected) (the "**Warrant Exchange**") and the shares of Series C Preferred Stock received in such exchange, the "**Exchange Shares**"). In order to effect the Warrant Exchange, the Company shall comply with the relevant provisions of Sections 6.1 and 6.2 of the Series C Preferred Stock Purchase Agreement as if such sections were set forth in full in this Agreement, except that the Series C Preferred Stock Amendment Proposal (as defined in the Series C Preferred Stock Purchase Agreement) shall be deemed to include an amendment to the Certificate of Designations for the Company's Series C Preferred Stock to authorize the issuance of the Exchange Shares.

(b) The Company acknowledges that the Investor has provided consideration for the Warrant Exchange in the form of its agreement to consummate the Exchange and that the value of such agreement is at least equal to the par value of the Exchange Shares.

3.8 *Exchange of Series E Preferred Stock.* As soon as practicable following the filing of the Certificate of Elimination with the Secretary of State of Delaware, the Company shall reserve for issuance 4,160,458 authorized and unissued shares of Serial Preferred Stock and at any time prior to the date the Investor ceases to own any shares of Series E Preferred Stock, the Investor shall have the right, in its sole discretion, by giving a notice in accordance with Section 5.6 to cause the Company to take all action necessary under all applicable laws and regulations and the Charter to exchange any of the shares of Series E Preferred Stock owned by the Investor for a new series of Serial Preferred Stock with the same terms as the Series E Preferred Stock (except that the liquidation preference of such new series shall be \$10,000 per share, or such liquidation preference per share as shall be reasonably specified by the Investor and the aggregate liquidation preference following such exchange shall be equal to the aggregate liquidation preference of the Series E Preferred Stock prior to such exchange), in accordance with an exchange agreement substantially in the form of this Agreement.

3.9 *Compliance with the Employ American Workers Act.* The Company shall, and the Company shall take all necessary action to ensure that the Company Subsidiaries, as applicable, shall, comply in all respects with the provisions of the Employ American Workers Act (Section 1611 of Division A, Title XVI of the American Recovery and Reinvestment Act of 2009 (P.L. 111-5)), as in effect from time to time.

3.10 *Compliance with Guidelines of the Home Affordable Modification Program.* The Company shall take all necessary action to ensure that all Company Subsidiaries that are eligible for the Home Affordable Modification Program shall execute a Commitment to Purchase Financial Instrument and Servicer Participation Agreement with the Federal National Mortgage Association within 90 days of the Commencement Date and otherwise comply with (i) the Home Affordable Modification Program Guidelines issued by the Investor on March 4, 2009, (ii) Supplemental Directive 09-01 issued by the Investor dated April 6, 2009 and (iii) any other guidelines or regulations to be issued by the Investor as part of the Home Affordable Modification Program.

3.11 *Internal Controls.* The Company shall (i) promptly establish appropriate internal controls with respect to compliance with each of the Company's covenants and agreements set forth in Sections 4.7 through 4.12; (ii) prepare a report on a quarterly basis regarding the implementation of such internal controls and the Company's compliance (including any instances of non-compliance) with such covenants and agreements; (iii) deliver such quarterly report to the Investor in accordance with Section 5.6 and no later than the date by which its Quarterly Report on Form 10-Q or Annual Report on Form 10-K is filed with the SEC; and (iv) provide a signed certification from a senior executive officer of the Company to the Investor that such quarterly report is accurate to the best of his or her knowledge, which certification shall be made subject to the requirements and penalties set forth in Title 18, United States Code, Section 1001.

Article 4
Additional Agreements

4.1 *Purchase of Restricted Securities.* The Investor acknowledges that the Series E Preferred Stock and the Exchange Shares have not been registered under the Securities Act or under any state securities laws. The Investor (a) is acquiring the Series E Preferred Stock and, if delivered, the Exchange Shares pursuant to an exemption from registration under the Securities Act with no present intention to distribute them to any person in violation of the Securities Act or any applicable U.S. state securities laws, (b) will not sell or otherwise dispose of any of the Series E Preferred Stock and, if delivered, the Exchange Shares, except in compliance with the registration requirements or exemption provisions of the Securities Act and any applicable U.S. state securities laws, and (c) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks of the Exchange and of making an informed investment decision.

4.2 *Legends.*

(a) The Investor agrees that all certificates or other instruments representing the Exchange Shares will bear a legend substantially to the following effect:

“THIS SECURITY AND THE SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR ANY STATE SECURITIES LAWS. NEITHER THIS SECURITY OR THE SHARES OF COMMON STOCK ISSUABLE UPON CONVERSION OF THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN OR THEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION.”

(b) The Investor agrees that all certificates or other instruments representing the Series E Preferred Stock will bear a legend substantially to the following effect:

“THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR SUCH LAWS. EACH PURCHASER OF THE SECURITIES REPRESENTED BY THIS INSTRUMENT IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. ANY TRANSFEREE OF THE SECURITIES REPRESENTED BY THIS INSTRUMENT BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (2) AGREES THAT

IT WILL NOT OFFER, SELL OR OTHERWISE TRANSFER THE SECURITIES REPRESENTED BY THIS INSTRUMENT EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT WHICH IS THEN EFFECTIVE UNDER THE SECURITIES ACT, (B) FOR SO LONG AS THE SECURITIES REPRESENTED BY THIS INSTRUMENT ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) TO THE ISSUER OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THE SECURITIES REPRESENTED BY THIS INSTRUMENT ARE TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND."

(c) In the event that any shares of the Series E Preferred Stock or the Exchange Shares (i) become registered under the Securities Act or (ii) are eligible to be transferred without restriction in accordance with Rule 144 or another exemption from registration under the Securities Act (other than Rule 144A), the Company shall issue new certificates or other instruments representing such Series E Preferred Stock or the Exchange Shares, which shall not contain the applicable legends in Section 4.2(a) and (b) above; *provided* that the Investor surrenders to the Company the previously issued certificates or other instruments.

4.3 *Certain Transactions.* The Company will not merge or consolidate with, or sell, transfer or lease all or substantially all of its property or assets to, any other party unless (i) the successor, transferee or lessee party (or its ultimate parent entity), as the case may be (if not the Company), expressly assumes the due and punctual performance and observance of each and every covenant, agreement and condition of this Agreement to be performed and observed by the Company or (ii) the Investor agrees otherwise in writing.

4.4 *Transfer of Series E Preferred Stock and Exchange Shares.* Subject to compliance with applicable securities laws, the Investor shall be permitted to transfer, sell, assign or otherwise dispose of ("**Transfer**") all or a portion of the Series E Preferred Stock or the Exchange Shares at any time, and the Company shall take all steps as may be reasonably requested by the Investor to facilitate the Transfer of the Series E Preferred Stock or the Exchange Shares.

4.5 *Registration Rights.*

(a) Registration.

(i) Subject to the terms and conditions of this Agreement, the Company covenants and agrees that as promptly as practicable after notification from the Investor, and in any event no later than 15 days after such notification, the Company shall prepare

and file with the SEC a Shelf Registration Statement covering all Registrable Securities (or otherwise designate an existing Shelf Registration Statement filed with the SEC to cover the Registrable Securities), and, to the extent the Shelf Registration Statement has not theretofore been declared effective or is not automatically effective upon such filing, the Company shall use reasonable best efforts to cause such Shelf Registration Statement to be declared or become effective and to keep such Shelf Registration Statement continuously effective and in compliance with the Securities Act and usable for resale of such Registrable Securities for a period from the date of its initial effectiveness until such time as there are no Registrable Securities remaining (including by refiling such Shelf Registration Statement (or a new Shelf Registration Statement) if the initial Shelf Registration Statement expires). So long as the Company is a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) at the time of filing of the Shelf Registration Statement with the SEC, such Shelf Registration Statement shall be designated by the Company as an automatic Shelf Registration Statement.

(ii) Any registration pursuant to Section 4.5(a)(i) shall be effected by means of a shelf registration on an appropriate form under Rule 415 under the Securities Act (a “**Shelf Registration Statement**”). If the Investor or any other Holder intends to distribute any Registrable Securities by means of an underwritten offering it shall promptly so advise the Company and the Company shall take all reasonable steps to facilitate such distribution, including the actions required pursuant to Section 4.5(c); *provided* that the Company shall not be required to facilitate an underwritten offering of Registrable Securities unless the expected gross proceeds from such offering exceed \$200 million. The lead underwriters in any such distribution shall be selected by the Holders of a majority of the Registrable Securities to be distributed.

(iii) The Company shall not be required to effect a registration (including a resale of Registrable Securities from an effective Shelf Registration Statement) or an underwritten offering pursuant to Section 4.5(a): (A) with respect to securities that are not Registrable Securities; or (B) if the Company has notified the Investor and all other Holders that in the good faith judgment of the Board of Directors, it would be materially detrimental to the Company or its securityholders for such registration or underwritten offering to be effected at such time, in which event the Company shall have the right to defer such registration for a period of not more than 45 days after receipt of the request of the Investor or any other Holder; *provided* that such right to delay a registration or underwritten offering shall be exercised by the Company (1) only if the Company has generally exercised (or is concurrently exercising) similar black-out rights against holders of similar securities that have registration rights and (2) not more than three times in any 12-month period and not more than 90 days in the aggregate in any 12-month period.

(iv) If during any period when an effective Shelf Registration Statement is not available, the Company proposes to register any of its equity securities, other than a registration pursuant to Section 4.5(a)(i) or a Special Registration, and the registration form to be filed may be used for the registration or qualification for distribution of Registrable Securities, the Company will give prompt written notice to the Investor and

all other Holders of its intention to effect such a registration (but in no event less than ten days prior to the anticipated filing date) and will include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within ten business days after the date of the Company's notice (a "**Piggyback Registration**"). Any such person that has made such a written request may withdraw its Registrable Securities from such Piggyback Registration by giving written notice to the Company and the managing underwriter, if any, on or before the fifth business day prior to the planned effective date of such Piggyback Registration. The Company may terminate or withdraw any registration under this Section 4.5(a)(iv) prior to the effectiveness of such registration, whether or not the Investor or any other Holders have elected to include Registrable Securities in such registration.

(v) If the registration referred to in Section 4.5(a)(iv) is proposed to be underwritten, the Company will so advise the Investor and all other Holders as a part of the written notice given pursuant to Section 4.5(a)(iv). In such event, the right of the Investor and all other Holders to registration pursuant to Section 4.5(a) will be conditioned upon such persons' participation in such underwriting and the inclusion of such person's Registrable Securities in the underwriting if such securities are of the same class of securities as the securities to be offered in the underwritten offering, and each such person will (together with the Company and the other persons distributing their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter or underwriters selected for such underwriting by the Company; *provided* that the Investor (as opposed to other Holders) shall not be required to indemnify any person in connection with any registration. If any participating person disapproves of the terms of the underwriting, such person may elect to withdraw therefrom by written notice to the Company, the managing underwriters and the Investor (if the Investor is participating in the underwriting).

(vi) If either (x) the Company grants "piggyback" registration rights to one or more third parties to include their securities in an underwritten offering under a Shelf Registration Statement pursuant to Section 4.5(a)(ii) or (y) a Piggyback Registration under Section 4.5(a)(iv) relates to an underwritten offering on behalf of the Company, and in either case the managing underwriters advise the Company that in their reasonable opinion the number of securities requested to be included in such offering exceeds the number which can be sold without adversely affecting the marketability of such offering (including an adverse effect on the per share offering price), the Company will include in such offering only such number of securities that in the reasonable opinion of such managing underwriters can be sold without adversely affecting the marketability of the offering (including an adverse effect on the per share offering price), which securities will be so included in the following order of priority: (A) first, in the case of a Piggyback Registration under Section 4.5(a)(iv), the securities the Company proposes to sell, (B) then the Registrable Securities of the Investor and all other Holders who have requested inclusion of Registrable Securities pursuant to Section 4.5(a)(ii) or Section 4.5(a)(iv), as applicable, *pro rata* on the basis of the aggregate number of such securities or shares owned by each such person, (C) then the Registrable Securities (as defined in

the Series C Preferred Stock Purchase Agreement) of the Trust and all other Holders who have received Registrable Securities (as defined in the Series C Preferred Stock Purchase Agreement) from the Trust and who have requested inclusion of Registrable Securities (as defined in the Series C Preferred Stock Purchase Agreement) in accordance with the terms of the Series C Preferred Stock Purchase Agreement, *pro rata* on the basis of the aggregate number of such securities or shares owned by each such person and (D) lastly, any other securities of the Company that have been requested to be so included, subject to the terms of this Agreement.

(b) Expenses of Registration. All Registration Expenses incurred in connection with any registration, qualification or compliance hereunder shall be borne by the Company. All Selling Expenses incurred in connection with any registrations hereunder shall be borne by the holders of the securities so registered *pro rata* on the basis of the aggregate offering or sale price of the securities so registered.

(c) Obligations of the Company. The Company shall use its reasonable best efforts, for so long as there are Registrable Securities outstanding, to take such actions as are in its control to become a well-known seasoned issuer (as defined in Rule 405 under the Securities Act) and once the Company becomes a well-known seasoned issuer to take such actions as are in its control to remain a well-known seasoned issuer. In addition, whenever required to effect the registration of any Registrable Securities or facilitate the distribution of Registrable Securities pursuant to an effective Shelf Registration Statement, the Company shall, as expeditiously as reasonably practicable:

(i) Prepare and file with the SEC, not later than fifteen (15) days after the request, a registration statement with respect to such Registrable Securities and use all commercially reasonable efforts to cause such registration statement to become effective, or prepare and file with the SEC not later than ten (10) days after the request a prospectus supplement with respect to a proposed offering of such Registrable Securities pursuant to an effective registration statement, subject to Section 4.5(d), and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, use all commercially reasonable efforts to keep such registration statement effective and keep such prospectus supplement current until the securities described therein are no longer Registrable Securities.

(ii) Prepare and file with the SEC such amendments and supplements to the applicable registration statement and the prospectus or prospectus supplement used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement.

(iii) Furnish to the Holders and any underwriters such number of copies of the applicable registration statement and each such amendment and supplement thereto (including in each case all exhibits) and of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other

documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned or to be distributed by them.

(iv) Use its reasonable best efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders or any managing underwriter(s), to keep such registration or qualification in effect for so long as such registration statement remains in effect, and to take any other action which may be reasonably necessary to enable such seller to consummate the disposition in such jurisdictions of the securities owned by such Holder; *provided* that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions.

(v) Notify each Holder of Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act of the happening of any event as a result of which the applicable prospectus, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing.

(vi) Give written notice to the Holders:

(A) when any registration statement filed pursuant to Section 4.5(a) or any amendment thereto has been filed with the SEC (except for any amendment effected by the filing of a document with the SEC pursuant to the Exchange Act and when such registration statement or any post-effective amendment thereto has become effective;

(B) of any request by the SEC for amendments or supplements to any registration statement or the prospectus included therein or for additional information;

(C) of the issuance by the SEC of any stop order suspending the effectiveness of any registration statement or the initiation of any proceedings for that purpose;

(D) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Common Stock for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(E) of the happening of any event that requires the Company to make changes in any effective registration statement or the prospectus related to the registration statement in order to make the statements therein not misleading (which notice shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made); and

(F) if at any time the representations and warranties of the Company contained in any underwriting agreement contemplated by Section 4.5(c)(x) cease to be true and correct.

(vii) Use its reasonable best efforts to prevent the issuance or obtain the withdrawal of any order suspending the effectiveness of any registration statement referred to in Section 4.5(c)(vi)(C) at the earliest practicable time.

(viii) Upon the occurrence of any event contemplated by Section 4.5(c)(v) or 4.5(c)(vi)(E), promptly prepare a post-effective amendment to such registration statement or a supplement to the related prospectus or file any other required document so that, as thereafter delivered to the Holders and any underwriters, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Holders in accordance with Section 4.5(c)(vi)(E) to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Holders and any underwriters shall suspend use of such prospectus and use their reasonable best efforts to return to the Company all copies of such prospectus (at the Company's expense) other than permanent file copies then in such Holders' or underwriters' possession. The total number of days that any such suspension may be in effect in any 12-month period shall not exceed 90 days.

(ix) Use reasonable best efforts to procure the cooperation of the Company's transfer agent in settling any offering or sale of Registrable Securities, including with respect to the transfer of physical stock certificates into book-entry form in accordance with any procedures reasonably requested by the Holders or any managing underwriter(s).

(x) If an underwritten offering is requested pursuant to Section 4.5(a)(ii), enter into an underwriting agreement in customary form, scope and substance and take all such other actions reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith or by the managing underwriter(s), if any, to expedite or facilitate the underwritten disposition of such Registrable Securities, and in connection therewith in any underwritten offering (including making members of management and executives of the Company available to participate in "road shows", similar sales events and other marketing activities), (A) make such representations and warranties to the Holders that are selling stockholders and the managing underwriter(s), if any, with respect to the business of the Company and its subsidiaries, and the Shelf Registration Statement, prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, in customary form, substance and scope, and, if true, confirm the same if and when requested, (B) use its reasonable best efforts to furnish the underwriters with opinions of counsel to the Company, addressed to the managing underwriter(s), if any, covering the matters customarily covered in such opinions requested in underwritten offerings, (C) use its reasonable best efforts to obtain "cold comfort" letters from the independent certified public accountants of the Company (and, if necessary, any other independent certified public accountants of any business

acquired by the Company for which financial statements and financial data are included in the Shelf Registration Statement) who have certified the financial statements included in such Shelf Registration Statement, addressed to each of the managing underwriter(s), if any, such letters to be in customary form and covering matters of the type customarily covered in “cold comfort” letters, (D) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures customary in underwritten offerings (*provided* that the Investor shall not be obligated to provide any indemnity), and (E) deliver such documents and certificates as may be reasonably requested by the Holders of a majority of the Registrable Securities being sold in connection therewith, their counsel and the managing underwriter(s), if any, to evidence the continued validity of the representations and warranties made pursuant to clause (A) above and to evidence compliance with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company.

