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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): June 7, 2007

AMERICAN INTERNATIONAL GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware	**1-8787**	**13-2592361**
(State or other jurisdiction of incorporation)	(Commission File Number)	(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):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 8.01 Other Events.

On June 7, 2007, American International Group, Inc. ("AIG") closed the sale of $750,000,000 of AIG's 6.45% Series A-4 Junior Subordinated Debentures (the "Series A-4 Junior Subordinated Debentures").

The following documents relating to the sale of the Series A-4 Junior Subordinated Debentures are filed as exhibits to this Current Report on Form 8-K:

- Underwriting Agreement, dated May 31, 2007, between AIG and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, UBS Securities LLC and Wachovia Capital Markets, LLC as representatives of the several underwriters named therein;
- Fourth Supplemental Indenture, dated June 7, 2007, between AIG and The Bank of New York, as Trustee;
- Form of Series A-4 Junior Subordinated Debenture;
- Opinion of Sullivan & Cromwell LLP, dated June 7, 2007, as to the validity of the Series A-4 Junior Subordinated Debentures;
- Tax Opinion of Sullivan & Cromwell LLP, dated June 7, 2007; and
- Replacement Capital Covenant, dated June 7, 2007.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

1.1 Underwriting Agreement, dated May 31, 2007, between AIG and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, UBS Securities LLC and Wachovia Capital Markets, LLC, as representatives of the several underwriters named therein.

4.1 Fourth Supplemental Indenture, dated June 7, 2007, between AIG and The Bank of New York, as Trustee.

4.2 Form of Series A-4 Junior Subordinated Debenture (included in Exhibit 4.1).

5.1 Opinion of Sullivan & Cromwell LLP, dated June 7, 2007, as to the validity of the Series A-4 Junior Subordinated Debentures.

8.1 Tax Opinion of Sullivan & Cromwell LLP, dated June 7, 2007.

99.1 Replacement Capital Covenant, dated June 7, 2007.

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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: June 7, 2007

By: /s/ Kathleen E. Shannon
Name: Kathleen E. Shannon
Title: Senior Vice President and Secretary

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EXHIBIT INDEX

Exhibit No.	Description
1.1	Underwriting Agreement, dated May 31, 2007, between AIG and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, UBS Securities LLC and Wachovia Capital Markets, LLC, as representatives of the several underwriters named therein.
4.1	Fourth Supplemental Indenture, dated June 7, 2007, between AIG and The Bank of New York, as Trustee.
4.2	Form of Series A-4 Junior Subordinated Debenture (included in Exhibit 4.1).
5.1	Opinion of Sullivan & Cromwell LLP, dated June 7, 2007, as to the validity of the Series A-4 Junior Subordinated Debentures.
8.1	Tax Opinion of Sullivan & Cromwell LLP, dated June 7, 2007.
99.1	Replacement Capital Covenant, dated as of June 7, 2007.

Exhibit 1.1

AMERICAN INTERNATIONAL GROUP, INC.

6.45% Series A-4 Junior Subordinated Debentures

Underwriting Agreement

May 31, 2007

Citigroup Global Markets Inc.,
Merrill Lynch, Pierce, Fenner & Smith
Incorporated,
Morgan Stanley & Co. Incorporated,
UBS Securities LLC,
Wachovia Capital Markets, LLC,
As representatives of the several Underwriters
named in Schedule I hereto.
c/o Citigroup Global Markets Inc.,
388 Greenwich Street,
New York, NY 10013.

Ladies and Gentlemen:

American International Group, Inc., a Delaware corporation (the "**Company**"), proposes, subject to the terms and conditions stated herein, to issue and sell to the firms named in Schedule I hereto (the "**Underwriters**"), for whom you are acting as Representatives (the "**Representatives**"), $750,000,000 aggregate principal amount of its 6.45% Series A-4 Junior Subordinated Debentures (the "**Firm Securities**") and, at the election of the Representatives acting on behalf of the Underwriters, to issue and sell to the Underwriters up to an additional $112,500,000 aggregate principal amount of such 6.45% Series A-4 Junior Subordinated Debentures (the "**Optional Securities**", and, together with the Firm Securities, the "**Securities**"), solely to cover over-allotments.

1. The Company represents and warrants to, and agrees with, each of the Underwriters that:

(a) A post-effective amendment No. 1 to the registration statements on Form S-3 (Registration Nos. 333-106040 and 333-31024) in respect of the Securities has been filed with the Securities and Exchange Commission (the "**Commission**"); such post-effective amendment, in the form heretofore delivered to the Representatives (excluding exhibits to such post-effective amendment, but including all documents incorporated by reference in the prospectus describing junior subordinated debentures included in the post-effective amendment), has been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "**Rule 462(b) Registration Statement**"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "**Act**"), which became effective upon filing, since the delivery to the Representatives no other document with respect thereto or document incorporated by reference therein has been filed or transmitted for filing with the Commission (other than filings by the Company under the Securities Exchange Act of 1934,