(xi) Make available for inspection by a representative of Holders that are selling stockholders, the managing underwriter(s), if any, and any attorneys or accountants retained by such Holders or managing underwriter(s), at the offices where normally kept, during reasonable business hours, financial and other records, pertinent corporate documents and properties of the Company, and cause the officers, directors and employees of the Company to supply all information in each case reasonably requested (and of the type customarily provided in connection with due diligence conducted in connection with a registered public offering of securities) by any such representative, managing underwriter(s), attorney or accountant in connection with such Shelf Registration Statement.

(xii) Use reasonable best efforts to cause all such Registrable Securities to be listed on each national securities exchange on which similar securities issued by the Company are then listed or, if no similar securities issued by the Company are then listed on any national securities exchange, use its reasonable best efforts to cause all such Registrable Securities to be listed on such securities exchange as the Investor may designate.

(xiii) If requested by Holders of a majority of the Registrable Securities being registered and/or sold in connection therewith, or the managing underwriter(s), if any, promptly include in a prospectus supplement or amendment such information as the Holders of a majority of the Registrable Securities being registered and/or sold in connection therewith or managing underwriter(s), if any, may reasonably request in order to permit the intended method of distribution of such securities and make all required filings of such prospectus supplement or such amendment as soon as practicable after the Company has received such request.

(xiv) Timely provide to its security holders earning statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder.

(d) Suspension of Sales. Upon receipt of written notice from the Company that a registration statement, prospectus or prospectus supplement contains or may contain an untrue statement of a material fact or omits or may omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or that circumstances exist that make inadvisable use of such registration statement, prospectus or prospectus supplement, the Investor and each Holder of Registrable Securities shall forthwith discontinue disposition of Registrable Securities until the Investor and/or Holder has received copies of a supplemented or amended prospectus or prospectus supplement, or until the Investor and/or such Holder is advised in writing by the Company that the use of the prospectus and, if applicable, prospectus supplement may be resumed, and, if so directed by the Company, the Investor and/or such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in the Investor and/or such Holder's possession, of the prospectus and, if applicable, prospectus supplement covering such Registrable Securities current at the time of receipt of such notice. The total number of days that any such suspension may be in effect in any 12-month period shall not exceed 90 days.

(e) Termination of Registration Rights. A Holder's registration rights as to any securities held by such Holder (and its Affiliates, partners, members and former members) shall not be available unless such securities are Registrable Securities.

(f) Furnishing Information.

(i) Neither the Investor nor any Holder shall use any free writing prospectus (as defined in Rule 405) in connection with the sale of Registrable Securities without the prior written consent of the Company.

(ii) It shall be a condition precedent to the obligations of the Company to take any action pursuant to Section 4.5(c) that the Investor and/or the selling Holders and the underwriters, if any, shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to effect the registered offering of their Registrable Securities.

(g) Indemnification.

(i) The Company agrees to indemnify each Holder and, if a Holder is a person other than an individual, such Holder's officers, directors, employees, agents, representatives and Affiliates, and each Person, if any, that controls a Holder within the meaning of the Securities Act (each, an "**Indemnitee**"), against any and all losses, claims, damages, actions, liabilities, costs and expenses (including reasonable fees, expenses and disbursements of attorneys and other professionals incurred in connection with investigating, defending, settling, compromising or paying any such losses, claims, damages, actions, liabilities, costs and expenses), joint or several, arising out of or based upon any untrue statement or alleged untrue statement of material fact contained in any registration statement, including any preliminary prospectus or final prospectus contained

therein or any amendments or supplements thereto or any documents incorporated therein by reference or contained in any free writing prospectus (as such term is defined in Rule 405) prepared by the Company or authorized by it in writing for use by such Holder (or any amendment or supplement thereto); or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided* that the Company shall not be liable to such Indemnitee in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon (A) an untrue statement or omission made in such registration statement, including any such preliminary prospectus or final prospectus contained therein or any such amendments or supplements thereto or contained in any free writing prospectus (as such term is defined in Rule 405) prepared by the Company or authorized by it in writing for use by such Holder (or any amendment or supplement thereto), in reliance upon and in conformity with information regarding such Indemnitee or its plan of distribution or ownership interests which was furnished in writing to the Company by such Indemnitee for use in connection with such registration statement, including any such preliminary prospectus or final prospectus contained therein or any such amendments or supplements thereto, or (B) offers or sales effected by or on behalf of such Indemnitee “by means of” (as defined in Rule 159A) a “free writing prospectus” (as defined in Rule 405) that was not authorized in writing by the Company.

(ii) If the indemnification provided for in Section 4.5(g)(i) is unavailable to an Indemnitee with respect to any losses, claims, damages, actions, liabilities, costs or expenses referred to therein or is insufficient to hold the Indemnitee harmless as contemplated therein, then the Company, in lieu of indemnifying such Indemnitee, shall contribute to the amount paid or payable by such Indemnitee as a result of such losses, claims, damages, actions, liabilities, costs or expenses in such proportion as is appropriate to reflect the relative fault of the Indemnitee, on the one hand, and the Company, on the other hand, in connection with the statements or omissions which resulted in such losses, claims, damages, actions, liabilities, costs or expenses as well as any other relevant equitable considerations. The relative fault of the Company, on the one hand, and of the Indemnitee, on the other hand, shall be determined by reference to, among other factors, whether the untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company or by the Indemnitee and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and each Holder agree that it would not be just and equitable if contribution pursuant to this Section 4.5(g)(ii) were determined by *pro rata* allocation or by any other method of allocation that does not take account of the equitable considerations referred to in Section 4.5(g)(i). No Indemnitee guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from the Company if the Company was not also guilty of such fraudulent misrepresentation.

(h) Assignment of Registration Rights. The rights of the Investor to registration of Registrable Securities pursuant to Section 4.5(a) may be assigned by the Investor to a transferee

or assignee of Registrable Securities with a liquidation preference or, in the case of Registrable Securities other than Series E Preferred Stock, a market value, no less than an amount equal to \$200 million; *provided, however*, the transferor shall, within ten days after such transfer, furnish to the Company written notice of the name and address of such transferee or assignee and the number and type of Registrable Securities that are being assigned. For purposes of this Section 4.5(h), “market value” per share of Common Stock shall be the last reported sale price of the Common Stock on the national securities exchange on which the Common Stock is listed or admitted to trading on the last trading day prior to the proposed transfer and “market value” of the Exchange Shares shall be the market value of a number of shares of Common Stock issuable upon conversion of such Exchange Shares (whether or not such Exchange Shares are then convertible).

(i) **Clear Market.** With respect to any underwritten offering of Registrable Securities by the Investor or other Holders pursuant to this Section 4.5, the Company agrees not to effect (other than pursuant to such registration or pursuant to a Special Registration) any public sale or distribution, or to file any Shelf Registration Statement (other than such registration or a Special Registration) covering, in the case of an underwritten offering of Common Stock, any of its equity securities or, in the case of an underwritten offering of Series E Preferred Stock, any preferred stock of the Company, or, in each case, any securities convertible into or exchangeable or exercisable for such securities, during the period not to exceed 10 days prior and 60 days following the effective date of such offering or such longer period up to 90 days as may be requested by the managing underwriter for such underwritten offering. The Company also agrees to cause such of its directors and senior executive officers to execute and deliver customary lock-up agreements in such form and for such time period up to 90 days as may be requested by the managing underwriter. “**Special Registration**” means the registration of (A) equity securities and/or options or other rights in respect thereof solely registered on Form S-4 or Form S-8 (or successor form) or (B) shares of equity securities and/or options or other rights in respect thereof to be offered to directors, members of management, employees, consultants, customers, lenders or vendors of the Company or Company Subsidiaries or in connection with dividend reinvestment plans.

(j) **Rule 144; Rule 144A.** With a view to making available to the Investor and Holders the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its reasonable best efforts to:

(i) make and keep public information available, as those terms are understood and defined in Rule 144(c)(1) or any similar or analogous rule promulgated under the Securities Act, at all times after the Signing Date;

(ii) (A) file with the SEC, in a timely manner, all reports and other documents required of the Company under the Exchange Act, and (B) if at any time the Company is not required to file such reports, make available, upon the request of any Holder, such information necessary to permit sales pursuant to Rule 144A (including the information required by Rule 144A(d)(4) under the Securities Act);

(iii) so long as the Investor or a Holder owns any Registrable Securities, furnish to the Investor or such Holder forthwith upon request: a written statement by the Company as to its compliance with the reporting requirements of Rule 144 under the Securities Act, and of the Exchange Act; a copy of the most recent annual or quarterly report of the Company; and such other reports and documents as the Investor or Holder may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such securities to the public without registration; and

(iv) take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act.

(k) As used in this Section 4.5, the following terms shall have the following respective meanings:

(i) “**Holder**” means the Investor and any other holder of Registrable Securities to whom the registration rights conferred by this Agreement have been transferred in compliance with Section 4.5(h).

(ii) “**Holders’ Counsel**” means one counsel for the selling Holders chosen by Holders holding a majority interest in the Registrable Securities being registered.

(iii) “**Register,**” “**registered,**” and “**registration**” shall refer to a registration effected by preparing and (A) filing a registration statement in compliance with the Securities Act and applicable rules and regulations thereunder, and the declaration or ordering of effectiveness of such registration statement or (B) filing a prospectus and/or prospectus supplement in respect of an appropriate effective registration statement on Form S-3.

(iv) “**Registrable Securities**” means (A) all Series E Preferred Stock and all Exchange Shares and (B) any equity securities issued or issuable directly or indirectly with respect to the securities referred to in the foregoing clause (A) by way of conversion, exercise or exchange thereof dividend or share split or in connection with a combination of shares, recapitalization, reclassification, merger, amalgamation, arrangement, consolidation or other reorganization; *provided* that, once issued, such securities will not be Registrable Securities when (1) they are sold pursuant to an effective registration statement under the Securities Act, (2) except as provided below in Section 4.5(o), they may be sold pursuant to Rule 144 without limitation thereunder on volume or manner of sale, (3) they shall have ceased to be outstanding or (4) they have been sold in a private transaction in which the transferor’s rights under this Agreement are not assigned to the transferee of the securities. No Registrable Securities may be registered under more than one registration statement at any one time.

(v) “**Registration Expenses**” mean all expenses incurred by the Company in effecting any registration pursuant to this Agreement (whether or not any registration or prospectus becomes effective or final) or otherwise complying with its obligations under

this Section 4.5, including all registration, filing and listing fees, printing expenses, fees and disbursements of counsel for the Company, blue sky fees and expenses, expenses incurred in connection with any “road show”, the reasonable fees and disbursements of Holders’ Counsel, and expenses of the Company’s independent accountants in connection with any regular or special reviews or audits incident to or required by any such registration, but shall not include Selling Expenses.

(vi) “**Rule 144**”, “**Rule 144A**”, “**Rule 159A**”, “**Rule 405**” and “**Rule 415**” mean, in each case, such rule promulgated under the Securities Act (or any successor provision), as the same shall be amended from time to time.

(vii) “**Selling Expenses**” mean all discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities and fees and disbursements of counsel for any Holder (other than the fees and disbursements of Holders’ Counsel included in Registration Expenses).

(l) At any time, any holder of Securities (including any Holder) may elect to forfeit its rights set forth in this Section 4.5 from that date forward; *provided* that a Holder forfeiting such rights shall nonetheless be entitled to participate under Section 4.5(a)(iv) – (vi) in any Pending Underwritten Offering to the same extent that such Holder would have been entitled to if the holder had not withdrawn; and *provided, further*, that no such forfeiture shall terminate a Holder’s rights or obligations under Section 4.5(f) with respect to any prior registration or Pending Underwritten Offering. “**Pending Underwritten Offering**” means, with respect to any Holder forfeiting its rights pursuant to this Section 4.5(l), any underwritten offering of Registrable Securities in which such Holder has advised the Company of its intent to register its Registrable Securities either pursuant to Section 4.5(a)(ii) or 4.5(a)(iv) prior to the date of such Holder’s forfeiture.

(m) Specific Performance. The parties hereto acknowledge that there would be no adequate remedy at law if the Company fails to perform any of its obligations under this Section 4.5 and that the Investor and the Holders from time to time may be irreparably harmed by any such failure, and accordingly agree that the Investor and such Holders, in addition to any other remedy to which they may be entitled at law or in equity, to the fullest extent permitted and enforceable under applicable law, shall be entitled to compel specific performance of the obligations of the Company under this Section 4.5 in accordance with the terms and conditions of this Section 4.5.

(n) No Inconsistent Agreements. The Company shall not, on or after the Signing Date, enter into any agreement with respect to its securities that may impair the rights granted to the Investor and the Holders under this Section 4.5 or that otherwise conflicts with the provisions hereof in any manner that may impair the rights granted to the Investor and the Holders under this Section 4.5. In the event the Company has, prior to the Signing Date, entered into any agreement with respect to its securities that is inconsistent with the rights granted to the Investor and the Holders under this Section 4.5 (including agreements that are inconsistent with the order of priority contemplated by Section 4.5(a)(vi)) or that may otherwise conflict with the provisions

hereof, the Company shall use its reasonable best efforts to amend such agreements to ensure they are consistent with the provisions of this Section 4.5.

(o) Certain Offerings by the Investor. In the case of any securities held by the Investor that cease to be Registrable Securities solely by reason of clause (2) in the definition of “**Registrable Securities**,” the provisions of Sections 4.5(a)(ii), clauses (iv), (ix) and (x)-(xii) of Section 4.5(c), Section 4.5(g) and Section 4.5(i) shall continue to apply until such securities otherwise cease to be Registrable Securities. In any such case, an “**underwritten**” offering or other disposition shall include any distribution of such securities on behalf of the Investor by one or more broker-dealers, an “underwriting agreement” shall include any purchase agreement entered into by such broker-dealers, and any “registration statement” or “prospectus” shall include any offering document approved by the Company and used in connection with such distribution.

4.6 *Depository Shares*. Upon request by the Investor in connection with a proposed transfer of the Series E Preferred Stock, the Company shall promptly enter into a depository arrangement, pursuant to customary agreements reasonably satisfactory to the Investor and with a depository reasonably acceptable to the Investor, pursuant to which the Series E Preferred Stock may be deposited and depository shares, each representing a fraction of a Series E Preferred Stock as specified by the Investor, may be issued. From and after the execution of any such depository arrangement, and the deposit of any Series E Preferred Stock pursuant thereto, the depository shares issued pursuant thereto shall be deemed “**Series E Preferred Stock**” and, as applicable, “**Registrable Securities**” for purposes of this Agreement.

4.7 *Restriction on Dividends and Repurchases*.

(a) Notwithstanding any contrary provision of Section 4.8 of the Securities Purchase Agreement dated as of November 25, 2008 between the Company and the Investor, as amended (the “**Series D Preferred Stock Purchase Agreement**”), prior to the earlier of (x) the fifth anniversary of the Closing Date and (y) the date on which the Series E Preferred Stock has been redeemed in whole or the Investor has transferred all of the Series E Preferred Stock to third parties which are not Affiliates of the Investor, neither the Company nor any Company Subsidiary shall, without the consent of the Investor:

(i) declare or pay any dividend or make any distribution on the Common Stock (other than (A) dividends payable solely in shares of Common Stock and (B) dividends or distributions of rights or Junior Stock in connection with a stockholders’ rights plan); or

(ii) redeem, purchase or acquire any shares of Common Stock or other capital stock or other equity securities of any kind of the Company, or any trust preferred securities issued by the Company or any Affiliate of the Company, other than (A) redemptions, purchases or other acquisitions of any such securities held by the Investor, (B) redemptions, purchases or other acquisitions of the Series E Preferred Stock, (C) purchases or other acquisitions of Series C Preferred Stock from the Trust,

(D) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock, in each case in this clause (D) in connection with the administration of any employee benefit plan in the ordinary course of business (including purchases to offset the Share Dilution Amount (as defined below) pursuant to a publicly announced repurchase plan) and consistent with past practice; *provided* that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount, (E) any redemption or repurchase of rights pursuant to any stockholders' rights plan, (F) the acquisition by the Company or any of the Company Subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Company or any other Company Subsidiary), including as trustees or custodians (the "**Permitted Repurchases**"), (G) the conversion of the Series C Preferred Stock into Common Stock and (H) the exchange or conversion of Junior Stock (other than the Series C Preferred Stock) for or into other Junior Stock or of Parity Stock or trust preferred securities for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or Junior Stock, in each case set forth in this clause (H), solely to the extent required pursuant to binding contractual agreements entered into prior to the Signing Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock. "**Share Dilution Amount**" means the increase in the number of diluted shares outstanding (determined in accordance with GAAP, and as measured from the date of the Company's most recently filed financial statements of the Company and its consolidated subsidiaries prior to the Closing Date) resulting from the grant, vesting or exercise of equity-based compensation to employees and equitably adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

(b) Until such time as the Investor ceases to own any Series E Preferred Stock, the Company shall not repurchase any Series E Preferred Stock from any holder thereof, whether by means of open market purchase, negotiated transaction, or otherwise, other than Permitted Repurchases, unless it offers to repurchase a ratable portion of the Series E Preferred Stock then held by the Investor on the same terms and conditions.

(c) "**Junior Stock**" means Common Stock, the Series C Preferred Stock (after the Company's stockholders approve the amendment described in Section 3.1(b) to the Charter to have the Series E Preferred Stock rank senior to the Series C Preferred Stock) and any other class or series of stock of the Company (i) initially issued to any person other than the Investor or (ii) initially issued to the Investor and the terms of which expressly provide that it ranks junior to the Series E Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Company. "**Parity Stock**" means the Series C Preferred Stock (before the Company's stockholders approve the Charter amendment referred to in Section 3.1(b)) and any class or series of stock of the Company the terms of which do not expressly provide that such class or series will rank senior or junior to the Series E Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Company (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

4.8 Repurchase of Investor Securities.

(a) Following the redemption in whole of the Series E Preferred Stock held by the Investor or the Transfer by the Investor of all of the Series E Preferred Stock to one or more third parties not affiliated with the Investor and so long as the Investor does not Control the Company, the Company may repurchase, in whole or in part, at any time any other equity or debt securities of the Company owned by the Investor and then held by the Investor, upon notice given as provided in clause (b) below, at the Fair Market Value of the equity or debt security. For the avoidance of doubt, while there is Board of Directors control (or the potential to gain Board of Directors control as a result of existing contractual rights) by the Investor (or any affiliate of the Investor), the Company may not exercise its rights under this Section 4.8.

(b) Notice of every repurchase of equity securities of the Company held by the Investor shall be given at the address and in the manner set forth for such party in Section 5.6. Each notice of repurchase given to the Investor shall state: (i) the number and type of securities to be repurchased, (ii) the Board of Directors' determination of Fair Market Value of such securities and (iii) the place or places where certificates representing such securities are to be surrendered for payment of the repurchase price. The repurchase of the securities specified in the notice shall occur as soon as practicable following the determination of the Fair Market Value of the securities.

(c) As used in this Section 4.8, the following terms shall have the following respective meanings:

(i) "**Appraisal Procedure**" means a procedure whereby two independent appraisers, one chosen by the Company and one by the Investor, shall mutually agree upon the Fair Market Value. Each party shall deliver a notice to the other appointing its appraiser within 10 days after the Appraisal Procedure is invoked. If within 30 days after appointment of the two appraisers they are unable to agree upon the Fair Market Value, a third independent appraiser shall be chosen within 10 days thereafter by the mutual consent of such first two appraisers. The decision of the third appraiser so appointed and chosen shall be given within 30 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Investor; otherwise, the average of all three determinations shall be binding upon the Company and the Investor. The costs of conducting any Appraisal Procedure shall be borne by the Company.

(ii) "**Fair Market Value**" means, with respect to any security, the fair market value of such security as determined by the Board of Directors, acting in good faith in reliance on an opinion of a nationally recognized independent investment banking firm retained by the Company for this purpose and certified in a resolution to the Investor. If the Investor does not agree with the Board of Directors' determination, it may object in

writing within 10 days of receipt of the Board of Directors' determination. In the event of such an objection, an authorized representative of the Investor and the chief executive officer of the Company shall promptly meet to resolve the objection and to agree upon the Fair Market Value. If the chief executive officer and the authorized representative are unable to agree on the Fair Market Value during the 10-day period following the delivery of the Investor's objection, the Appraisal Procedure may be invoked by either party to determine the Fair Market Value by delivery of a written notification thereof not later than the 30th day after delivery of the Investor's objection.

(iii) "**Control**" means the power to direct the management and policies of the Company, directly or indirectly, whether through the ownership of voting securities, by contract, by the power to control the Board of Directors or otherwise.

4.9 *Executive Compensation.*

(a) During the Relevant Period, the Company shall take all necessary action to ensure that its Benefit Plans comply in all respects with Section 111 of the EESA, including the provisions for Systemically Significant Failing Institutions, as implemented by any guidance or regulation thereunder, including Notice 2008-PSSFI, any amendments to Notice 2008-PSSFI, or any other guidance or regulations under Section 111 of the EESA, as the same shall be in effect from time to time ("**Compensation Regulations**"), and shall not adopt any new Benefit Plan (i) that does not comply therewith or (ii) that does not expressly state and require that such Benefit Plan and any compensation thereunder shall be subject to any relevant Compensation Regulations adopted, issued or released on or after the date any such Benefit Plan is adopted. To the extent that the Compensation Regulations change during the Relevant Period in a manner that requires changes to then-existing Benefit Plans, the Company shall effect such changes to its Benefit Plans as promptly as practicable after it has actual knowledge of such changes in order to be in compliance with this Section 4.9(a) (and shall be deemed to be in compliance for a reasonable period to effect such changes).

(b) (1) In addition to the requirements set forth in Section 4.9(a) above, the Company shall, during the Relevant Period, take all necessary action to limit any "golden parachute payments" to the employees of the Company and the Company Subsidiaries who participate in the Company's Senior Partners Plan (the "**Senior Partners**") to the amounts permitted by the regulations relating to participants in the EESA Capital Purchase Program and the guidelines and rules relating thereto, including the rules set forth in 31 CFR Part 30, that have been issued and are in effect as of the Closing Date, as if such Senior Partners were Senior Executive Officers for purposes of the EESA (except that equity denominated awards settled solely in equity shall not be included in such limit on "golden parachute payments" to Senior Partners). "**Senior Executive Officers**" means the Company's "senior executive officers" as defined in Section 111 of the EESA and regulations issued or to be issued thereunder, including the rules set forth in 31 CFR Part 30 or any rules that replace 31 CFR Part 30; *provided that*, solely for purposes of the foregoing sentence, "**Senior Executive Officers**" shall mean the Company's "senior executive officers" as defined in Section 111 of the EESA and regulations issued thereunder, including the rules set forth in 31 CFR Part 30 that have been issued and are effective as of the Closing Date.

(2) In addition to the requirements set forth in Section 4.9(a) above, in furtherance of the Company's commitment to limit golden parachute payments to certain Senior Partners as set forth in Section 4.9(b)(1), and to ensure compliance with the provisions of the EESA Capital Purchase Program and the guidelines and regulations relating thereto applicable to certain Senior Partners pursuant to Section 4.9(b)(1), it is further agreed that the Company shall take all necessary action to ensure that the sum of (A) a Senior Partner's annual bonus for 2009, (B) all retention payments paid or payable to such Senior Partner under any retention arrangement between the Senior Partner and the Company for any period ending on or prior to March 31, 2010 and (C) any and all amounts paid or payable to such Senior Partner in connection with the termination of such Senior Partner's employment prior to March 31, 2010 which would be taken into account in applying the compensation limitation under Section 4.9(b)(1) above, other than any payments pursuant to outstanding awards under the Company's Senior Partners Plan, shall not exceed 3.5 times the sum of such Senior Partner's base salary and target annual bonus for 2008. For this purpose, actual annual bonus for 2009 and target annual bonus for 2008 will include supplemental bonus and quarterly cash payments under the Company's historic quarterly bonus program consistent with, and in amounts not exceeding, past practice.

(3) For the avoidance of doubt, (i) the limits of Sections 4.9(b)(1) and (2) are in addition to any applicable requirements under provisions of the EESA prohibiting golden parachute payments to the Senior Executive Officers and the relevant Compensation Regulations, and (ii) to the extent that any Benefit Plan or any payment permissible under Section 4.9(c) is inconsistent with any relevant Compensation Regulations, such Compensation Regulations shall control.

Notwithstanding the other provisions of this Section 4.9(b), the Company's obligations under this Section 4.9(b) shall be on a best efforts basis with respect to the Senior Partners who are not U.S.-based to the extent of its existing Benefit Plans. In addition, after the Closing Date in connection with the hiring or promotion of a Covered Employee and/or the promulgation of applicable Compensation Regulations, to the extent any Covered Employee shall not have executed a waiver with respect to the application to such Covered Employee of the Compensation Regulations, the Company shall use its best efforts to (i) obtain from such Covered Employee a waiver in a form satisfactory to the Investor and (ii) deliver such waiver to the Investor as promptly as possible. "**Covered Employee**" means each (i) Senior Executive Officer, (ii) Senior Partner and (iii) other employee of the Company or its subsidiaries determined at any time to be subject to Section 111 of the EESA.

(c) During the Relevant Period, the Company shall take all necessary action to ensure that the annual bonus pools payable to the Senior Executive Officers and the Senior Partners in respect of each of 2008 and 2009 shall not exceed the average of the annual bonus pools paid to the Senior Executive Officers and the Senior Partners for 2006 and 2007 (in each case exclusive of the Company's historic quarterly bonus program including but not limited to supplemental

bonus and quarterly cash payments, the amount of which will not increase for any participant) and subject to appropriate adjustment for new hires and departures.

(d) [RESERVED].

(e) The Company confirms that none of (i) the proceeds of the Purchase Price (as such term is used and defined in the Series D Preferred Stock Purchase Agreement) or (ii) the funds provided to the Company under the Credit Agreement (collectively, the “**Funds**”) were used nor shall they be used to pay annual bonuses, or other future cash performance awards to executives of the Company or Senior Partners. The parties desire that this confirmation be auditable and agree that there are a number of appropriate methods for verifying this confirmation (particularly in light of expected business changes at the Company). Until the date that any annual bonuses in respect of 2009 are paid, it is agreed that the test for the foregoing will be that, at the time when any annual bonuses or cash performance awards granted after the date of this Agreement are paid to executive officers or Senior Partners, the Company will have received aggregate dividends, distributions and other payments from its subsidiaries subsequent to September 16, 2008 greater than the aggregate amount of such annual bonuses, such cash performance awards and amounts paid pursuant to the Company’s historic quarterly bonus program (including but not limited to supplemental bonus and quarterly cash payments, the amount of which will not increase for any participant) paid to executive officers and Senior Partners subsequent to that date. At and after the date that any annual bonuses in respect of 2009 are paid, the test for the foregoing confirmation will be that, at the time when any annual bonuses or cash performance awards granted after the date of this Agreement are vested or otherwise earned by executive officers or Senior Partners, the aggregate adjusted net income for the relevant year (being the year in which or in respect of which such bonuses or awards are vested or so earned) of the insurance company subsidiaries of the Company included for such year in the consolidated financial statements of the Company, excluding any such adjusted net income that was dividended or otherwise distributed to the Company and taken into account in satisfying the test under the prior sentence, shall exceed the aggregate amount of such annual bonuses, such cash performance awards and amounts pursuant to the Company’s historic quarterly bonus program (including but not limited to supplemental bonus and quarterly cash payments, the amount of which will not increase for any participant), in each case vested or otherwise earned in or in respect of such year. Each party agrees to negotiate in good faith and promptly at the request of the other to develop additional or alternative appropriate formulations to test for this confirmation.

(f) The Company confirms that none of the Funds have been nor shall be used to pay any electively deferred compensation in respect of or otherwise resulting from the termination of the deferred compensation plans by the Company or the Company subsidiaries as described in Item 5.02 of the Company’s Current Report on Form 8-K dated November 18, 2008.

(g) The parties agree that Sections 4.10(b) and (c) of the Series D Preferred Stock Purchase Agreement shall remain in full force and effect in accordance with their terms during the period that only the Warrant is outstanding and the Investor no longer owns any Series E Preferred Stock.

4.10 *Restrictions on Lobbying.* Until such time as the Investor ceases to own any Series E Preferred Stock, the Company shall continue to maintain and implement its comprehensive written policy on lobbying, governmental ethics and political activity and distribute such policy to all Company employees and lobbying firms involved in any such activity. Any material amendments to such policy shall require the prior written consent of the Investor until the Investor no longer owns any Series E Preferred Stock, and any material deviations from such policy, whether in contravention thereof or pursuant to waivers provided for thereunder, shall promptly be reported to the Investor. Such policy shall, at a minimum, (i) require compliance with all applicable law; (ii) apply to the Company, the Company Subsidiaries and affiliated foundations; (iii) govern (a) the provision of items of value to any government officials, (b) lobbying and (c) political activities and contributions; and (iv) provide for (a) internal reporting and oversight and (b) mechanisms for addressing non-compliance with the policy.

4.11 *Restrictions on Expenses.* Until such time as the Investor ceases to own any Series E Preferred Stock, the Company shall continue to maintain and implement its comprehensive written policy on corporate expenses and distribute such policy to all Company employees by posting such policy on the Company's intranet and directing all Company employees via electronic mail to review such policy as posted. Any material amendments to such policy shall require the prior written consent of the Investor until such time as the Investor no longer owns any Series E Preferred Stock, and any material deviations from such policy, whether in contravention thereof or pursuant to waivers provided for thereunder, shall promptly be reported to the Investor. Such policy shall, at a minimum: (i) require compliance with all applicable law; (ii) apply to the Company and the Company Subsidiaries; (iii) govern (a) the hosting, sponsorship or other payment for conferences and events, (b) the use of corporate aircraft, (c) travel accommodations and expenditures, (d) consulting arrangements with outside service providers, (e) any new lease or acquisition of real estate, (f) expenses relating to office or facility renovations or relocations and (g) expenses relating to entertainment or holiday parties; and (iv) provide for (a) internal reporting and oversight and (b) mechanisms for addressing non-compliance with the policy.

4.12 *Risk Management Committee.* The Company has established and, during the Relevant Period, will maintain a risk management committee of the Board of Directors that will oversee the major risks involved in the Company's business operations and review the Company's actions to mitigate and manage those risks.

4.13 *Dividend Rate Adjustment.* The dividend rate on the Series E Preferred Stock beneficially owned at the time by the Investor is subject to adjustment in the sole discretion of the Secretary of the Department of the Treasury in light of, inter alia, then-prevailing economic conditions and the financial condition of the Company, with the objective of protecting the U.S. taxpayer.

Article 5
Miscellaneous

5.1 *Termination.* This Agreement may be terminated at any time prior to the Closing:

(a) by either the Investor or the Company if the Closing shall not have occurred by the 30th calendar day following the Signing Date; *provided, however*, that in the event the Closing has not occurred by such 30th calendar day, the parties will consult in good faith to determine whether to extend the term of this Agreement, it being understood that the parties shall be required to consult only until the fifth day after such 30th calendar day and not be under any obligation to extend the term of this Agreement thereafter; *provided, further*, that the right to terminate this Agreement under this Section 5.1(a) shall not be available to any party whose breach of any representation or warranty or failure to perform any obligation under this Agreement shall have caused or resulted in the failure of the Closing to occur on or prior to such date; or

(b) by either the Investor or the Company in the event that any Governmental Entity shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable; or

(c) by the mutual written consent of the Investor and the Company.

In the event of termination of this Agreement as provided in this Section 5.1, this Agreement shall forthwith become void and there shall be no liability on the part of either party hereto except that nothing herein shall relieve either party from liability for any breach of this Agreement.

5.2 *Survival of Representations and Warranties.* All covenants and agreements, other than those which by their terms apply in whole or in part after the Closing, shall terminate as of the Closing. The representations and warranties of the Company made herein or in any certificates delivered in connection with the Closing shall survive the Closing without limitation.

5.3 *Amendment.* No amendment of any provision of this Agreement will be effective unless made in writing and signed by an officer or a duly authorized representative of each party; *provided* that the Investor may unilaterally amend any provision of this Agreement to the extent required to comply with any changes after the Signing Date in applicable federal statutes. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative of any rights or remedies provided by law.

5.4 *Waiver of Conditions.* The conditions to each party's obligation to consummate the Exchange are for the sole benefit of such party and may be waived by such party in whole or in part to the extent permitted by applicable law. No waiver will be effective unless it is in a

writing signed by a duly authorized officer of the waiving party that makes express reference to the provision or provisions subject to such waiver.

5.5 *Governing Law: Submission to Jurisdiction, Etc.* This Agreement, and the rights and obligations of the parties hereunder, shall be governed by, and construed and interpreted in accordance with, United States federal law and not the law of any State. To the extent that a court looks to the laws of any State to determine or define the United States federal law, it is the intention of the parties hereto that such court shall look only to the laws of the State of New York without regard to the rules of conflicts of laws. Each of the parties hereto agrees (a) to submit to the exclusive jurisdiction and venue of the United States District Court for the District of Columbia and the United States Court of Federal Claims for any and all actions, suits or proceedings arising out of or relating to this Agreement or the transactions contemplated hereby, and (b) that notice may be served upon (i) the Company at the address and in the manner set forth for notices to the Company in Section 5.6 and (ii) the Investor in accordance with federal law. To the extent permitted by applicable law, each of the parties hereto hereby unconditionally waives trial by jury in any legal action or proceeding relating to this Agreement or the transactions contemplated hereby.

5.6 *Notices.* Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally, or by facsimile, upon confirmation of receipt, or (b) on the second business day following the date of dispatch if delivered by a recognized next day courier service. All notices to the Company shall be delivered to the address set forth below, or pursuant to such other instruction as may be designated in writing by the Company to the Investor. All notices to the Investor shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the Investor to the Company.

If to the Investor:

United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220
Attention: Chief Counsel, Office of Financial Stability
Telecopy: (202) 927-9225
Email: ofschiefcounselnotices@do.treas.gov
TARP.Compliance@do.treas.gov

If to the Company:

American International Group, Inc.
70 Pine Street, New York, New York 10270
Attention: General Counsel
Facsimile: (212) 785-2175
Telephone: (212) 770-7000

with a copy to:

Sullivan & Cromwell LLP
125 Broad Street, New York, New York 10004
Attention: Robert W. Reeder III, Michael M. Wiseman
Telephone: (212) 558-4000

5.7 *Definitions.*

(a) When a reference is made in this Agreement to a subsidiary of a person, the term “**subsidiary**” means any corporation, partnership, joint venture, limited liability company or other entity (x) of which such person or a subsidiary of such person is a general partner or (y) of which a majority of the voting securities or other voting interests, or a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or persons performing similar functions with respect to such entity, is directly or indirectly owned by such person and/or one or more subsidiaries thereof; *provided* that no Fund shall be a subsidiary for purposes of this Agreement.