as amended (the "**Exchange Act**"), and other than preliminary prospectuses, preliminary prospectus supplements and other prospectuses filed pursuant to Rule 424(b) or Rule 433 of the rules and regulations of the Commission under the Act that relate to securities other than the Securities); and no stop order suspending the effectiveness of the post-effective amendment No. 1 or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (the basic prospectus describing junior subordinated debentures filed as part of such post-effective amendment No. 1 is hereinafter called the "**Basic Prospectus**"; any preliminary prospectus (including the Basic Prospectus as supplemented by any preliminary prospectus supplement) relating to the Securities filed with the Commission pursuant to Rule 424(b) of the rules and regulations of the Commission under the Act is hereinafter called a "**Preliminary Prospectus"**; the various parts of such post-effective amendment No. 1 and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and the documents incorporated by reference in the Basic Prospectus at the time such post-effective amendment became effective but excluding any Statement of Eligibility under the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**"), and including any prospectus supplement relating to the Securities that is filed with the Commission and deemed by virtue of Rule 430B to be part of the registration statement, each as amended at the time such post-effective amendment became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "**Registration Statement**"; the Basic Prospectus as amended and supplemented immediately prior to the Applicable Time (as defined in Section 1(c) hereof), is hereinafter called the "**Pricing Prospectus**"; the form of the final prospectus relating to the Securities filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof is hereinafter called the "**Prospectus**"; any reference herein to the Basic Prospectus, the Pricing Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such prospectus; any reference to any amendment or supplement to the Basic Prospectus, any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any post-effective amendment to the Registration Statement, any prospectus supplement relating to the Securities filed with the Commission pursuant to Rule 424(b) under the Act and any documents filed under the Exchange Act and incorporated therein, in each case after the date of the Basic Prospectus, such Preliminary Prospectus or the Prospectus, as the case may be; any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement; and any "issuer free writing prospectus" as defined in Rule 433 under the Act relating to the Securities is hereinafter called an "**Issuer Free Writing Prospectus**";

(b) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the Trust Indenture Act, and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided, however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein**;**

(c) For the purposes of this Agreement, the "**Applicable Time**" is 12:15 p.m. (Eastern time) on the date of this Agreement; the Pricing Prospectus, as supplemented by the information contained in the final term sheet prepared and filed pursuant to Section 5(a) hereof, taken together (collectively, the "**Pricing Disclosure Package**") as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each other Issuer Free Writing Prospectus listed on Schedule II(a) hereto does not conflict with the information contained in the Registration Statement, the Pricing Prospectus or the Prospectus, and each such other Issuer Free Writing Prospectus, as supplemented by and taken together with the Pricing Disclosure Package as of the Applicable Time, did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to statements or omissions made in an Issuer Free Writing Prospectus in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein;

(d) The documents incorporated by reference in the Pricing Prospectus and the Prospectus, when they became effective or were filed with the Commission, as the case may be, conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and any further documents so filed and incorporated by reference in the Prospectus, when such documents become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or, in the case of an Annual Report on Form 10-K, omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or, in the case of any other document filed under the Exchange Act, omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to (i) any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein, or (ii) any statement in any such document which does not constitute part of the Registration Statement, Pricing Prospectus or Prospectus pursuant to Rule 412 under the Act;

(e) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the Trust Indenture Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to the Registration Statement and any amendment thereto and as of its date as to the Prospectus and any supplement thereto, contain an untrue statement of a material fact or, in the case of the Registration Statement, omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or, in the case of the Prospectus, omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that this representation and warranty shall not apply to (i) the Statement of Eligibility (Form T-1) under the Trust Indenture

Act of the Trustee, (ii) any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by any Underwriter through the Representatives expressly for use in the Prospectus or any amendment or supplement thereto, or (iii) any statement which does not constitute part of the Registration Statement or Prospectus pursuant to Rule 412 under the Act;

(f) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware and has full power and authority to own its properties and to conduct its business as described in the Prospectus;

(g) Since the date of the latest audited financial statements incorporated by reference in the Basic Prospectus as amended or supplemented there has not been (i) any material change in the capital stock (other than as occasioned by Common Stock having been issued pursuant to the Company's employee stock purchase plans, equity incentive plans and upon conversion of convertible securities, or repurchased by the Company pursuant to any previously announced stock repurchase program), or (ii) any material adverse change in or affecting the financial position, shareholders' equity or results of operations of the Company and its consolidated subsidiaries considered as an entirety, in each case, otherwise than as set forth or contemplated in such Basic Prospectus as amended or supplemented (any such change described in clause (ii) is referred to as a "**Material Adverse Change**");

(h) The Securities have been duly authorized and, when issued and delivered pursuant to this Agreement, the Securities will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Junior Subordinated Debt Indenture, dated as of March 13, 2007, as supplemented by the Fourth Supplemental Indenture, dated June 7, 2007 (as so supplemented, the "**Indenture**"), between the Company and The Bank of New York, as Trustee (the "**Trustee**"), subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; the Indenture has been duly authorized and qualified under the Trust Indenture Act and constitutes a valid and legally binding instrument, enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture conforms, and the Securities will conform, in all material respects to the descriptions thereof contained in the Pricing Disclosure Package and in the Prospectus;