(b) The term “**Fund**” means any investment vehicle managed by the Company or an Affiliate of the Company and created in the ordinary course of the Company’s asset management business for the purpose of selling Equity Interests in such investment vehicle to third parties. “**Equity Interests**” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any entity, and any option, warrant or other right entitling the holder thereof to purchase or otherwise acquire any such equity interest.

(c) The term “**Affiliate**” means, with respect to any person, any person directly or indirectly controlling, controlled by or under common control with, such other person. For purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”) when used with respect to any person, means the possession, directly or indirectly, of the power to cause the direction of management and/or policies of such person, whether through the ownership of voting securities by contract or otherwise.

5.8 *Assignment.* Neither this Agreement nor any right, remedy, obligation nor liability arising hereunder or by reason hereof shall be assignable by any party hereto without the prior written consent of the other party, and any attempt to assign any right, remedy, obligation or liability hereunder without such consent shall be void, except (a) an assignment, in the case of a Business Combination, as defined below, where such party is not the surviving entity, or a sale of substantially all of its assets, to the entity which is the survivor of such Business Combination or the purchaser in such sale and (b) as provided in Section 4.5. “**Business Combination**” means merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Company’s stockholders.

5.9 *Severability.* If any provision of this Agreement, or the application thereof to any person or circumstance, is determined by a court of competent jurisdiction to be invalid, void or

unenforceable, the remaining provisions hereof, or the application of such provision to persons or circumstances other than those as to which it has been held invalid or unenforceable, will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to effect the original intent of the parties.

5.10 *Entire Agreement.* This Agreement (including the Annexes and Schedules hereto) constitutes the entire agreement, and supersedes all other prior agreements, understandings, representations and warranties, both written and oral, between the parties, with respect to the subject matter hereof.

5.11 *No Third Party Beneficiaries.* Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity other than the Company and the Investor any benefit, right or remedies, except that the provisions of Section 4.5 shall inure to the benefit of the persons referred to in that Section.

5.12 *Survival of Series D Preferred Stock Purchase Agreement.* Except for Sections 4.8, 4.10 (except to the extent provided in Section 4.9(g) herein) and 4.13 of the Series D Preferred Stock Purchase Agreement, which sections shall no longer be applicable following the Exchange, the remaining provisions of the Series D Preferred Stock Purchase Agreement shall remain in full force and effect in accordance with their terms following the Exchange.

[Signature Page Follows]

In witness whereof, this Agreement has been duly executed and delivered by the duly authorized representatives of the parties hereto as of the date written below.

AMERICAN INTERNATIONAL GROUP, INC.

By: /s/ Anastasia D. Kelly

Name: Anastasia D. Kelly

Title: Vice Chairman

UNITED STATES DEPARTMENT OF THE TREASURY

By: /s/ Neel Kashkari

Name: Neel Kashkari

Title: Interim Assistant Secretary
For Financial Stability

Date: April 17, 2009

ADDITIONAL TERMS AND CONDITIONS

Company Information:

Name of the Company: American International Group, Inc.

Corporate or other organizational form: Corporation

Jurisdiction of Organization: Delaware

Terms of the Exchange:

Series of Serial Preferred Stock Exchanged: Series D Fixed Rate Cumulative Perpetual Preferred Stock for Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock (the "Series E Preferred Stock")

Per Share Liquidation Preference of Series E Preferred Stock: \$104,011.44

Number of Shares of Series E Preferred Stock Received upon Exchange: 400,000

Dividend Payment Dates on the Series E Preferred Stock: February 1, May 1, August 1 and November 1

Closing:

Location of Closing: Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004

Time of Closing: 2:00 p.m., New York time

Date of Closing: April 17, 2009

CAPITALIZATION

Capitalization Date: April 15, 2009

Common Stock

Par value: \$2.50 per share

Total Authorized: 5,000,000,000

Outstanding: 2,690,805,447

Subject to warrants, options, convertible securities, etc.: Up to 154,738,080 shares are reserved for issuance pursuant to the Purchase Contract Agreement between the Company and The Bank of New York, as Purchase Contract Agent, dated as of May 16, 2008

Reserved for benefit plans and other issuances: 166,516,638 (as of April 15, 2009)

Remaining authorized but unissued: 2,309,194,553

Shares issued after Capitalization Date (other than pursuant to warrants, options, convertible securities, etc. as set forth above): 0

Serial Preferred Stock

Par value: \$5.00 per share

Total Authorized: 6,000,000

Outstanding (by series):

- 100,000 shares of Series C Perpetual, Convertible, Participating Preferred Stock, par value \$5.00 per share that is convertible into Common Stock¹; and

¹ In accordance with Section 6.1 and Section 6.2 of the Securities Purchase Agreement for the Series C Perpetual, Convertible, Participating Preferred Stock the Company has agreed to amend, among other things, (i) the Charter to reduce the par value of the Common Stock to \$0.000001 per share, and increase the number of authorized shares of Common Stock to 19 billion, (ii) the Charter to reduce the par value of the Company's Serial Preferred Stock (as defined in the Charter) to \$0.00004 per share and increase the number of authorized shares of the Company's Serial Preferred Stock to 13 billion (the "**Serial Preferred Stock Amendment Proposal**") and (iii) the

(...continued)

- 4,000,000 shares of the Series D Fixed Rate Cumulative Perpetual Preferred Stock par value \$5.00 and liquidation preference \$10,000 per share.

Issued: 4,100,000

Reserved for Issuance: 0

Remaining authorized but unissued: 1,900,000

(continued...)

Certificate of Designations such that (1) the number of shares of Series C Preferred Stock authorized and outstanding upon the effectiveness of the Serial Preferred Stock Amendment Proposal shall be the Number of Underlying Shares (as defined in the Certificate of Designations) as of the effective date of the Serial Preferred Stock Amendment Proposal, (2) the Conversion Ratio (as defined in the Certificate of Designations) as of any date shall equal the quotient obtained by dividing (x) the Number of Outstanding Shares (as defined in the Certificate of Designations) as of such date by (y) the Number of Outstanding Shares as of the effective date of such amendment and (3) the liquidation preference per share of the Series C Preferred Stock shall be \$500,000 divided by the Number of Underlying Shares as of the effective date of such amendment.

FORM OF CERTIFICATE OF DESIGNATIONS
(SEE ATTACHED)

CERTIFICATE OF DESIGNATIONS
OF
SERIES E FIXED RATE NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
AMERICAN INTERNATIONAL GROUP, INC.

American International Group, Inc., a corporation organized and existing under the General Corporation Law of the State of Delaware (the "Company"), hereby certifies that the following resolution was adopted by the Board of Directors of the Company (the "Board of Directors") as required by Section 151 of the General Corporation Law of the State of Delaware at a meeting duly held on April 17, 2009.

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors in accordance with the provisions of the Restated Certificate of Incorporation, as amended, the Board of Directors hereby creates a series of serial preferred stock, par value \$5.00 per share, of the Company, and hereby states the designation and number of shares, and fixes the voting and other powers, and the relative rights and preferences, and the qualifications, limitations and restrictions thereof, as follows:

Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock:

Part 1. Designation and Number of Shares. There is hereby created out of the authorized and unissued shares of serial preferred stock of the Company a series of preferred stock designated as the "Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock" (the "Series E Preferred Stock"). The authorized number of shares of the Series E Preferred Stock shall be 400,000. Such number of shares may be decreased by resolution of the Board of Directors, subject to the terms and conditions hereof; *provided* that no decrease shall reduce the number of shares of the Series E Preferred Stock to a number less than the number of shares then outstanding.

Part 2. Standard Provisions. The Standard Provisions contained in Annex A attached hereto are incorporated herein by reference in their entirety and shall be deemed to be a part of this Certificate of Designations to the same extent as if such provisions had been set forth in full herein.

Part 3. Definitions. The following terms are used in this Certificate of Designations (including the Standard Provisions in Annex A hereto) as defined below:

(a) "Common Stock" means the common stock, par value \$2.50 per share, of the Company.

(b) "Convertible Preferred Stock" means the Series C Perpetual, Convertible, Participating Preferred Stock of the Company. The Convertible Preferred Stock shall be

Parity Stock; *provided* that the Convertible Preferred Stock shall be Junior Stock following the effectiveness of an amendment to the Charter to allow the Series E Preferred Stock and any other series of preferred stock of the Company subsequently issued to the United States Department of the Treasury to rank senior to the Convertible Preferred Stock as to dividend rights and/or rights upon the liquidation, dissolution and winding up of the Company (the "Amendment").

(c) "Dividend Payment Date" means February 1, May 1, August 1 and November 1 of each year.

(d) "Junior Stock" means the Common Stock, the Convertible Preferred Stock (following the Amendment) and any class or series of stock of the Company (i) initially issued to any person other than the United States Department of the Treasury or (ii) initially issued to the United States Department of the Treasury and the terms of which expressly provide that it ranks junior to the Series E Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Company.

(e) "Liquidation Amount" means \$104,011.44 per share of the Series E Preferred Stock.

(f) "Parity Stock" means the Convertible Preferred Stock (before the Amendment) and any class or series of stock of the Company (other than the Series E Preferred Stock) the terms of which do not expressly provide that such class or series will rank senior or junior to the Series E Preferred Stock as to dividend rights and/or as to rights on liquidation, dissolution or winding up of the Company (in each case without regard to whether dividends accrue cumulatively or non-cumulatively).

(g) "Signing Date" means April 17, 2009.

Part 4. Certain Voting Matters. Whether the vote or consent of the holders of a plurality, majority or other portion of the shares of the Series E Preferred Stock and any Voting Parity Stock has been cast or given on any matter on which the holders of shares of the Series E Preferred Stock and any Voting Parity Stock are entitled to vote or consent together as a class shall be determined by the Company by reference to the specified liquidation amount of the shares of the Series E Preferred Stock voted or with respect to which a consent has been received as if the Company were liquidated on the record date for such vote or consent, if any, or, in the absence of a record date, on the date for such vote or consent. For purposes of determining the voting rights of the holders of the Series E Preferred Stock under Section 7 of the Standard Provisions forming part of this Certificate of Designations, each holder will be entitled to one vote for each \$10,000 of liquidation preference to which such holder's shares are entitled.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company has caused this Certificate of Designations to be signed on its behalf by its _____ and attested by its Secretary this 17th day of April, 2009.

AMERICAN INTERNATIONAL GROUP, INC.

By: _____
Name:
Title:

ATTEST:

Name:
Title: Secretary

STANDARD PROVISIONS

Section 1. General Matters. Each share of the Series E Preferred Stock shall be identical in all respects to every other share of the Series E Preferred Stock. The Series E Preferred Stock shall be perpetual, subject to the provisions of Section 5 of these Standard Provisions that form a part of the Certificate of Designations. The Series E Preferred Stock (a) shall rank senior to the Junior Stock in respect of the right to receive dividends and the right to receive payments out of the assets of the Company upon voluntary or involuntary liquidation, dissolution or winding up of the Company and (b) shall be of equal rank with Parity Stock as to the right to receive dividends and the right to receive payments out of the assets of the Company upon voluntary or involuntary liquidation, dissolution or winding up of the Company.

Section 2. Standard Definitions. As used herein with respect to the Series E Preferred Stock:

(a) “Applicable Dividend Rate” means 10% per annum.

(b) “Business Combination” means a merger, consolidation, statutory share exchange or similar transaction that requires the approval of the Company’s stockholders.

(c) “Business Day” means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

(d) “Bylaws” means the bylaws of the Company, as they may be amended from time to time.

(e) “Certificate of Designations” means the Certificate of Designations or comparable instrument relating to the Series E Preferred Stock, of which these Standard Provisions form a part, as it may be amended from time to time.

(f) “Charter” means the Company’s Restated Certificate of Incorporation, as amended.

(g) “Dividend Period” has the meaning set forth in Section 3(a).

(h) “Dividend Record Date” has the meaning set forth in Section 3(a).

(i) “Original Issue Date” means the date on which shares of the Series E Preferred Stock are first issued.

(j) “Preferred Director” has the meaning set forth in Section 7(b).

(k) “Preferred Stock” means any and all series of serial preferred stock of the Company, including the Series E Preferred Stock.

(l) “Series D Preferred Stock” means the Series D Fixed Rate Cumulative Perpetual Preferred Stock of the Company.

(m) “Share Dilution Amount” has the meaning set forth in Section 3(b).

(n) “Standard Provisions” mean these Standard Provisions that form a part of the Certificate of Designations relating to the Series E Preferred Stock.

(o) “Transfer Agent” has the meaning set forth in Section 13.

(p) “Trust” means the AIG Credit Facility Trust.

(q) “UST” means the United States Department of the Treasury.

(r) “Voting Parity Stock” means, with regard to any matter as to which the holders of the Series E Preferred Stock are entitled to vote as specified in Sections 7(a) and 7(b) of these Standard Provisions that form a part of the Certificate of Designations, any and all series of Parity Stock upon which like voting rights have been conferred and are exercisable with respect to such matter.

Section 3. Dividends.

(a) Rate. Holders of the Series E Preferred Stock shall be entitled to receive, on each share of the Series E Preferred Stock if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, but only out of assets legally available therefor, non-cumulative cash dividends with respect to each Dividend Period (as defined below) at a rate per annum equal to the Applicable Dividend Rate on the Liquidation Amount per share of the Series E Preferred Stock. Such dividends shall be payable quarterly in arrears, but only if, as and when declared by the Board of Directors or any duly authorized committee of the Board of Directors, on each Dividend Payment Date, commencing with the first such Dividend Payment Date to occur at least 20 calendar days after the Original Issue Date. In the event that any Dividend Payment Date would otherwise fall on a day that is not a Business Day, the dividend payment due on that date will be postponed to the next day that is a Business Day and no additional dividends shall be payable nor shall interest accrue on the amount payable as a result of that postponement. The period from and including any Dividend Payment Date to, but excluding, the next Dividend Payment Date is a “Dividend Period”; *provided* that the initial Dividend Period shall be the period from and including the Original Issue Date to, but excluding, the next Dividend Payment Date.

Dividends that are payable on Series E Preferred Stock in respect of any Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of dividends payable on Series E Preferred Stock on any date prior to the end of a Dividend Period, and for the initial Dividend Period, shall be computed on the basis of a 360-day year consisting of twelve 30-day months, and actual days elapsed over a 30-day month.

Dividends that are payable on Series E Preferred Stock on any Dividend Payment Date will be payable to holders of record of the Series E Preferred Stock as they appear on the stock

register of the Company on the applicable record date, which shall be the 15th calendar day immediately preceding such Dividend Payment Date or such other record date fixed by the Board of Directors or any duly authorized committee of the Board of Directors that is not more than 60 nor less than 10 days prior to such Dividend Payment Date (each, a “Dividend Record Date”). Any such day that is a Dividend Record Date shall be a Dividend Record Date whether or not such day is a Business Day.

Dividends on the Series E Preferred Stock shall not be cumulative. Holders of Series E Preferred Stock shall not be entitled to receive any dividends not declared by the Board of Directors or any duly authorized committee of the Board of Directors, and no interest, or sum of money in lieu of interest, shall be payable in respect of any dividend not so declared. If the Board of Directors does not declare a dividend on the Series E Preferred Stock to be payable in respect of any Dividend Period before the related Dividend Payment Date, such dividend will not accrue and the Company will have no obligation to pay a dividend for that Dividend Period on the Dividend Payment Date or at any future time, whether or not dividends on the Series E Preferred Stock are declared for any future Dividend Period. Holders of the Series E Preferred Stock shall not be entitled to any dividends, whether payable in cash, securities or other property, other than dividends (if any) declared and payable on the Series E Preferred Stock as specified in this Section 3 (subject to the other provisions of the Certificate of Designations).

(b) Priority of Dividends. So long as any share of the Series E Preferred Stock remains outstanding, no dividend or distribution shall be declared or paid on the Common Stock or any other shares of Junior Stock (other than dividends payable solely in shares of Common Stock) or Parity Stock, subject to the immediately following paragraph in the case of Parity Stock, and no Common Stock, Junior Stock or Parity Stock shall be, directly or indirectly, purchased, redeemed or otherwise acquired for consideration by the Company or any of its subsidiaries unless dividends for the latest completed Dividend Period on all outstanding shares of the Series E Preferred Stock have been or are contemporaneously declared and paid in full (or have been declared and a sum sufficient for the payment thereof has been set aside for the benefit of the holders of shares of the Series E Preferred Stock on the applicable record date). The foregoing limitation shall not apply to (i) a dividend payable on any Junior Stock in shares of any other Junior Stock, or to the acquisition of shares of any Junior Stock in exchange for, or through application of the proceeds of the sale of, shares of any other Junior Stock; (ii) redemptions, purchases or other acquisitions of shares of Common Stock or other Junior Stock in connection with the administration of any employee benefit plan in the ordinary course of business (including purchases to offset the Share Dilution Amount (as defined below) pursuant to a publicly announced repurchase plan) and consistent with past practice; *provided* that any purchases to offset the Share Dilution Amount shall in no event exceed the Share Dilution Amount; (iii) any dividends or distributions of rights or Junior Stock in connection with a stockholders’ rights plan or any redemption or repurchase of rights pursuant to any stockholders’ rights plan; (iv) the acquisition by the Company or any of its subsidiaries of record ownership in Junior Stock or Parity Stock for the beneficial ownership of any other persons (other than the Company or any of its subsidiaries), including as trustees or custodians; (v) the conversion of the Convertible Preferred Stock into Common Stock; (vi) the exchange or conversion of Junior Stock (other than the Convertible Preferred Stock) for or into other Junior Stock or of Parity Stock for or into other Parity Stock (with the same or lesser aggregate liquidation amount) or

Junior Stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to the Signing Date or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for Common Stock; and (vii) any purchase, redemption or other acquisition with the written consent of the UST. “Share Dilution Amount” means the increase in the number of diluted shares outstanding (determined in accordance with generally accepted accounting principles in the United States, and as measured from the date of the Company’s consolidated financial statements most recently filed with the Securities and Exchange Commission prior to the Original Issue Date) resulting from the grant, vesting or exercise of equity-based compensation to employees and equitably adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

When dividends are not paid (or declared and a sum sufficient for payment thereof set aside for the benefit of the holders thereof on the applicable record date) on any Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within a Dividend Period related to such Dividend Payment Date) in full on shares of the Series E Preferred Stock and any shares of Parity Stock, all dividends declared on the Series E Preferred Stock and all such Parity Stock and payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) shall be declared *pro rata* so that the respective amounts of such dividends declared shall bear the same ratio to each other as all declared but unpaid dividends per share on the shares of the Series E Preferred Stock and all Parity Stock payable on such Dividend Payment Date (or, in the case of Parity Stock having dividend payment dates different from the Dividend Payment Dates, on a dividend payment date falling within the Dividend Period related to such Dividend Payment Date) (subject to their having been declared by the Board of Directors or a duly authorized committee of the Board of Directors out of legally available funds and including, in the case of Parity Stock that bears cumulative dividends, all accrued but unpaid dividends) bear to each other. If the Board of Directors or a duly authorized committee of the Board of Directors determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Company will provide written notice to the holders of the Series E Preferred Stock prior to such Dividend Payment Date.

Subject to the foregoing, and not otherwise, such dividends (payable in cash, securities or other property) as may be determined by the Board of Directors or any duly authorized committee of the Board of Directors may be declared and paid on any securities, including Common Stock and other Junior Stock, from time to time out of any funds legally available for such payment, and holders of the Series E Preferred Stock shall not be entitled to participate in any such dividends.

Section 4. Liquidation, Dissolution or Winding Up. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, then, before any distribution or payment shall be made to the holders of Junior Stock, the holders of the Series E Preferred Stock and any shares of Preferred Stock ranking on a parity therewith as to liquidation shall be entitled to be paid in full the respective amounts of the liquidation preferences thereof, which in the case of the Series E Preferred Stock shall be \$104,011.44 per share, plus an amount equal to all dividends, if any, that have been declared but not paid prior to such distribution or payment date (but without any accumulation in respect of dividends that have not been declared

prior to such distribution or payment date). If such payment shall have been made in full to the holders of the Series E Preferred Stock and any series of Preferred Stock ranking on a parity therewith as to liquidation, the remaining assets and funds of the Company shall be distributed among the holders of Junior Stock, according to their respective rights and preferences and in each case according to their respective shares. If, upon any liquidation, dissolution or winding up of the affairs of the Company, the amounts so payable are not paid in full to the holders of all outstanding shares of the Series E Preferred Stock and any series of Preferred Stock ranking on a parity therewith as to liquidation, the holders of the Series E Preferred Stock and any series of Preferred Stock ranking on a parity therewith as to liquidation shall share ratably in any distribution of assets in proportion to the full amounts to which they would otherwise be respectively entitled. Neither the consolidation or merger of the Company, nor the sale, lease or conveyance of all or a part of its assets, shall be deemed a liquidation, dissolution or winding up of the affairs of the Company within the meaning of the foregoing provisions of this Section 4.

Section 5. Redemption.

(a) Optional Redemption. Except as provided in this Section 5(a), the Series E Preferred Stock shall not be redeemable. At any time that (i) the Trust (or any successor entity established for the sole benefit of the United States Treasury) “beneficially owns” less than 30% of the aggregate voting power of the Company’s voting securities and (ii) no holder of the Series E Preferred Stock controls the Company, the Company may redeem, in whole or in part, at any time and from time to time, out of funds legally available therefor, the shares of the Series E Preferred Stock at the time outstanding, upon notice given as provided in Section 5(c) below, the Series E Preferred Stock in whole or in part at a redemption price per share equal to 100% of its Liquidation Amount, plus, for purposes of the redemption price only and except as set forth in the last sentence of the next paragraph, an amount equal to all declared but unpaid dividends for the then current Dividend Period to such redemption date (regardless of whether any dividends are actually declared for that Dividend Period). “Control” for purposes of this Section 5(a) means the power to direct the management and policies of the Company, directly or indirectly, whether through the ownership of voting securities, by contract, by the power to control the Board of Directors or otherwise. “Beneficially owns” for purposes of this Section 5(a) is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended to the Signing Date. For the avoidance of doubt, while there is Board of Directors control (or the potential to gain Board of Directors control as a result of existing contractual rights) by any holder of the Series E Preferred Stock, the Company may not redeem any of the Series E Preferred Stock.

The redemption price for any shares of the Series E Preferred Stock shall be payable on the redemption date to the holder of such shares against surrender of the certificate(s) evidencing such shares to the Company or its agent. Any declared but unpaid dividends payable on a redemption date that occurs subsequent to the Dividend Record Date for a Dividend Period shall not be paid to the holder entitled to receive the redemption price on the redemption date, but rather shall be paid to the holder of record of the redeemed shares on such Dividend Record Date relating to the Dividend Payment Date as provided in Section 3 above.

(b) No Sinking Fund. The Series E Preferred Stock will not be subject to any mandatory redemption, sinking fund or other similar provisions. Holders of the Series E

Preferred Stock will have no right to require redemption or repurchase of any shares of the Series E Preferred Stock.

(c) Notice of Redemption. Notice of every redemption of shares of the Series E Preferred Stock shall be given by first class mail, postage prepaid, addressed to the holders of record of the shares to be redeemed at their respective last addresses appearing on the books of the Company. Such mailing shall be at least 30 days and not more than 60 days before the date fixed for redemption. Any notice mailed as provided in this subsection (c) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail, or any defect in such notice or in the mailing thereof, to any holder of shares of the Series E Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of the Series E Preferred Stock. Notwithstanding the foregoing, if shares of the Series E Preferred Stock are issued in book-entry form through The Depository Trust Company or any other similar facility, notice of redemption may be given to the holders of the Series E Preferred Stock at such time and in any manner permitted by such facility. Each notice of redemption given to a holder shall state: (1) the redemption date; (2) the number of shares of the Series E Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (3) the redemption price; and (4) the place or places where certificates for such shares are to be surrendered for payment of the redemption price, but failure duly to give such notice to any holder of shares of the Series E Preferred Stock designated for redemption or any defect in such notice shall not affect the validity of the proceedings for the redemption of any other shares of the Series E Preferred Stock.

(d) Partial Redemption. In case of any redemption of part of the shares of the Series E Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as the Board of Directors or a duly authorized committee thereof may determine to be fair and equitable. Subject to the provisions hereof, the Board of Directors or a duly authorized committee thereof shall have full power and authority to prescribe the terms and conditions upon which shares of the Series E Preferred Stock shall be redeemed from time to time. If fewer than all the shares represented by any certificate are redeemed, at the election of each holder, either (i) a new certificate shall be issued representing the unredeemed shares without charge to such holder thereof or (ii) upon surrender of a certificate representing any unredeemed shares of Series E Preferred Stock, the Company shall deliver or cause to be delivered to such holder a notice that shares of Series E Preferred Stock equal in number to the unredeemed shares of Series E Preferred Stock represented by the certificate so surrendered have been registered on the books and records of the Company.

(e) Effectiveness of Redemption. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been deposited by the Company, in trust for the *pro rata* benefit of the holders of the shares called for redemption, with a bank or trust company doing business in the Borough of Manhattan, The City of New York, and having a capital and surplus of at least \$500 million and selected by the Board of Directors, so as to be and continue to be available solely therefor, then, notwithstanding that any certificate (if the shares of Series E Preferred Stock are not in book-entry form) for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date dividends shall cease to accrue on all shares so called for

redemption, all shares so called for redemption shall no longer be deemed outstanding and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company, without interest. Any funds unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released to the Company, after which time the holders of the shares so called for redemption shall look only to the Company for payment of the redemption price of such shares.

(f) Status of Redeemed Shares. Shares of the Series E Preferred Stock that are redeemed, repurchased or otherwise acquired by the Company shall revert to authorized but unissued shares of the Series E Preferred Stock (*provided* that any such cancelled shares of the Series E Preferred Stock may be reissued only as shares of any series of the Preferred Stock other than the Series E Preferred Stock).

Section 6. Conversion. Holders of the Series E Preferred Stock shares shall have no right to exchange or convert such shares into any other securities.

Section 7. Voting Rights.

(a) General. The holders of the Series E Preferred Stock shall not have any voting rights except as set forth below or as otherwise from time to time required by law.

(b) Series E Preferred Stock Directors. Whenever, at any time or times, dividends payable on the shares of the Series E Preferred Stock have not been paid for an aggregate of four quarterly Dividend Periods or more, whether or not consecutive (including for this purpose the period during which the Series D Preferred Stock was outstanding), the authorized number of directors of the Company shall automatically be increased to accommodate the number of the Preferred Directors specified below and the holders of the Series E Preferred Stock shall have the right, with holders of shares of any one or more other classes or series of Voting Parity Stock outstanding at the time, voting together as a class, to elect the greater of two directors and a number of directors (rounded upward) equal to 20% of the total number of directors of the Company after giving effect to such election (hereinafter the "Preferred Directors" and each a "Preferred Director") to fill such newly created directorships at the Company's next annual meeting of stockholders (or at a special meeting called for that purpose prior to such next annual meeting) and at each subsequent annual meeting of stockholders until dividends payable on all outstanding shares of the Series E Preferred Stock have been declared and paid in full for four consecutive quarterly Dividend Periods, at which time such right shall terminate with respect to the Series E Preferred Stock, except as herein or by law expressly provided, subject to re-vesting in the event of each and every subsequent payment failure of the character above mentioned; *provided* that it shall be a qualification for election for any Preferred Director that the election of such Preferred Director shall not cause the Company to violate any corporate governance requirements of any securities exchange or other trading facility on which securities of the Company may then be listed or traded that listed or traded companies must have a majority of independent directors. Upon any termination of the right of the holders of shares of the Series E Preferred Stock and Voting Parity Stock as a class to vote for directors as provided above, the Preferred Directors shall cease to be qualified as directors, the term of office of all Preferred Directors then in office shall terminate immediately and the authorized number of directors shall

be reduced by the number of the Preferred Directors elected pursuant hereto. Any Preferred Director may be removed at any time, with or without cause, and any vacancy created thereby may be filled, only by the affirmative vote of the holders of a majority of the shares of the Series E Preferred Stock at the time outstanding voting separately as a class together with the holders of shares of Voting Parity Stock, to the extent the voting rights of such holders described above are then exercisable. If the office of any Preferred Director becomes vacant for any reason other than removal from office as aforesaid, the remaining Preferred Director may choose a successor who shall hold office for the unexpired term in respect of which such vacancy occurred.

(c) Class Voting Rights as to Particular Matters. So long as any shares of the Series E Preferred Stock are outstanding, in addition to any other vote or consent of stockholders required by law or by the Charter, the vote or consent of the holders of at least 66 2/3% of the shares of the Series E Preferred Stock at the time outstanding, voting as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating:

(i) Authorization of Senior or Pari Passu Stock. Any amendment or alteration of the Certificate of Designations for the Series E Preferred Stock or the Charter (including any amendment to the Charter effectuated by a Certificate of Designations) to authorize or create or increase the authorized amount of, or any issuance of, any shares of, or any securities convertible into or exchangeable or exercisable for shares of, any class or series of capital stock of the Company ranking senior to or *pari passu* with the Series E Preferred Stock with respect to either or both the payment of dividends and/or the distribution of assets on any liquidation, dissolution or winding up of the Company (the "Senior or Pari Passu Securities"); *provided, however*, that the voting rights provided in this Section 7(c)(i) shall not apply to any amendment or alteration of the Charter (including any amendment to the Charter effectuated by a Certificate of Designations) to authorize or create or increase the authorized amount of, or any issuance of, any Senior or *Pari Passu* Securities initially issued to the UST;

(ii) Amendment of the Series E Preferred Stock. Any amendment, alteration or repeal of any provision of the Certificate of Designations for the Series E Preferred Stock or the Charter (including, unless no vote on such merger or consolidation is required by Section 7(c)(iii) below, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) so as to adversely affect the rights, preferences, privileges or voting powers of the Series E Preferred Stock; or

(iii) Share Exchanges, Reclassifications, Mergers and Consolidations. Any consummation of a binding share exchange or reclassification involving the Series E Preferred Stock, or of a merger or consolidation of the Company with or into another corporation or other entity, unless in each case (x) the shares of the Series E Preferred Stock remain outstanding and are not amended in any respect or, in the case of any such merger or consolidation with respect to which the Company is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent, and (y) such shares remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not

materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of the Series E Preferred Stock immediately prior to such consummation, taken as a whole;

provided, however, that for all purposes of this Section 7(c), any increase in the amount of the authorized Preferred Stock, including any increase in the authorized amount of the Series E Preferred Stock necessary to satisfy preemptive or similar rights granted by the Company to other persons prior to the Signing Date, or the creation and issuance, or an increase in the authorized or issued amount, whether pursuant to preemptive or similar rights or otherwise, of any other series of the Preferred Stock, or any securities convertible into or exchangeable or exercisable for any other series of the Preferred Stock, ranking pari passu with (if such securities are issued to the UST) or junior to the Series E Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and the distribution of assets upon liquidation, dissolution or winding up of the Company will not be deemed to adversely affect the rights, preferences, privileges or voting powers, and shall not require the affirmative vote or consent of, the holders of outstanding shares of the Series E Preferred Stock.

(d) Changes after Provision for Redemption. No vote or consent of the holders of the Series E Preferred Stock shall be required pursuant to Section 7(c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such Section, all outstanding shares of the Series E Preferred Stock shall have been redeemed, or shall have been called for redemption upon proper notice and sufficient funds shall have been deposited in trust for such redemption, in each case pursuant to Section 5 above.

(e) Procedures for Voting and Consents. The rules and procedures for calling and conducting any meeting of the holders of the Series E Preferred Stock (including, without limitation, the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other aspect or matter with regard to such a meeting or such consents shall be governed by any rules that the Board of Directors or any duly authorized committee of the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Charter, the Bylaws, and applicable law and the rules of any national securities exchange or other trading facility on which Series E Preferred Stock is listed or traded at the time.

Section 8. Record Holders. To the fullest extent permitted by applicable law, the Company and the Transfer Agent may deem and treat the record holder of any share of the Series E Preferred Stock as the true and lawful owner thereof for all purposes, and neither the Company nor the Transfer Agent shall be affected by any notice to the contrary.

Section 9. Notices. All notices or communications in respect of the Series E Preferred Stock shall be sufficiently given if given in writing and delivered in person or by first class mail, postage prepaid, or if given in such other manner as may be permitted in this Certificate of Designations, in the Charter or Bylaws or by applicable law. Notwithstanding the foregoing, if shares of the Series E Preferred Stock are issued in book-entry form through The Depository Trust Company or any similar facility, such notices may be given to the holders of the Series E Preferred Stock in any manner permitted by such facility.

Section 10. No Preemptive Rights. No holder of the Series E Preferred Stock shall be entitled as a matter of right to subscribe for or purchase, or have any preemptive right with respect to, any part of any new or additional issue of stock of any class whatsoever, or of securities convertible into any stock of any class whatsoever, whether now or hereafter authorized and whether issued for cash or other consideration or by way of dividend.

Section 11. Replacement Certificates. The Company shall replace any mutilated certificate at the holder's expense upon surrender of that certificate to the Company. The Company shall replace certificates that become destroyed, stolen or lost at the holder's expense upon delivery to the Company of reasonably satisfactory evidence that the certificate has been destroyed, stolen or lost, together with any indemnity that may be reasonably required by the Company.

Section 12. Form.

(a) The Series E Preferred Stock shall be initially issued in the form of one or more certificates in definitive, fully registered form with, until such time as otherwise determined by the Company, the restricted shares legend (the "Restricted Shares Legend"), as set forth on the form of the Series E Preferred Stock attached hereto as Exhibit A (each, a "Series E Preferred Share Certificate"), which is hereby incorporated in and expressly made a part of this Certificate of Designations. The Series E Preferred Share Certificate may have notations, legends or endorsements required by law, stock exchange rules, agreements to which the Company is subject, if any, or usage (*provided* that any such notation, legend or endorsement is in a form acceptable to the Company).

(b) An Officer shall sign the Series E Preferred Share Certificate for the Company, in accordance with the Company's Bylaws and applicable law, by manual or facsimile signature. "Officer" means the Chairman, any Vice President, the Treasurer or the Secretary of the Company.

(c) If an Officer whose signature is on a Series E Preferred Share Certificate no longer holds that office at the time of the issuance of such Series E Preferred Share Certificate, such Series E Preferred Share Certificate shall be valid nevertheless.

(d) A Series E Preferred Share Certificate shall not be valid or obligatory until an authorized signatory of the Transfer Agent manually countersigns the Series E Preferred Share Certificate. The signature shall be conclusive evidence that such Series E Preferred Share Certificate has been authenticated under this Certificate of Designations. Each Series E Preferred Share Certificate shall be dated the date of its authentication.

Other than upon original issuance, all transfers and exchanges of the Series E Preferred Stock shall be made by direct registration on the books and records of the Company.