(i) The issue and sale of the Securities and the compliance by the Company with all of the provisions of the Securities, the Indenture and this Agreement, and the consummation of the transactions herein and therein contemplated, will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, or result in any violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its properties, except, in each case, for such conflicts, breaches, defaults and violations that would not have a material adverse effect on the business, financial position, shareholders' equity or results of operations of the Company and its subsidiaries considered as an entirety (a "**Material Adverse Effect**") or affect the validity of the Securities, nor will such action result in any

violation of the provisions of the Restated Certificate of Incorporation, as amended, or the By-Laws of the Company; and no consent, approval, authorization, order, registration or qualification of or with any court or governmental agency or body is required by the Company for the issue and sale of the Securities or the consummation by the Company of the transactions contemplated by this Agreement or the Indenture, except such consents, approvals, authorizations, orders, registrations or qualifications the failure to obtain or make would not have a Material Adverse Effect or affect the validity of the Securities, and such consents, approvals, authorizations, orders, registrations or qualifications as have been, or will have been prior to the date of this Agreement, obtained under the Act or the Trust Indenture Act and such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws (including insurance laws of any state relating to offers and sales of securities in such state) in connection with the purchase and distribution of the Securities by the Underwriters; and

(j) There is no action, suit or proceeding pending, or to the knowledge of the executive officers of the Company, threatened against the Company or any of its subsidiaries, which has, or may reasonably be expected in the future to have, a Material Adverse Effect, except as set forth or contemplated in the Pricing Disclosure Package or the Prospectus as amended or supplemented in accordance with Section 5(a) hereof.

2. (a) Subject to the terms and conditions herein set forth, (i) the Company agrees to issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at a purchase price of 96.85% of the principal amount thereof, the principal amount of Firm Securities set forth opposite the name of such Underwriter in Schedule I hereto and (ii) in the event and to the extent that the Representatives shall exercise the election to purchase Optional Securities as provided below, the Company agrees to issue and sell to the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the same purchase price set forth in clause (i) of this Section 2(a), that portion of the aggregate principal amount of the Optional Securities as to which such election shall have been exercised (to be adjusted by the Representatives, if necessary, so as to eliminate fractions of $25) determined by multiplying such aggregate principal amount of Optional Securities by a fraction, the numerator of which is the maximum aggregate principal amount of Firm Securities which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum aggregate principal amount of Firm Securities that all of the Underwriters are entitled to purchase hereunder.

(b) Each Underwriter represents and agrees with the Company that it will comply with or observe any restrictions or limitations set forth in the Prospectus as amended or supplemented on persons to whom, or the jurisdictions in which, or the manner in which, the Securities may be offered, sold, resold or delivered.

(c) The Company hereby grants to the Underwriters the one-time right to purchase at the election of the Representatives up to $112,500,000 aggregate principal amount of Optional Securities, solely for the purpose of covering over-allotments, if any, in connection with the offer and sale of the Firm Securities, at the purchase price set forth in clause (i) of Section 2(a). Any such election to purchase Optional Securities may be exercised by written notice from the Representatives to the Company, given within a period of 15 days after the date of this Agreement, setting forth the aggregate principal amount of Optional Securities to be purchased and the date on which such Optional Securities are to be delivered, as determined by the

Representatives, which shall in no event be earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless the Representatives and the Company otherwise agree in writing, earlier than three or later than ten New York Business Days after the date of such notice. For the purposes of this Agreement, "**New York Business Day**" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

3. Upon the authorization by the Representatives of the release of such Securities, the several Underwriters propose to offer such Securities for sale upon the terms and conditions set forth in the Prospectus.

4. The Securities to be purchased by each Underwriter hereunder will be represented by one or more definitive global Securities in book-entry form which will be deposited by or on behalf of the Company with The Depository Trust Company ("**DTC**") or its designated custodian. The Company will deliver the Securities to one or more of the Representatives for the account of each Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the account specified by the Company to the Representatives at least twenty-four hours in advance, by causing DTC to credit the Securities to the account of one or more of the Representatives at DTC. The Company will cause the certificates representing the Securities to be made available to the Representatives for checking prior to each Time of Delivery (as defined below) at the office of DTC or its designated custodian (the "**Designated Office**"). The time and date of such delivery and payment, with respect to the Firm Securities, shall be 9:30 a.m., New York City time, on June 7, 2007 or such other time and date as the Representatives and the Company may agree upon in writing, and, with respect to the Optional Securities, shall be 9:30 a.m., New York City time, on the date specified by the Representatives in the written notice given by the Representatives of the Underwriters' election to purchase the Optional Securities, or at such other time and date as the Representatives and the Company may agree upon in writing. Such time and date for delivery of the Firm Securities is herein called the "**First Time of Delivery**", such time and date for delivery of the Optional Securities, if not the First Time of Delivery, is herein called an "**Optional Time of Delivery**", and each such time and date for delivery is herein called a "**Time of Delivery**".

The documents to be delivered at a Time of Delivery by or on behalf of the parties hereto pursuant to Section 8 hereof, including the cross-receipt for the Securities, will be delivered at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, NY 10004 (the "**Closing Location**"), and the Securities will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at 4:00 p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto.