Section 13. Transfer Agent And Registrar. The duly appointed Transfer Agent and Registrar for the Series E Preferred Stock shall be Wells Fargo Bank, N.A. (the "Transfer Agent"). The Company may, in its sole discretion, remove the Transfer Agent in accordance with the agreement between the Company and the Transfer Agent; provided that the Company

shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal; *provided further* that such successor transfer agent shall be the Transfer Agent for purposes of this Certificate of Designations.

Section 14. Other Rights. The shares of the Series E Preferred Stock shall not have any rights, preferences, privileges or voting powers or relative, participating, optional or other special rights, or qualifications, limitations or restrictions thereof, other than as set forth herein or in the Charter or as provided by applicable law.

EXHIBIT A

**FORM OF SERIES E FIXED RATE NON-CUMULATIVE
PERPETUAL PREFERRED STOCK
(\$[•] LIQUIDATION PREFERENCE)**

NUMBER

[_____]

SHARES

[_____]

CUSIP [_____]

AMERICAN INTERNATIONAL GROUP, INC.

**INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
THIS CERTIFICATE IS TRANSFERABLE
IN THE CITY OF SOUTH ST. PAUL, MINNESOTA**

THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT WHILE A REGISTRATION STATEMENT RELATING THERETO IS IN EFFECT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR SUCH LAWS. EACH PURCHASER OF THE SECURITIES REPRESENTED BY THIS INSTRUMENT IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. ANY TRANSFEREE OF THE SECURITIES REPRESENTED BY THIS INSTRUMENT BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT), (2) AGREES THAT IT WILL NOT OFFER, SELL OR OTHERWISE TRANSFER THE SECURITIES REPRESENTED BY THIS INSTRUMENT EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT WHICH IS THEN EFFECTIVE UNDER THE SECURITIES ACT, (B) FOR SO LONG AS THE SECURITIES REPRESENTED BY THIS INSTRUMENT ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (C) TO THE ISSUER OR (D) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THE SECURITIES REPRESENTED BY THIS INSTRUMENT ARE TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

Exh A-1

This is to certify that the UNITED STATES DEPARTMENT OF THE TREASURY is the owner of FOUR HUNDRED THOUSAND (400,000) fully paid and non-assessable shares of Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock, \$5.00 par value, liquidation preference \$104,011.44 per share (the "Stock"), of the American International Group, Inc. (the "Company"), transferable on the books of the Company by the holder hereof in person or by duly authorized attorney upon surrender of this certificate properly endorsed.

This certificate is not valid or obligatory for any purpose unless countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile seal of the Company and the facsimile signatures of its duly authorized officers.

Dated: April 17, 2009

Name:
Title:

Name:
Title:

Countersigned and Registered

_____,
as Transfer Agent and Registrar

By: _____

Authorized Signature

Exh A-2

AMERICAN INTERNATIONAL GROUP, INC.

AMERICAN INTERNATIONAL GROUP, INC. (the "Company") will furnish, without charge to each stockholder who so requests, a copy of the certificate of designations establishing the powers, preferences and relative, participating, optional or other special rights of each class of stock of the Company or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights applicable to each class of stock of the Company or series thereof. Such information may be obtained by a request in writing to the Secretary of the Company at its principal place of business.

This certificate and the share or shares represented hereby are issued and shall be held subject to all of the provisions of the Company's Restated Certificate of Incorporation, as amended, and the Certificate of Designations of the Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock (Liquidation Preference \$104,011.44 per share) (copies of which are on file with the Transfer Agent), to all of which the holder, by acceptance hereof, assents.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full to applicable laws or regulations:

TEN COM	-	as tenants in common	UNIF GIFT MIN ACT-	_____	Custodian	_____
TEN ENT	-	as tenants by the entireties		(Minor)		(Cust)
JT TEN	-	as joint tenants with		under Uniform Gifts to Minors Act		
		right of survivorship and not as		_____		
		tenants in common		(State)		

Additional abbreviations may also be used though not in the above list.

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE

shares of the capital stock represented by the within certificate, and do(es) hereby irrevocably constitute and appoint _____, Attorney to transfer the said stock on the books of the within named Company with full power of substitution in the premises.

Dated _____

Signature

NOTICE: The signature to this assignment must correspond with the name as written upon the face of this certificate in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations, and credit unions with membership in an approved signature guarantee medallion program), pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1934.

Exh A-4

FORM OF OPINION

(a) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the state of its incorporation.

(b) The Series E Preferred Stock has been duly authorized and, when issued and delivered in accordance with the Agreement, the Series E Preferred Stock will be validly issued and fully paid and nonassessable, and will not be issued in violation of any preemptive rights.

(c) The Company has the corporate power and authority to execute and deliver the Agreement and to perform its obligations thereunder (including the issuance of the Series E Preferred Stock and the Exchange Shares).

(d) The execution, delivery and performance by the Company of the Agreement and the consummation of the transactions contemplated thereby have been duly authorized by all necessary corporate action on the part of the Company and its stockholders (other than (i) the vote of the stockholders described in Section 3.1(b) of the Agreement and (ii) the corporate actions required to consummate the transactions contemplated by Sections 3.7 and 3.8), and no further approval or authorization is required on the part of the Company, other than (i) the vote of the stockholders described in Section 3.1(b) of the Agreement and (ii) the corporate actions required to consummate the transactions contemplated by Sections 3.7 and 3.8.

(e) The Agreement is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the creditors' rights and general equitable principles, regardless of whether such enforceability is considered in a proceeding at law or in equity; provided, however, such counsel need express no opinion with respect to Section 3.1(b), Section 3.7, Section 3.8 or Section 4.5(g) or the severability provisions of the Agreement insofar as Section 3.1(b), Section 3.7, Section 3.8 or Section 4.5(g) is concerned.

REPLACEMENT CAPITAL COVENANT, dated as of April 17, 2009 (this "*Replacement Capital Covenant*"), by American International Group, Inc., a Delaware corporation (together with its successors and assigns, including any entity surviving or resulting from a merger, consolidation, binding share exchange, sale, lease or transfer of all or substantially all of the assets or other business combination, the "*Corporation*"), in favor of and for the benefit of each Covered Debtholder (as defined below).

RECITALS

A. On the date hereof, the Corporation is issuing its Series E Fixed Rate Non-Cumulative Perpetual Preferred Securities with an aggregate liquidation preference of \$41,604,576,000 (the "*Preferred Securities*").

B. The Corporation is entering into and disclosing the content of this Replacement Capital Covenant in the manner provided below with the intent that the covenants provided for in this Replacement Capital Covenant be enforceable by each Covered Debtholder and that the Corporation be estopped from disregarding the covenants in this Replacement Capital Covenant, in each case to the fullest extent permitted by applicable law.

C. The Corporation acknowledges that reliance by each Covered Debtholder upon the covenants in this Replacement Capital Covenant is reasonable and foreseeable by the Corporation and that, were the Corporation to disregard its covenants in this Replacement Capital Covenant, each Covered Debtholder would sustain an injury as a result of its reliance on such covenants.

NOW, THEREFORE, the Corporation hereby covenants and agrees as follows in favor of and for the benefit of each Covered Debtholder.

SECTION 1. *Definitions*. Capitalized terms used in this Replacement Capital Covenant (including the Recitals) have the meanings set forth in Schedule I hereto.

SECTION 2. *Limitations on Redemption and Purchase of Preferred Securities*. The Corporation hereby promises and covenants to and for the benefit of each Covered Debtholder that the Corporation shall not redeem or purchase, and no Subsidiary of the Corporation shall purchase, all or any part of the Preferred Securities prior to April 17, 2012, except to the extent that the applicable redemption or purchase price does not exceed the sum of the following amounts:

(i) the Applicable Percentage of the aggregate amount of net cash proceeds the Corporation and its Subsidiaries have received from the sale of Common Stock, Rights to acquire Common Stock, Mandatorily Convertible Preferred Stock, Debt and Forward Security and Qualifying Capital Securities (collectively, the "*Replacement Capital Securities*"); *plus*

(ii) the Applicable Percentage of the aggregate Market Value of any Common Stock (or Rights to acquire Common Stock) the Corporation and its Subsidiaries have delivered or issued in connection with the conversion of any convertible or exchangeable securities, other than securities for which the Corporation or any of its Subsidiaries has received equity credit from any NRSRO,

in each case to persons other than the Corporation and its Subsidiaries since the most recent Measurement Date (without double counting proceeds received in any prior Measurement Period); *provided* that the limitations in this Section 2 shall not restrict the Corporation from exchanging any of the Preferred Securities for Common Stock or Qualifying Non-Cumulative Preferred Stock.

SECTION 3. *Covered Debt.* (a) The Corporation represents and warrants that the Initial Covered Debt is Eligible Senior Debt.

(b) On or during the 30-day period immediately preceding any Redesignation Date with respect to the Covered Debt then in effect, the Corporation shall identify the series of Eligible Debt that will become the Covered Debt on and after such Redesignation Date in accordance with the following procedures:

(i) the Corporation shall identify each series of its then outstanding unsecured, long-term indebtedness for money borrowed that is Eligible Debt;

(ii) if only one series of the Corporation's then outstanding unsecured, long-term indebtedness for money borrowed is Eligible Debt, such series shall become the Covered Debt commencing on the related Redesignation Date;

(iii) if the Corporation has more than one outstanding series of unsecured, long-term indebtedness for money borrowed that is Eligible Debt, then the Corporation shall identify the series that has the latest occurring final maturity date as of the date the Corporation is applying the procedures in this Section 3(b) and such series shall become the Covered Debt on the related Redesignation Date;

(iv) the series of outstanding long-term indebtedness for money borrowed that is determined to be Covered Debt pursuant to clause (ii) or (iii) above shall be the Covered Debt for purposes of this Replacement Capital Covenant for the period commencing on the related Redesignation Date and continuing to but not including the Redesignation Date as of which a new series of outstanding unsecured, long-term indebtedness is next determined to be the Covered Debt pursuant to the procedures set forth in this Section 3(b); and

(v) in connection with such identification of a new series of Covered Debt, the Corporation shall, as provided for in Section 3(c), give a notice and file with the Commission a Current Report on Form 8-K under the Securities Exchange Act including or incorporating by reference this Replacement Capital Covenant as an exhibit within the time frame provided for in such section.

(c) *Notice.* In order to give effect to the intent of the Corporation described in Recital B, the Corporation covenants that (i) simultaneously with the execution of this Replacement Capital Covenant or as soon as practicable after the date hereof, it shall (x) give notice to the Holders of the Initial Covered Debt, in the manner provided in the indenture relating to the Initial Covered Debt, of this Replacement Capital Covenant and the rights granted to such Holders hereunder and (y) file a copy of this Replacement Capital Covenant with the Commission as an exhibit to a Current Report on Form 8-K under the Securities Exchange Act; (ii) so long as the Corporation is a reporting company under the Securities Exchange Act, the Corporation will include in each Annual Report on Form 10-K filed with the Commission under the Securities Exchange Act a description of the covenant set forth in Section 2 and identify the series of long-term indebtedness for borrowed money that is Covered Debt as of the date such Form 10-K is filed with the Commission; (iii) if a series of the Corporation's long-term indebtedness for money borrowed (1) becomes Covered Debt or (2) ceases to be Covered Debt, the Corporation will give notice of such occurrence within 30 days to the holders of such long-term indebtedness for money borrowed in the manner provided for in the indenture, fiscal agency agreement or other instrument under which such long-term indebtedness for money borrowed was issued and report such change in a Current

Report on Form 8-K, which must include or and incorporate by reference this Replacement Capital Covenant, and in the Corporation's next Quarterly Report on Form 10-Q or Annual Report on Form 10-K, as applicable; (iv) if, and only if, the Corporation ceases to be a reporting company under the Securities Exchange Act, the Corporation will (A) post on its website the information otherwise required to be included in Securities Exchange Act filings pursuant to clauses (ii) and (iii) of this Section 3(c) and (B) cause a notice of the execution of this Replacement Capital Covenant to be posted on the Bloomberg screen for the Covered Debt or any successor Bloomberg screen and each similar third-party vendor's screen the Corporation reasonably believes is appropriate (each an "Investor Screen") and cause a hyperlink to a definitive copy of this Replacement Capital Covenant to be included on the Investor Screen for each series of Covered Debt, in each case to the extent permitted by Bloomberg or such similar third-party vendor, as the case may be; and (v) promptly upon request by any Holder of Covered Debt, the Corporation will provide such Holder with an executed copy of this Replacement Capital Covenant.

(d) The Corporation agrees that, if at any time the Covered Debt is held by a trust (for example, where the Covered Debt is part of an issuance of trust preferred securities), a holder of the securities issued by such trust may enforce (including by instituting legal proceedings) this Replacement Capital Covenant directly against the Corporation as though such holder owned Covered Debt directly, and the holders of such trust securities shall be deemed to be the Holders of "Covered Debt" for purposes of this Replacement Capital Covenant for so long as the indebtedness held by such trust remains Covered Debt hereunder.

SECTION 4. *Termination, Amendment and Waiver.* (a) The obligations of the Corporation pursuant to this Replacement Capital Covenant shall remain in full force and effect until the earliest date (the "Termination Date") to occur of (i) April 17, 2012, (ii) the date, if any, on which the Holders of a majority of the then outstanding principal amount of the then-effective series of Covered Debt consent or agree in writing to the termination of this Replacement Capital Covenant and the obligations of the Corporation hereunder and (iii) the date on which the Corporation ceases to have any series of outstanding Eligible Senior Debt or Eligible Subordinated Debt (in each case without giving effect to the rating requirement in clause (b) of the definition of each such term). From and after the Termination Date, the obligations of the Corporation pursuant to this Replacement Capital Covenant shall be of no further force and effect.

(b) This Replacement Capital Covenant may be amended or supplemented from time to time by a written instrument signed by the Corporation with the consent of the Holders of a majority of the then outstanding principal amount of the then-effective series of Covered Debt, *provided* that this Replacement Capital Covenant may be amended or supplemented from time to time by a written instrument signed only by the Corporation (and without the consent of the Holders of the then-effective series of Covered Debt) if any of the following apply (it being understood that any such amendment or supplement may fall into one or more of the following): (i) the effect of such amendment or supplement is solely to impose additional restrictions on, or eliminate certain of, the types of securities qualifying as Replacement Capital Securities and an officer of the Corporation has delivered to the Holders of the then-effective series of Covered Debt in the manner provided for in the indenture, fiscal agency agreement or other instrument with respect to such Covered Debt a written certificate to that effect, (ii) such amendment or supplement is not materially adverse to the rights of the Covered Debtholders hereunder and an officer of the Corporation has delivered to the Holders of the then-effective series of Covered Debt in the manner provided for in the indenture, fiscal agency agreement or other instrument with respect to such Covered Debt a written certificate stating that, in his or her determination, such amendment or supplement is not materially adverse to the Covered Debtholders, or (iii) such amendment or supplement eliminates Common Stock, Debt and Forward Security, Mandatorily Convertible Preferred Stock and/or Rights to acquire Common Stock as Replacement Capital Securities if, after the date of the Certificate of Designations, an accounting standard or interpretive guidance of an existing standard issued by an organization or regulator that has responsibility for establishing or interpreting accounting standards in the United States becomes effective such that there is more than an insubstantial risk that the failure to eliminate Common Stock, Debt and Forward Security, Mandatorily Convertible Preferred Stock and/or

Rights to acquire Common Stock as Replacement Capital Securities would result in a reduction in the Corporation's earnings per share as calculated in accordance with generally accepted accounting principles in the United States. For this purpose, an amendment or supplement that adds new types of securities qualifying as Replacement Capital Securities or modifies the requirements of securities qualifying as Replacement Capital Securities will not be deemed materially adverse to the Holders of the then-effective series of Covered Debt if, following such amendment or supplement, this Replacement Capital Covenant would constitute a Qualifying Replacement Capital Covenant.

(c) For purposes of Sections 4(a) and 4(b), the Holders whose consent or agreement is required to terminate, amend or supplement the obligations of the Corporation under this Replacement Capital Covenant shall be the Holders of the then-effective Covered Debt as of a record date established by the Corporation that is not more than 30 days prior to the date on which the Corporation proposes that such termination, amendment or supplement becomes effective.

SECTION 5. *Miscellaneous.* (a) This Replacement Capital Covenant shall be governed by and construed in accordance with the laws of the State of New York.

(b) This Replacement Capital Covenant shall be binding upon the Corporation and its successors and assigns and shall inure to the benefit of the Covered Debtholders as they exist from time-to-time (it being understood and agreed by the Corporation that any Person who is a Covered Debtholder at the time such Person acquires, holds or sells Covered Debt shall retain its status as a Covered Debtholder for so long as the series of long-term indebtedness for borrowed money owned by such Person is Covered Debt and, if such Person initiates a claim or proceeding to enforce its rights under this Replacement Capital Covenant after the Corporation has violated its covenants in Section 2 and before the series of long-term indebtedness for money borrowed held by such Person is no longer Covered Debt, such Person's rights under this Replacement Capital Covenant shall not terminate by reason of such series of long-term indebtedness for money borrowed no longer being Covered Debt). Other than the Covered Debtholders as provided in the previous sentence, no other Person shall have any rights under this Replacement Capital Covenant or be deemed a third party beneficiary of this Replacement Capital Covenant. In particular, no holder of the Preferred Securities is a third party beneficiary of this Replacement Capital Covenant.

(c) All demands, notices, requests and other communications to the Corporation under this Replacement Capital Covenant shall be deemed to have been duly given and made if in writing and (i) if served by personal delivery upon the Corporation, on the day so delivered (or, if such day is not a Business Day, the next succeeding Business Day) or (ii) if delivered by registered post or certified mail, return receipt requested, or sent to the Corporation by a national or international courier service, on the date of receipt by the Corporation (or, if such date of receipt is not a Business Day, the next succeeding Business Day), and in each case to the Corporation at the address set forth below, or at such other address as the Corporation may thereafter notify to Covered Debtholders or post on its website as the address for notices under this Replacement Capital Covenant:

American International Group, Inc.
70 Pine Street
New York, New York 10270
Attention: Secretary

IN WITNESS WHEREOF, the Corporation has caused this Replacement Capital Covenant to be executed by its duly authorized officer, as of the day and year first above written.

AMERICAN INTERNATIONAL GROUP, INC.

By: /s/ Anastasia D. Kelly

Name: Anastasia D. Kelly

Title: Vice Chairman

Signature Page for Series E Replacement Capital Covenant

DEFINITIONS

“*Alternative Payment Mechanism*” means, with respect to any securities or combination of securities (together in this definition, “*securities*”), provisions in the related transaction documents that require the Corporation to issue (or use commercially reasonable efforts to issue) one or more types of APM Qualifying Securities raising eligible proceeds at least equal to the deferred Distributions on such securities and apply the proceeds to pay unpaid Distributions on such securities, commencing on the earlier of (x) the first Distribution Date after commencement of a deferral period on which the Corporation pays current Distributions on such securities and (y) the fifth anniversary of the commencement of such deferral period, and that

(a) define “eligible proceeds” to mean, for purposes of such Alternative Payment Mechanism, the net proceeds (after underwriters’ or placement agents’ fees, commissions or discounts and other expenses relating to the issuance or sale of the relevant securities, where applicable) that the Corporation has received during the 180 days prior to the related Distribution Date from the issuance of APM Qualifying Securities to persons that are not Subsidiaries of the Corporation up to the maximum issuance cap described below and up to the Preferred Cap in the case of APM Qualifying Securities that are Qualifying Non-Cumulative Preferred Stock or Mandatorily Convertible Preferred Stock;

(b) permit the Corporation to pay current Distributions on any Distribution Date out of any source of funds but (x) require the Corporation to pay deferred Distributions only out of eligible proceeds and (y) prohibit the Corporation from paying deferred Distributions out of any source of funds other than eligible proceeds, unless otherwise required at the time by any applicable regulatory authority or if an event of default has occurred that results in an acceleration of the principal amount of the relevant securities;

(c) include a Repurchase Restriction;

(d) limit the obligation of the Corporation to issue (or use commercially reasonable efforts to issue) APM Qualifying Securities up to:

(i) in the case of APM Qualifying Securities that are Common Stock or Qualifying Warrants, during the first five years of any deferral period (x) an amount from the issuance thereof pursuant to the Alternative Payment Mechanism equal to 2% of the Corporation’s most recently published market capitalization or (y) a number of shares of Common Stock and Qualifying Warrants not in excess of 2% of the number of shares of outstanding Common Stock set forth in the Corporation’s most recently published financial statements (the amount in clause (x) or (y) is referred to as the “*Common Cap*”); and

(ii) in the case of APM Qualifying Securities that are Qualifying Non-Cumulative Preferred Stock or Mandatorily Convertible Preferred Stock, an amount from the issuance thereof pursuant to the related Alternative Payment Mechanism (including at any point in time from all prior issuances of Qualifying Non-Cumulative Preferred Stock and still-outstanding Mandatorily Convertible Preferred Stock pursuant to such Alternative Payment Mechanism) equal to 25% of the liquidation or principal amount of the securities that are the subject of the related Alternative Payment Mechanism (the “*Preferred Cap*”);

(e) permit the Corporation, at its option, to impose a limitation on the issuance of APM Qualifying Securities consisting of Common Stock, Mandatorily Convertible Preferred Stock and Qualifying Warrants, in each case to a maximum issuance cap to be set at the Corporation's discretion, *provided* that such maximum issuance cap will be subject to the Corporation's agreement to use commercially reasonable efforts to increase the maximum issuance cap when reached and (i) simultaneously satisfy its future fixed or contingent obligations under other securities and derivative instruments that provide for settlement or payment in shares of Common Stock or (ii) if the Corporation cannot increase the maximum issuance cap as contemplated in the preceding clause, by requesting its board of directors to adopt a resolution for shareholder vote at the next occurring annual shareholders meeting to increase the number of shares of the Corporation's authorized common stock for purposes of satisfying the Corporation's obligations to pay deferred distributions;

(f) in the case of securities other than non-cumulative preferred stock, include a Bankruptcy Claim Limitation Provision; and

(g) permit the Corporation, at its option, to provide that if the Corporation is involved in a merger, consolidation, amalgamation, binding share exchange or conveyance, transfer or lease of assets substantially as an entirety to any other person or a similar transaction (a "*business combination*") where immediately after the consummation of the business combination more than 50% of the surviving or resulting entity's voting stock is owned by the shareholders of the other party to the business combination or continuing directors cease for any reason to constitute a majority of the directors of the surviving or resulting entity, then clauses (a), (b) and (c) above will not apply to any deferral period that is terminated on the next interest payment date following the date of consummation of the business combination. "*Continuing director*" means a director who was a director of the Corporation at the time the definitive agreement relating to the transaction was approved by the Corporation's board of directors;

provided (and it being understood) that:

(1) the Corporation shall not be obligated to issue (or use commercially reasonable efforts to issue) APM Qualifying Securities for so long as a Market Disruption Event has occurred and is continuing;

(2) if, due to a Market Disruption Event or otherwise, the Corporation is able to raise and apply some, but not all, of the eligible proceeds necessary to pay all deferred Distributions on any Distribution Date, the Corporation will apply any available eligible proceeds to pay accrued and unpaid Distributions on the applicable Distribution Date in chronological order subject to the Common Cap, the Preferred Cap, and any maximum issuance cap referred to in clause (e) above, as applicable; and

(3) if the Corporation has outstanding more than one class or series of securities under which it is obligated to sell a type of APM Qualifying Securities and apply some part of the proceeds to the payment of deferred Distributions, then on any date and for any period the amount of net proceeds received by the Corporation from those sales and available for payment of deferred Distributions on such securities shall be applied to such securities on a *pro rata* basis up to the Common Cap, the Preferred Cap and any maximum issuance cap referred to above, as applicable, in proportion to the total amounts that are due on such securities.

“APM Qualifying Securities” means, with respect to an Alternative Payment Mechanism or a Mandatory Trigger Provision, one or more of the following (as designated in the transaction documents for the Qualifying Capital Securities that include an Alternative Payment Mechanism or a Mandatory Trigger Provision, as applicable):

- (i) Common Stock;
- (ii) Qualifying Warrants;
- (iii) Qualifying Non-Cumulative Preferred Stock; and
- (iv) Mandatorily Convertible Preferred Stock;

provided that

(a) if the APM Qualifying Securities for any Alternative Payment Mechanism or Mandatory Trigger Provision include both Common Stock and Qualifying Warrants,

(i) such Alternative Payment Mechanism or Mandatory Trigger Provision may permit, but need not require, the Corporation to issue Qualifying Warrants; and

(ii) the Corporation may, without the consent of the holders of the Qualifying Capital Securities, amend the definition of APM Qualifying Securities to eliminate Common Stock or Qualifying Warrants (but not both) from the definition if, after the date of the Certificate of Designations, an accounting standard or interpretive guidance of an existing standard issued by an organization or regulator that has responsibility for establishing or interpreting accounting standards in the United States becomes effective so that there is more than an insubstantial risk that the failure to do so would result in a reduction in the Corporation’s earnings per share as calculated for financial reporting purposes; and

(b) if the APM Qualifying Securities for any Alternative Payment Mechanism or Mandatory Trigger Provision include Mandatorily Convertible Preferred Stock,

(i) such Alternative Payment Mechanism or Mandatory Trigger Provision may permit, but need not require, the Corporation to issue Mandatorily Convertible Preferred Stock; and

(ii) the Corporation may, without the consent of the holders of the Qualifying Capital Securities, amend the definition of APM Qualifying Securities to eliminate Mandatorily Convertible Preferred Stock from the definition if, after the date of the Certificate of Designations, an accounting standard or interpretive guidance of an existing standard issued by an organization or regulator that has responsibility for establishing or interpreting accounting standards in the United States becomes effective so that there is more than an insubstantial risk that the failure to do so would result in a reduction in the Corporation’s earnings per share as calculated for financial reporting purposes.

“*Applicable Percentage*” means:

- (i) in the case of any Common Stock or Rights to acquire Common Stock, 133.33%; and
- (ii) in the case of any Mandatorily Convertible Preferred Stock, Debt and Forward Security or Qualifying Capital Securities, 100%.

“*Assurance Agreement*” means the Assurance Agreement, by the Corporation in favor of eligible employees dated as of June 27, 2005, relating to certain obligations of Starr International Company, Inc. (as such agreement may be amended, supplemented, extended, modified or replaced from time to time).

“*Bankruptcy Claim Limitation Provision*” means, with respect to any securities or combination of securities that have an Alternative Payment Mechanism or a Mandatory Trigger Provision (together in this definition, “*securities*”), provisions that, upon any liquidation, dissolution, winding up or reorganization or in connection with any insolvency, receivership or proceeding under any bankruptcy law with respect to the issuer, limit the claim of the holders of such securities to Distributions that accumulate during (A) any deferral period, in the case of securities that have an Alternative Payment Mechanism or (B) any period in which the issuer fails to satisfy one or more financial tests set forth in the terms of such securities or related transaction agreements, in the case of securities having a Mandatory Trigger Provision, to:

(i) in the case of securities having an Alternative Payment Mechanism or a Mandatory Trigger Provision with respect to which the APM Qualifying Securities do not include Qualifying Non-Cumulative Preferred Stock or Mandatorily Convertible Preferred Stock, 25% of the stated or principal amount of such securities then outstanding; and

(ii) in the case of any other securities, an amount not in excess of the sum of (x) the amount of accumulated and unpaid Distributions (including compounded amounts) that relate to the earliest two years of the portion of the deferral period for which Distributions have not been paid and (y) an amount equal to the excess, if any, of the Preferred Cap over the aggregate amount of net proceeds from the sale of Qualifying Non-Cumulative Preferred Stock and still-outstanding Mandatorily Convertible Preferred Stock that the issuer has applied to pay such Distributions pursuant to the Alternative Payment Mechanism or the Mandatory Trigger Provision, *provided* that the holders of such securities are deemed to agree that, to the extent the remaining claim exceeds the amount set forth in subclause (x), the amount they receive in respect of such excess shall not exceed the amount they would have received had such claim ranked *pari passu* with the interests of the holders, if any, of Qualifying Non-Cumulative Preferred Stock.

In the case of any cumulative preferred stock that includes a Bankruptcy Claim Limitation Provision, such provision shall limit the liquidation preference of such cumulative preferred stock to its stated amount, plus an amount in respect of accumulated and unpaid dividends not in excess of the amount set forth in clause (i) or (ii) above, as applicable.

“*Business Day*” means each day other than a Saturday or Sunday or other day on which banking institutions in The City of New York are authorized or required by law or executive order to remain closed.

“*Capital Stock*” means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) shares issued by the Corporation.

“*Certificate of Designations*” means the Certificate of Designations of Series E Fixed Rate Non-Cumulative Perpetual Preferred Stock of the Corporation filed with the Secretary of State of Delaware on April 17, 2009.

“*Commission*” means the United States Securities and Exchange Commission or any successor agency.

“*Common Cap*” has the meaning specified in the definition of Alternative Payment Mechanism.

“*Common Stock*” means any equity securities of the Corporation (including equity securities held as treasury shares) or rights to acquire equity securities of the Corporation that have no preference in the payment of dividends or amounts payable upon the liquidation, dissolution or winding up of the Corporation (including a security that tracks the performance of, or relates to the results of, a business, unit or division of the Corporation), and any securities that have no preference in the payment of dividends or amounts payable upon liquidation, dissolution or winding up and are issued in exchange therefor in connection with a merger, consolidation, binding share exchange, business combination, recapitalization or other similar event.

“*Corporation*” has the meaning specified in the introduction to this instrument.

“*Covered Debt*” means (a) at the date of this Replacement Capital Covenant and continuing to but not including the first Redesignation Date, the Initial Covered Debt and (b) thereafter, commencing with each Redesignation Date and continuing to but not including the next succeeding Redesignation Date, the Eligible Debt identified pursuant to Section 3(b) as the Covered Debt for such period.

“*Covered Debtholder*” means each Person (whether a Holder or a beneficial owner holding through a participant in a clearing agency) that buys, holds or sells long-term indebtedness for money borrowed of the Corporation during the period that such long-term indebtedness for money borrowed is Covered Debt, *provided* that, except as provided in Section 5(b), a Person who has sold all of its right, title and interest in Covered Debt shall cease to be a Covered Debtholder at the time of such sale if, at such time, the Corporation has not breached or repudiated, or threatened to breach or repudiate, its obligations hereunder.

“*Debentures*” means any debt securities issued under the Subordinated Indenture (other than any debt securities with respect to which the provisions of Article 14 of the Subordinated Indenture have been modified or amended in any material respect).

“*Debt and Forward Security*” means a security or combination of securities (together in this definition, “*such securities*”) that:

(i) gives the holder a beneficial interest in (a) a fractional interest in a stock purchase contract for a share of Common Stock that will be settled in three years or less, with the number of shares of Common Stock purchasable pursuant to such stock purchase contract to be within a range established at the time of issuance of such subordinated debt securities referred to in clause (b) hereof, subject to customary anti-dilution adjustments and (b) debt securities of the Corporation or one of its Subsidiaries that are not redeemable prior to settlement of the stock purchase contract;

(ii) provides that the holders directly or indirectly grant to the Corporation a security interest in such debt securities and their proceeds (including any substitute collateral permitted under the transaction documents) to secure such holders' direct or indirect obligation to purchase Common Stock pursuant to such stock purchase contracts;

(iii) includes a remarketing feature pursuant to which the debt securities of the Corporation or one of its Subsidiaries are remarketed to new investors commencing not later than the settlement date of the stock purchase contract; and

(iv) provides for the proceeds raised in the remarketing to be used to purchase Common Stock under the stock purchase contracts and, if there has not been a successful remarketing by the settlement date of the stock purchase contracts, provides that the stock purchase contracts will be settled by the Corporation exercising its remedies as a secured party with respect to its debt securities or other collateral directly or indirectly pledged by the holders in the Debt and Forward Security.

"Distribution Date" means, as to any securities or combination of securities, the dates on which Distributions on such securities are scheduled to be made.

"Distribution Period" means, as to any securities or combination of securities, each period from and including a Distribution Date for such securities to but not including the next succeeding Distribution Date for such securities.

"Distributions" means, as to a security or combination of securities, dividends, interest or other income distributions to the holders or beneficial owners thereof that are not Subsidiaries of the Corporation.

"Eligible Debt" means, at any time, Eligible Subordinated Debt or, if no Eligible Subordinated Debt is then outstanding, Eligible Senior Debt.

"Eligible Senior Debt" means, at any time in respect of any issuer, each series of outstanding unsecured long-term indebtedness for money borrowed of such issuer that (a) upon a bankruptcy, liquidation, dissolution or winding up of the issuer, ranks most senior among the issuer's then outstanding classes of unsecured indebtedness for money borrowed, (b) is then assigned a rating by at least one NRSRO (*provided* that this clause (b) shall apply on a Redesignation Date only if on such date the issuer has outstanding senior long-term indebtedness for money borrowed that satisfies the requirements of clauses (a), (c) and (d) that is then assigned a rating by at least one NRSRO), (c) has an outstanding principal amount of not less than \$250,000,000, and (d) was issued through or with the assistance of a commercial or investment banking firm or firms acting as underwriters, initial purchasers or placement or distribution agents. For purposes of this definition as applied to securities with a CUSIP number, each issuance of long-term indebtedness for money borrowed that has (or, if such indebtedness is held by a trust or other intermediate entity established directly or indirectly by the issuer, the securities of such intermediate entity that have) a separate CUSIP number shall be deemed to be a series of the issuer's long-term indebtedness for money borrowed that is separate from each other series of such indebtedness.

"Eligible Subordinated Debt" means, at any time in respect of any issuer, each series of the issuer's then-outstanding unsecured long-term indebtedness for money borrowed that (a) upon a bankruptcy, liquidation, dissolution or winding up of the issuer, ranks senior to the Preferred Securities and subordinate to the issuer's then outstanding series of unsecured indebtedness for money borrowed that ranks most senior, (b) is then assigned a rating by at least one NRSRO (*provided* that this clause (b)

shall apply on a Redesignation Date only if on such date the issuer has outstanding subordinated long-term indebtedness for money borrowed that satisfies the requirements in clauses (a), (c) and (d) that is then assigned a rating by at least one NRSRO), (c) has an outstanding principal amount of not less than \$250,000,000, and (d) was issued through or with the assistance of a commercial or investment banking firm or firms acting as underwriters, initial purchasers or placement or distribution agents. For purposes of this definition as applied to securities with a CUSIP number, each issuance of long-term indebtedness for money borrowed that has (or, if such indebtedness is held by a trust or other intermediate entity established directly or indirectly by the issuer, the securities of such intermediate entity that have) a separate CUSIP number shall be deemed to be a series of the issuer's long-term indebtedness for money borrowed that is separate from each other series of such indebtedness.

“Employee Benefit Plan” means any written purchase, savings, option, bonus, appreciation, profit sharing, thrift, incentive, pension or similar plan or arrangement or any written compensatory contract or arrangement.

“Holder” means, as to the Covered Debt then in effect, each holder of such Covered Debt as reflected on the securities register maintained by or on behalf of the Corporation with respect to such Covered Debt and each beneficial owner holding through a participant in a clearing agency.