5. The Company covenants and agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the date of this Agreement; to make no further amendment or supplement (other than an amendment or supplement as a result of filings by the Company under the Exchange Act and other than amendments or supplements in

connection with offerings of medium-term notes under any medium-term note program existing on the date of this Agreement) to the Registration Statement or the Prospectus prior to the First Time of Delivery which shall be disapproved by the Representatives promptly after reasonable notice thereof; between the signing of this Agreement and the First Time of Delivery, to give reasonable advance notice to the Representatives of any filings by the Company under the Exchange Act that are incorporated by reference into the Prospectus and any filings by the Company under Item 2.02 or 7.01 of Current Report on Form 8-K; between the signing of this Agreement and the First Time of Delivery, to advise the Representatives promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed (other than an amendment or supplement as a result of filings by the Company under the Exchange Act and other than amendments or supplements in connection with offerings of medium-term notes under any medium-term note program existing on the date of this Agreement) and to furnish the Representatives with copies thereof; to prepare a final term sheet, containing solely a description of the Securities, in the form set forth in Exhibit A to Schedule II hereto and to file such term sheet pursuant to Rule 433(d) under the Act within the time required by such Rule; to file promptly all other material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required in connection with the offering or sale of the Securities, and during such same period to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended Prospectus has been filed with the Commission (other than an amendment or supplement as a result of filings by the Company under the Exchange Act and other than the filing of prospectuses, preliminary prospectuses, preliminary prospectus supplements, issuer free-writing prospectuses and other documents pursuant to Rule 424(b) or Rule 433 under the Act that relate to securities other than the Securities), of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Securities, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any such prospectus relating to the Securities or suspending any such qualification, to use promptly its best efforts to obtain its withdrawal;

(b) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Securities for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings in such jurisdictions for as long as may be necessary to complete the distribution of the Securities; *provided*, *however*, that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) From time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the time

of issuance of the Prospectus in connection with the offering or sale of the Securities and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act, the Exchange Act or the Trust Indenture Act, to notify the Representatives and upon their request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Securities at any time nine months or more after the time of issue of the Prospectus, upon the request of the Representatives but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as the Representatives may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its security holders as soon as practicable, but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c)), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) During the period beginning from the date hereof and continuing to and including the earlier of (i) the termination of trading restrictions for the Securities, as notified to the Company by the Representatives, and (ii) the last Time of Delivery for the Securities, not to offer, sell, contract to sell or otherwise dispose of any debt securities of the Company which mature more than nine months after such Time of Delivery and which are *pari passu* with, and otherwise substantially similar to, the Securities, without the prior written consent of the Representatives; and

(f) To use all commercially reasonable efforts to ensure that, no later than 30 days following the First Time of Delivery, the Securities will be listed on the New York Stock Exchange.

6. (a) The Company and each Underwriter agree that the Underwriters may prepare and use one or more preliminary term sheets relating to the Securities containing customary information; *provided* that such information has been approved by the Company before the first communication containing such information is used;

(b) Each Underwriter represents that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (A) any written communication permitted under subparagraph (a) above, (B) the final term sheet prepared and filed pursuant to Section 5(a) hereof, or (C) any written communication prepared by such Underwriter and approved in writing by the Company in advance;

(c) The Company represents to the Underwriters that it has not and will not use, authorize use of, refer to, or participate in the planning for use of, any written communication that constitutes an offer to sell or the solicitation of an offer to buy the Securities other than (A) any written communication permitted under subparagraph (a) above, (B) the final term sheet prepared and filed pursuant to Section 5(a) hereof, (C) a press release or other announcement relating to the Securities that complies with Rule 134 or Rule 135 under the Act and that the Company issues after giving notice to the Representatives of its intent to issue a press release, or (D) any written communication approved by the Representatives in advance in writing;

(d) Any such free writing prospectus the use of which has been consented to by the Company or the Representatives, as the case may be (including the final term sheet prepared and filed pursuant to Section 5(a) hereof), is listed on Schedule II(a) hereto;

(e) The Company represents and agrees that it has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission, where required, and legending; and

(f) The Company agrees that if at any time following the issuance of an Issuer Free Writing Prospectus any event occurred or occurs as a result of which such Issuer Free Writing Prospectus would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus, or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will, if the Underwriters are then required to deliver a prospectus under the Act in respect of sales of Securities (or, in lieu thereof, the notice referred to in Rule 173 under the Act), give prompt notice thereof to the Representatives and, if requested by the Representatives, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus or other document which will correct such conflict, statement or omission; *provided*, *however*, that this representation and warranty shall not apply to any statements or omissions in an Issuer Free Writing Prospectus made in reliance upon and in conformity with information furnished in writing to the Company by an Underwriter through the Representatives expressly for use therein.

7. The Company covenants and agrees with the several Underwriters that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Securities under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Pricing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters; (ii) the cost of printing, word-processing or reproducing this Agreement, the Indenture, any Blue Sky and Legal Investment Memoranda and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iii) all expenses in connection with the qualification of the Securities for offering and sale under state securities laws as provided in Section 5(b) hereof, including the fees and disbursements of the Company's counsel in connection with such qualification and in connection with the Blue Sky and legal investment surveys; (iv) any fees charged by securities rating services for rating the Securities; (v) any filing fees incident to any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Securities; (vi) the cost of preparing the Securities; (vii) the fees and expenses of any Trustee and any agent of any Trustee and the fees and disbursements of counsel for any Trustee in

connection with any Indenture and the Securities; and (viii) all other costs and expenses incident to the performance of its obligations hereunder and under the Indenture which are not otherwise specifically provided for in this Section 7, but the Company shall not in any event be liable to any of the Underwriters for damages on account of loss of anticipated profits from the sale by them of the Securities. It is understood, however, that, except as provided in this Section 7, Section 9 and Section 12 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, transfer taxes on resale of any of the Securities by them, and any advertising expenses connected with any offers they may make.

8. The obligations of the Underwriters shall be subject, in the discretion of the Representatives, to the condition that all representations and warranties (except in the case of the Optional Time of Delivery the representations and warranties in Sections 1(c), 1(g) and 1(j)) and other statements of the Company herein shall be true and correct in all material respects, at and as of each Time of Delivery (it being understood, however, that in the case of the Optional Time of Delivery the representations and warranties in Sections 1(h) and 1(i) shall be limited to the Optional Securities), the condition that the Company shall have performed, in all material respects, all of its obligations hereunder theretofore to be performed and the following additional conditions:

(a) No stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission or, to the knowledge of the executive officers of the Company, shall be contemplated by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the reasonable satisfaction of the Representatives;

(b) Davis Polk & Wardwell, counsel to the Underwriters, shall have furnished to the Representatives such opinion, dated each Time of Delivery, with respect to the Indenture, the validity of the Securities, the Registration Statement, the Pricing Disclosure Package, the Prospectus, and other related matters as the Representatives may reasonably request (it being understood, however, that in the case of any Optional Time of Delivery, that the opinion shall only cover validity of the Optional Securities), and the Company shall have furnished to such counsel such documents as they reasonably request to enable them to pass upon such matters;

(c) Sullivan & Cromwell LLP, counsel for the Company, shall have furnished to the Representatives their opinion or opinions, dated each Time of Delivery, to the effect set forth in Schedule III hereto (it being understood, however, that in the case of any Optional Time of Delivery, that the opinion shall only cover the opinion in paragraph (1) and, with respect to the Optional Securities, the opinion in paragraph (2) set forth in Schedule III hereto);

(d) Kathleen E. Shannon, Senior Vice President, Secretary and Deputy General Counsel of the Company, shall have furnished to the Representatives her opinion, dated each Time of Delivery, to the effect set forth in Schedule IV hereto (it being understood, however, that in the case of any Optional Time of Delivery, that the opinion shall only cover the opinion in paragraph (iii) set forth in Schedule IV hereto and shall be limited to the Optional Securities);

(e) On the date of the Prospectus at a time prior to the execution of this Agreement and the First Time of Delivery, the independent registered public accounting firm who have audited the financial statements of the Company and its subsidiaries incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus shall have furnished to the Representatives a letter, dated the respective dates of delivery thereof, to the effect set forth in Schedule V hereto, and with respect to such letter dated such Time of Delivery, as to such other matters as the Representatives may reasonably request and in form and substance satisfactory to the Representatives;

(f) Since the respective dates as of which information is given in the Pricing Disclosure Package and prior to the First Time of Delivery, there shall not have been any Material Adverse Change which, in the judgment of the Representatives, materially impairs the investment quality of the Securities, otherwise than as set forth or contemplated in the Prospectus as amended or supplemented in accordance with Section 5(a) hereof;

(g) The Company shall have furnished or caused to be furnished to the Representatives a certificate of the Chief Executive Officer, the President, any Vice Chairman, any Executive or Senior Vice President or any Vice President and a principal financial or accounting officer of the Company, dated each Time of Delivery, in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement (except in the case of the Optional Time of Delivery the representations and warranties in Sections 1(c), 1(g) and 1(j), and it being understood, however, that in the case of any Optional Time of Delivery, the representations and warranties in Section 1(h) and 1(i) shall be limited to the Optional Securities) are true and correct, in all material respects, as of each Time of Delivery, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied, in all material respects, at or prior to each Time of Delivery, that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened by the Commission, and that, with respect to the First Time of Delivery only, since the respective dates as of which information is given in the Pricing Disclosure Package, there has not been any Material Adverse Change, otherwise than as set forth or contemplated in the Prospectus as amended or supplemented in accordance with Section 5(a) hereof; and

(h) On or after the date hereof and prior to the First Time of Delivery, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange if the effect of any such event, in the reasonable judgment of the Representatives, is to make it impracticable or inadvisable to proceed with the purchase by the Underwriters of the Securities from the Company; (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities; (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, other than any such outbreak, escalation or declaration arising out of or relating to the U.S. war on terrorism that does not represent a significant departure from the conditions that exist at the date hereof, if the effect of any such event in the reasonable judgment of the Representatives is to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated by the Pricing Disclosure Package or the Prospectus as amended or supplemented in accordance with Section 5(a) hereof; (iv) the suspension of trading in the Company’s common stock, par value $2.50 per share, on the New York Stock Exchange, if the

effect of such event in the reasonable judgment of the Representatives is to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated by the Pricing Disclosure Package or the Prospectus as amended or supplemented in accordance with Section 5(a); or (v) any downgrading in the rating accorded the Company's senior debt securities by Moody's Investors Service, a subsidiary of Moody's Corporation, or Standard & Poor's, a division of the McGraw-Hill Companies, Inc., if the effect of such event in the reasonable judgment of the Representatives is to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Securities on the terms and in the manner contemplated by the Pricing Disclosure Package or the Prospectus as amended or supplemented in accordance with Section 5(a).