“Initial Covered Debt” means the Corporation's 6.25% Notes due 2036, CUSIP No. 026874AZ0.

“Intent-Based Replacement Disclosure” means, as to any security or combination of securities, that the issuer has publicly stated its intention, either in the prospectus or other offering document under which such securities were initially offered for sale or in filings with the Commission made by the issuer prior to or contemporaneously with the issuance of such securities, that the issuer will repay, redeem, defease or purchase, and will cause its Subsidiaries to purchase, such securities only with the proceeds of replacement capital securities that have terms and provisions at the time of repayment, redemption, defeasance or purchase that are as or more equity-like than the securities then being repaid, redeemed, defeased or purchased, raised within 180 days prior to the applicable redemption or purchase date.

“Mandatorily Convertible Preferred Stock” means cumulative preferred stock with (a) no prepayment obligation on the part of the issuer thereof, whether at the election of the holders or otherwise, and (b) a requirement that the preferred stock convert into Common Stock within three years from the date of its issuance at a conversion ratio within a range established at the time of issuance of the preferred stock, subject to customary anti-dilution adjustments.

“Mandatory Trigger Provision” means, as to any security or combination of securities, provisions in the terms thereof or of the related transaction agreements that:

(i) upon a failure to satisfy one or more financial tests set forth in the terms of such securities or related transaction agreements, prohibit the issuer of such securities from making payment of Distributions on such securities (including without limitation all deferred and accumulated amounts) other than out of the net proceeds of the issuance and sale of APM Qualifying Securities; *provided* that the amount of Qualifying Non-Cumulative Preferred Stock and Mandatorily Convertible Preferred Stock the net proceeds of which the issuer may apply to pay such Distributions pursuant to such provision may not exceed the Preferred Cap;

(ii) in the case of securities other than Non-Cumulative Perpetual Preferred Stock, require the issuance and sale of APM Qualifying Securities in an amount at least equal to the amount of unpaid Distributions on such securities (including without limitation all deferred and accumulated amounts) and the application of such net proceeds to the payment of such Distributions within two years of such failure; *provided* that if the Mandatory Trigger Provision does not require such issuance and sale within one year of such failure, the amount of Common Stock or Qualifying Warrants the net proceeds of which the issuer must apply to pay such Distributions pursuant to such provision may not exceed the Common Cap;

(iii) include a Repurchase Restriction if the provisions described in clause (i) do not require such issuance and sale within one year of such failure;

(iv) prohibit the issuer of such securities from redeeming, defeasing or purchasing any of its securities ranking, upon the liquidation, dissolution or winding up of the issuer, junior to or *pari passu* with any APM Qualifying Securities the proceeds of which were used to settle deferred interest during the relevant deferral period prior to the date six months after the issuer applies the net proceeds of the sales described in clause (i) above to pay such deferred Distributions in full, except where non-payment would cause the Corporation to breach the terms of the relevant instrument, subject to the exceptions set forth in clauses (i) and (ii) of the definition of Repurchase Restriction; and

(v) other than in the case of non-cumulative preferred stock, include a Bankruptcy Claim Limitation Provision;

provided (and it being understood) that:

(1) the issuer shall not be obligated to issue (or to use commercially reasonable efforts to issue) APM Qualifying Securities for so long as a Market Disruption Event has occurred and is continuing;

(2) if, due to a Market Disruption Event or otherwise, the issuer is able to raise and apply some, but not all, of the eligible proceeds necessary to pay all deferred Distributions on any Distribution Date, the issuer will apply any available eligible proceeds to pay accrued and unpaid Distributions on the applicable Distribution Date in chronological order subject to the Common Cap and the Preferred Cap, as applicable; and

(3) if the issuer has outstanding more than one class or series of securities under which it is obligated to sell a type of APM Qualifying Securities and apply some part of the proceeds to the payment of deferred Distributions, then on any date and for any period the amount of net proceeds received by the issuer from those sales and available for payment of deferred Distributions on such securities shall be applied to such securities on a *pro rata* basis up to the Common Cap and the Preferred Cap, as applicable, in proportion to the total amounts that are due on such securities.

No remedy other than Permitted Remedies will arise by the terms of such securities or related transaction agreements in favor of the holders of such securities as a result of the issuer's failure to pay Distributions because of the Mandatory Trigger Provision until Distributions have been deferred for one or more Distribution Periods that total together at least ten years.

“*Market Disruption Event*” means, with respect to any securities, the occurrence or existence of any of the following events or sets of circumstances:

(a) trading in securities generally (or in the Capital Stock) on the New York Stock Exchange or any other national securities exchange, or in the over-the-counter market, on which such securities or the Capital Stock are then listed or traded shall have been suspended or its settlement generally shall have been materially disrupted or minimum prices shall have been established on any such exchange or market by the relevant regulatory body or governmental agency having jurisdiction that materially disrupts or otherwise has a material adverse effect on trading in, or the issuance and sale of, such securities or the Capital Stock;

(b) the Corporation would be required to obtain the consent or approval of its stockholders or the consent or approval of, license from, or registration with, a regulatory body (including, without limitation, any securities exchange) or governmental authority to issue and sell such securities, and the Corporation fails to obtain that consent or approval or to receive such license or effect such registration notwithstanding its commercially reasonable efforts to obtain that consent, approval, license or registration;

(c) an event occurs and is continuing as a result of which the offering document for the offer and sale of such securities would, in the Corporation’s reasonable judgment, contain an untrue statement of a material fact or omit to state a material fact required to be stated in that offering document or necessary to make the statements in that offering document not misleading, *provided* that (i) one or more events described under this clause (c) shall not constitute a Market Disruption Event with respect to a period of more than 90 days in any 180-day period and (ii) multiple suspension periods contemplated by this clause (c) shall not exceed an aggregate of 180 days in any 360-day period;

(d) the Corporation reasonably believes that the offering document for the offer and the sale of such securities would not be in compliance with a rule or regulation of the Commission (for reasons other than those referred to in clause (c) of this definition) and the Corporation is unable to comply with such rule or regulation or such compliance is unduly burdensome, *provided* that (i) one or more events described under this clause (d) shall not constitute a Market Disruption Event with respect to a period of more than 90 days in any 360-day period and (ii) multiple suspension periods contemplated by this clause (d) shall not exceed an aggregate of 180 days in any 360-day period;

(e) a banking moratorium shall have been declared by the federal or state authorities of the United States that results in a material disruption of any of the markets on which such securities are trading;

(f) a material disruption shall have occurred in commercial banking or securities settlement or clearance services in the United States;

(g) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States, there shall have been a declaration of a national emergency or war by the United States or there shall have occurred any other national or international calamity or crisis, such that market trading in securities generally (or in the Capital Stock) has been materially disrupted; or

(h) there shall have occurred such a material adverse change in general domestic or international economic, political or financial conditions, including, without limitation, as a result of terrorist activities, or the effect of international conditions on the financial markets in the United States,

that materially disrupts the capital markets such as to make it, in the Corporation's judgment, impracticable or inadvisable to proceed with the offer and sale of such securities.

"Market Value" means, on any date, (i) in the case of Common Stock, the closing sale price per share of Common Stock (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions by the New York Stock Exchange or, if the Common Stock is not then listed on the New York Stock Exchange, as reported by the principal U.S. securities exchange on which the Common Stock is traded or quoted; if the Common Stock is not either listed or quoted on any U.S. securities exchange on the relevant date, the market price will be the average of the mid-point of the bid and ask prices for the Common Stock on the relevant date submitted by at least three nationally recognized independent investment banking firms selected by the Corporation for this purpose and (ii) in the case of Qualifying Warrants, a value determined by the Corporation's Board of Directors (or a duly authorized committee thereof) in good faith.

"Measurement Date" means, with respect to any redemption or purchase of the Preferred Securities, the date 180 days prior to delivery of notice of such redemption or the date of such purchase.

"Measurement Period" with respect to any notice date or purchase date means the period (i) beginning on the Measurement Date with respect to such notice date or purchase date and (ii) ending on such notice date or purchase date. Measurement Periods cannot run concurrently.

"Non-Cumulative" means, with respect to any securities, that the issuer may elect not to make any number of periodic Distributions without any remedy arising under the terms of the securities or related agreements in favor of the holders, other than one or more Permitted Remedies. Securities that include an Alternative Payment Mechanism shall also be deemed to be Non-Cumulative, other than for the purposes of the definitions of APM Qualifying Securities and Qualifying Non-Cumulative Preferred Stock.

"NRSRO" means any nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act (or any successor provision).

"Optional Deferral Provision" means, as to any securities, provisions in the terms thereof or of the related transaction agreements to the effect of either (a) or (b) below:

(a) (i) the issuer of such securities may, in its sole discretion, defer in whole or in part payment of Distributions on such securities for one or more consecutive Distribution Periods of up to five years or, if a Market Disruption Event is continuing, ten years, without any remedy other than Permitted Remedies and (ii) an Alternative Payment Mechanism (*provided* that such Alternative Payment Mechanism need not apply during the first 5 years of any deferral period and need not include a Common Cap or a Preferred Cap); or

(b) the issuer of such securities may, in its sole discretion, defer in whole or in part payment of Distributions on such securities for one or more consecutive Distribution Periods up to ten years, without any remedy other than Permitted Remedies.

"Permitted Remedies" means, with respect to any securities, one or more of the following remedies:

(a) rights in favor of the holders of such securities permitting such holders to elect one or more directors of the issuer (including any such rights required by the listing requirements of any stock or securities exchange on which such securities may be listed or traded); and

(b) complete or partial prohibitions on the issuer or its Subsidiaries paying Distributions on or repurchasing common stock or other securities that rank *pari passu* with or junior as to Distributions to such securities for so long as Distributions on such securities, including unpaid Distributions, remain unpaid.

“*Person*” means any individual, corporation, partnership, joint venture, trust, limited liability company, corporation or other entity, unincorporated organization or government or any agency or political subdivision thereof.

“*Preferred Cap*” has the meaning specified in the definition of Alternative Payment Mechanism.

“*Preferred Securities*” has the meaning specified in Recital A.

“*Qualifying Capital Securities*” means securities (other than Common Stock, Rights to acquire Common Stock or securities exchangeable for or convertible into Common Stock) that, in the determination of the Corporation’s Board of Directors (or a duly authorized committee thereof) reasonably construing the definitions and other terms of this Replacement Capital Covenant, meet one of the following criteria:

(i) junior subordinated debt securities and guarantees issued by the Corporation or its Subsidiaries with respect to trust preferred securities if the junior subordinated debt securities and guarantees (1) rank *pari passu* with or junior to the Debentures upon the liquidation, dissolution or winding-up of the Corporation, (2) are Non-Cumulative, (3) have no maturity or a maturity of at least 53 years and (4) are subject to a Qualifying Replacement Capital Covenant;

(ii) securities issued by the Corporation or its Subsidiaries that (1) rank *pari passu* with or junior to the Debentures upon the liquidation, dissolution or winding-up of the Corporation, (2) have no maturity or a maturity of at least 53 years and (3)(i) are Non-Cumulative and are subject to a Qualifying Replacement Capital Covenant or (ii) have a Mandatory Trigger Provision and an Optional Deferral Provision and are subject to Intent-Based Replacement Disclosure; or

(iii) securities issued by the Corporation or its Subsidiaries that (1) rank *pari passu* with or junior to the Debentures, (2) have no maturity or a maturity of at least 33 years, (3) are subject to a Qualifying Replacement Capital Covenant and (4) have a Mandatory Trigger Provision and an Optional Deferral Provision;

provided, that if any of the securities described above is structured at the time of issuance with a Significant Distribution Rate Step-Up (whether interest or dividend) prior to April 17, 2012, then such security shall be subject to a Qualifying Replacement Capital Covenant that will remain in effect until at least April 17, 2012. “*Significant Distribution Rate Step-Up*” means, as to a Qualifying Capital Security, an increase in the distribution rate at a date after initial issuance of such security of more than 25 basis points (or, if the method of calculating distributions on such Qualifying Capital Security is changing at the time of such increase (for example, from a fixed rate to a floating rate based upon a margin

above an index or from a floating rate based upon a margin above one index to a floating rate based upon a margin above a different index), an increase in the margin above the applicable credit spread used in calculating such increased rate as compared to the credit spread used in calculating the initial distribution rate of more than 25 basis points).

“*Qualifying Non-Cumulative Preferred Stock*” means non-cumulative perpetual preferred stock issued by the Corporation that contains no remedies other than Permitted Remedies and either (i) is subject to Intent-Based Replacement Disclosure and has a provision that provides for mandatory suspension of Distributions upon the Corporation’s failure to satisfy one or more financial tests set forth therein or (ii) is subject to a Qualifying Replacement Capital Covenant.

“*Qualifying Replacement Capital Covenant*” means (a) a replacement capital covenant substantially similar to this Replacement Capital Covenant applicable to the Preferred Securities or (b) a replacement capital covenant, as identified by the Corporation’s Board of Directors, or a duly authorized committee thereof, acting in good faith and in its reasonable discretion and reasonably construing the definitions and other terms of this Replacement Capital Covenant, (i) entered into by a company that at the time it enters into such replacement capital covenant is a reporting company under the Securities Exchange Act and (ii) that restricts the related issuer from redeeming, repaying, purchasing or defeasing, and restricts the Subsidiaries of such issuer from purchasing, identified securities except out of the proceeds of specified replacement capital securities that have terms and provisions at the time of redemption, repayment, purchase or defeasance that are as or more equity-like than the securities then being redeemed, repaid, purchased or defeased, raised within 180 days prior to the applicable redemption, repayment, purchase or defeasance date; *provided* that the term of such Qualifying Replacement Capital Covenant shall be determined at the time of issuance of the related Replacement Capital Securities taking into account the other characteristics of such securities.

“*Qualifying Warrants*” means net share settled warrants to purchase shares of Common Stock that have an exercise price greater than the current stock market price of the Corporation’s Common Stock as of their date of pricing, do not entitle the Corporation to redeem these warrants for cash and do not entitle the holders to require the Corporation to repurchase these warrants for cash in any circumstances. The Corporation will state in the prospectus or other offering document for any APM Qualifying Securities that include an Alternative Payment Mechanism or a Mandatory Trigger Provision its intention that any Qualifying Warrants issued in accordance with an Alternative Payment Mechanism or a Mandatory Trigger Provision will have exercise prices at least 10% above the current stock market price of its Common Stock on the date of pricing of the warrants. The “*current stock market price*” of the Common Stock on any date shall be the closing sale price per share (or if no closing sale price is reported, the average of the bid and ask prices or, if more than one in either case, the average of the average bid and the average ask prices) on that date as reported in composite transactions by the New York Stock Exchange or, if the Common Stock is not then listed on the New York Stock Exchange, as reported by the principal U.S. securities exchange on which the Common Stock is traded. If the Common Stock is not listed on any U.S. securities exchange on the relevant date, the “*current stock market price*” shall be the average of the mid-point of the last bid and ask prices for the Common Stock on the relevant date from each of at least three nationally recognized independent investment banking firms selected by the Corporation for this purpose.

“*Redesignation Date*” means, as to the Covered Debt in effect at any time, the earliest of (a) the date that is two years prior to the final maturity date of such Covered Debt, (b) if the Corporation elects to redeem or defease, or the Corporation or a Subsidiary of the Corporation elects to purchase, such Covered Debt either in whole or in part with the consequence that after giving effect to such redemption, defeasance or purchase, the outstanding principal amount of such Covered Debt is less than

\$100,000,000, the applicable redemption, defeasance or purchase date and (c) if such Covered Debt is not Eligible Subordinated Debt of the Corporation, the date on which the Corporation issues long-term indebtedness for money borrowed that is Eligible Subordinated Debt.

“*Replacement Capital Covenant*” has the meaning specified in the introduction to this instrument.

“*Replacement Capital Securities*” has the meaning specified in Section 2.

“*Repurchase Restriction*” means, with respect to any APM Qualifying Securities that include an Alternative Payment Mechanism or a Mandatory Trigger Provision, provisions that require the Corporation and its Subsidiaries not to redeem, purchase or defease any of its securities ranking junior to or *pari passu* with any APM Qualifying Securities the proceeds of which were used to settle deferred interest during the relevant deferral period until at least one year after all deferred Distributions have been paid, except where non-payment would cause the Corporation to breach the terms of the relevant instrument, other than the following (none of which shall be restricted or prohibited by a Repurchase Restriction) if deferral of distributions continues for more than one year:

(i) redemptions, purchases or other acquisitions of shares of Common Stock in connection with any Employee Benefit Plan; or

(ii) purchases of shares of Common Stock pursuant to a contractually binding requirement to buy Common Stock entered into prior to the beginning of the related deferral period, including under a contractually binding stock repurchase plan.

“*Rights to acquire Common Stock*” includes the number of shares of Common Stock obtainable upon exercise or conversion of any right to acquire Common Stock, including any right to acquire Common Stock pursuant to a stock purchase plan, Employee Benefit Plan or the Assurance Agreements.

“*Securities Exchange Act*” means the Securities Exchange Act of 1934, as amended from time to time.

“*Subordinated Indenture*” means the Junior Subordinated Debt Indenture, dated as of March 13, 2007, between the Corporation and The Bank of New York, as trustee, as amended and supplemented from time to time in accordance with its terms.

“*Subsidiary*” means, at any time, any Person the shares of stock or other ownership interests of which having ordinary voting power to elect a majority of the board of directors or other managers of such Person are at the time owned, directly or indirectly through one or more intermediaries (including other Subsidiaries) or both, by another Person.

“*Termination Date*” has the meaning specified in Section 4(a).