9. (a) The Company will indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus or any amendment or supplement thereto, any Issuer Free Writing Prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse such Underwriter for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such action or claim as such expenses are incurred; *provided*, *however*, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by such Underwriter expressly for use therein; and *provided*, *further*, that the foregoing indemnity agreement contained in this Section 9(a), with respect to the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities purchased Securities, where (i) prior to the Applicable Time the Company shall have notified such Underwriter that the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus contains an untrue statement of material fact or omits to state therein a material fact necessary in order to make the statements therein not misleading, (ii) such untrue statement or omission of a material fact was corrected in a further amendment or supplement to the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus, or any amendment or supplement thereto, or, where permitted by law, an Issuer Free Writing Prospectus, and such corrected Prospectus or Issuer Free Writing Prospectus was provided to such Underwriter prior to the Applicable Time, (iii) such corrected Registration Statement, Prospectus, Preliminary Prospectus or Issuer Free Writing Prospectus (excluding any document incorporated by reference therein) was not conveyed to such person at or prior to the contract for sale of the Securities to such person and (iv) such loss, claim, damage or liability would not have occurred had the corrected Registration Statement, Prospectus, Preliminary Prospectus or Issuer Free Writing Prospectus (excluding any document incorporated by reference therein) been conveyed to such person as provided for in clause (iii) above.

(b) Each Underwriter will, severally and not jointly, indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company or such controlling person may become subject, under the Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, the Basic Prospectus, any Preliminary Prospectus, the Pricing Prospectus or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation.

(d) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters of the Securities on the other from the offering of the Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters of the Securities on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand and such Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from such offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by such Underwriters in respect thereof. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading relates to information supplied by the Company on the one hand or by such Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the applicable Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of the Underwriters of Securities in this subsection (d) to contribute are several in proportion to their respective underwriting obligations with respect to such Securities and not joint.

(e) The obligations of the Company under this Section 9 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 9 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Act.

10. (a) If any Underwriter shall default in its obligation to purchase the Securities which it has agreed to purchase, the Representatives may in their discretion arrange for themselves or another party or other parties to purchase such Securities on the terms contained herein. If within thirty-six hours after such default by any Underwriter, the Representatives do not arrange for the purchase of such Securities, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Securities on such terms. In the event that, within the prescribed period, the Representatives notify the Company that they have so arranged for the purchase of such Securities, or the Company notifies the Representatives that it has so arranged for the purchase of such Securities, the Representatives or the Company shall have the right to postpone the applicable Time of Delivery for such Securities for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees

to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the opinion of the Representatives may thereby be made necessary. The term "**Underwriter**" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Securities.

(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of such Securities which remains unpurchased does not exceed one-tenth of the aggregate principal amount of the Securities, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Securities which such Underwriter agreed to purchase under this Agreement relating to such Securities and, in addition, to require each non-defaulting Underwriter to purchase its *pro rata* share (based on the principal amount of Securities which such Underwriter agreed to purchase under this Agreement) of the Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by the Representatives and the Company as provided in subsection (a) above, the aggregate principal amount of Securities which remains unpurchased exceeds one-tenth of the aggregate principal amount of the Securities, as referred to in subsection (b) above, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Securities of a defaulting Underwriter or Underwriters, then this Agreement relating to such Securities shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section 9 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. The respective indemnities, agreements, representations, warranties and other statements of the Company and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Company, or any officer or director or controlling person of the Company, and shall survive delivery of and payment for the Securities.

12. If this Agreement shall be terminated pursuant to Section 10 or for any other reason, the Company shall not then be under any liability to any Underwriters except as provided in Section 9 hereof.

13. In all dealings hereunder, the Representatives of the Underwriters of the Securities shall act on behalf of each of such Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by such Representatives jointly.

All statements, requests, notices and advices hereunder shall be in writing, or by telephone if promptly confirmed in writing, and if to an Underwriter, shall be sufficient in all respects when delivered or sent by facsimile transmission or registered mail as set forth in Schedule I hereto

under such Underwriter's name, and if to the Company shall be sufficient in all respects when delivered or sent by registered mail to 70 Pine Street, New York, New York 10270, Facsimile Transmission No. (212) 785-1584, Attention: Corporate Secretary.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and, to the extent provided in Section 9 and Section 11 hereof, the officers and directors of the Company and each person who controls the Company or any Underwriter, and their respective heirs, executors, administrators, personal representatives, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. The Company acknowledges and agrees that (i) the purchase and sale of the Securities pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) or any other obligation to the Company except the obligations expressly set forth in this Agreement and (iv) the Company has consulted its own legal and financial advisors to the extent it deemed appropriate.

16. This Agreement supersedes all prior agreements and understandings (whether written or oral) between the Company and the Underwriters, or any of them, with respect to the subject matter hereof.

17. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

18. Time shall be of the essence in this Agreement.

19. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all of such counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us five counterparts hereof, whereupon this letter and the acceptance by each of you thereof shall constitute a binding agreement between the Company and each of you in accordance with its terms.

Very truly yours,

AMERICAN INTERNATIONAL GROUP, INC.

By /s/ Robert A. Gender
Name: Robert A. Gender
Title: Vice President and Treasurer

Accepted in New York, New York

CITIGROUP GLOBAL MARKETS INC.

By /s/ Chandru M. Harjani
Name: Chandru M. Harjani
Title: Vice President

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

By /s/ Dan Luckshire
Name: Dan Luckshire
Title: Director

MORGAN STANLEY & CO. INCORPORATED

By /s/ Yurij Slyz
Name: Yurij Slyz
Title: Vice President

UBS SECURITIES LLC

By /s/ William J. Woolfrey
Name: William J. Woolfrey
Title: Executive Director

By /s/ Demetrios Tsapralls
Name: Demetrios Tsapralls
Title: Director

WACHOVIA CAPITAL MARKETS, LLC

By /s/ Jeremy Schwartz
Name: Jeremy Schwartz
Title: Vice President

SCHEDULE I

Underwriters	Principal Amount of Firm Securities to be Purchased
Citigroup Global Markets Inc.	$121,250,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$121,250,000
Morgan Stanley & Co. Incorporated	$121,250,000
UBS Securities LLC	$121,250,000
Wachovia Capital Markets, LLC	$121,250,000
A.G. Edwards & Sons, Inc.	$ 22,500,000
RBC Dain Rauscher Inc.	$ 22,500,000
Banc of America Securities LLC	$ 7,500,000
Bear, Stearns & Co. Inc.	$ 7,500,000
Lehman Brothers Inc.	$ 7,500,000
Wells Fargo Securities, LLC	$ 7,500,000
Charles Schwab & Co., Inc.	$ 3,125,000
Credit Suisse Securities (USA) LLC	$ 3,125,000
Deutsche Bank Securities Inc.	$ 3,125,000
H&R Block Financial Advisors, Inc.	$ 3,125,000
HSBC Securities (USA) Inc.	$ 3,125,000
J.J.B. Hilliard, W.L. Lyons, Inc.	$ 3,125,000
Janney Montgomery Scott LLC	$ 3,125,000
KeyBanc Capital Markets Inc.	$ 3,125,000
Oppenheimer & Co. Inc.	$ 3,125,000
Piper Jaffray & Co.	$ 3,125,000
Raymond James & Associates, Inc.	$ 3,125,000
TD Ameritrade, Inc.	$ 3,125,000
B.C. Ziegler and Company	$ 1,250,000
BB&T Capital Markets, a division of Scott & Stringfellow, Inc.	$ 1,250,000
C. L. King & Associates, Inc.	$ 1,250,000
Crowell, Weedon & Co.	$ 1,250,000
D.A. Davidson & Co.	$ 1,250,000

Underwriters	Principal Amount of Firm Securities to be Purchased
Davenport & Company LLC	$ 1,250,000
Doley Securities, LLC.	$ 1,250,000
Ferris, Baker Watts, Incorporated	$ 1,250,000
Fidelity Capital Markets, a division of National Financial Services LLC	$ 1,250,000
Fixed Income Securities, LP	$ 1,250,000
Guzman & Company	$ 1,250,000
Jefferies & Company, Inc.	$ 1,250,000
Keefe, Bruyette & Woods, Inc.	$ 1,250,000
Mesirow Financial, Inc.	$ 1,250,000
Morgan Keegan & Company, Inc.	$ 1,250,000
Muriel Siebert & Co., Inc.	$ 1,250,000
Pershing LLC	$ 1,250,000
Robert W. Baird & Co. Incorporated	$ 1,250,000
Ryan Beck & Co., Inc.	$ 1,250,000
Samuel A. Ramirez & Co., Inc.	$ 1,250,000
Stifel, Nicolaus & Company, Incorporated	$ 1,250,000
Stone & Youngberg LLC	$ 1,250,000
SunTrust Capital Markets, Inc.	$ 1,250,000
Wedbush Morgan Securities Inc.	$ 1,250,000
William Blair & Company, L.L.C.	$ 1,250,000
Total	$ 750,000,000

Schedule II

(a) Issuer Free Writing Prospectuses:

Final Term Sheet, attached as Exhibit A to Schedule II, as filed with the Commission pursuant to Rule 433 on June 1, 2007.

(b) Additional Documents Incorporated by Reference:

Exhibit A to Schedule II
Form of Final Term Sheet

AMERICAN INTERNATIONAL GROUP, INC.
$750,000,000
6.45**% Series A-4 Junior Subordinated Debentures**

Final Term Sheet

Issuer:	American International Group, Inc.
Title of Securities:	6.45% Series A-4 Junior Subordinated Debentures (the "Junior Subordinated Debentures")
Aggregate Principal Amount of Firm Securities:	$750,000,000
Over-allotment Option:	Underwriters have an option to purchase up to an additional $112,500,000 principal amount of the Junior Subordinated Debentures, at the Price to Public, exercisable within 15 days of the date hereof, solely to cover any over-allotments.
Price to Public:	Par. ($25 per $25 principal amount of Junior Subordinated Debentures)
Underwriting Commissions:	$0.7875 per $25 principal amount of Junior Subordinated Debentures
Trade Date:	May 31, 2007
Settlement Date:	June 7, 2007 (T+5)
Scheduled Maturity Date:	June 15, 2047
Final Maturity Date:	June 15, 2077

Interest Rate and Interest Payment Dates During Fixed Rate Period:	6.45% from and including June 7, 2007 to but excluding June 15, 2047, payable quarterly in arrears on each March 15, June 15, September 15 and December 15, beginning on September 15, 2007.
Interest Rate and Interest Payment Dates During Floating Rate Period:	Annual rate equal to three-month LIBOR plus 1.82%, from and including the Scheduled Maturity Date, payable quarterly in arrears on each March 15, June 15, September 15 and December 15, beginning on September 15, 2047. If three-month LIBOR cannot be determined for the quarterly interest period beginning on the Scheduled Maturity Date in the manner specified in the preliminary prospectus supplement for the Junior Subordinated Debentures, "three-month LIBOR" will be 5.36%.
Day Count:	30/360 during the Fixed Rate Period and actual/360 during the Floating Rate Period
Optional Redemption:	Subject to restrictions under the Replacement Capital Covenant, redeemable, in whole or in part, on any interest payment date on or after June 15, 2012, at par, together with interest accrued to the redemption date.
Redemption for Rating Agency Event:	Subject to restrictions under the Replacement Capital Covenant, redeemable in whole but not in part, at the option of AIG at any time prior to June 15, 2012, at the greater of par and discounted present value at the adjusted treasury rate plus 0.50% (with interest accrued to the redemption date) if a "rating agency event" occurs.
Redemption for Tax Event:	Subject to restrictions under the Replacement Capital Covenant, redeemable in whole but not in part, at the option of AIG at any time prior to June 15, 2012, at par (with interest accrued to the redemption date) if a "tax event" occurs.
Replacement Capital Covenant:	A replacement capital covenant will apply until June 15, 2057. The dates referred to in the prospectus supplement on which the "applicable percentage" and the types of securities that constitute "qualifying capital securities" (as therein defined) will change are June 15, 2027 and June 15, 2047.
CUSIP:	026874 800
ISIN:	US0268748003

Joint Bookrunning Managers:	Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, UBS Securities LLC and Wachovia Capital Markets, LLC.
Co-Managers:	A.G. Edwards & Sons, Inc., RBC Dain Rauscher Inc., Banc of America Securities LLC, Bear, Stearns & Co. Inc., Lehman Brothers Inc. and Wells Fargo Securities, LLC.

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the preliminary prospectus supplement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Citigroup Global Markets Inc. toll free at (877) 858-5407, Merrill Lynch & Co. toll free at 1-866-500-5408, Morgan Stanley & Co. Incorporated toll free at 1-866-718-1649, UBS Securities LLC toll free at 1-888-722-9555 ext. 1088 and Wachovia Capital Markets, LLC toll free at 1-866-289-1262.

SCHEDULE III

Form of Opinion of Sullivan & Cromwell LLP

June l, 2007

Citigroup Global Markets Inc.,
Merrill Lynch, Pierce, Fenner & Smith Incorporated,
Morgan Stanley & Co. Incorporated,
UBS Securities LLC,
Wachovia Capital Markets, LLC,
As representatives of the several Underwriters.

c/o Citigroup Global Markets Inc.,
388 Greenwich Street,
New York, NY 10013.

Ladies and Gentlemen:

In connection with the several purchases today by you and the other Underwriters named in Schedule I to the Underwriting Agreement, dated May l, 2007 (the "**Underwriting Agreement**"), between American International Group, Inc., a Delaware corporation (the "**Company**"), and you, as Representatives of the several Underwriters named therein (the "**Underwriters**"), of $l aggregate principal amount of the Company's l% Series A-4 Junior Subordinated Debentures (the "**Securities**") issued pursuant to the Indenture, dated as of March 13, 2007, as supplemented by the Fourth Supplemental Indenture, dated June l, 2007 (together, the "**Indenture**"), between the Company and The Bank of New York, as Trustee (the "**Trustee**"), we, as counsel for the Company, have examined such corporate records, certificates and other documents, and such questions of law, as we have considered necessary or appropriate for the purposes of this opinion. Upon the basis of such examination, it is our opinion that:

(1) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware.

(2) The Indenture has been duly authorized, executed and delivered by the Company and duly qualified under the Trust Indenture Act of 1939; the Securities have been duly authorized, executed,

authenticated, issued and delivered; and the Indenture and the Securities constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(3) The Underwriting Agreement has been duly authorized, executed and delivered by the Company.

The foregoing opinion is limited to the Federal laws of the United States, the laws of the State of New York and the General Corporation Law of the State of Delaware, and we express no opinion as to the effect of the laws of any other jurisdiction.

We have relied as to certain matters upon information obtained from public officials, officers of the Company and other sources believed by us to be responsible, and we have assumed that the Indenture has been duly authorized, executed and delivered by the Trustee, that the Securities conform to the specimen thereof examined by us, that the Trustee's certificates of authentication of the Securities have been manually signed by one of the Trustee's authorized officers, and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

Very truly yours,

Form of Letter of Sullivan & Cromwell LLP

June l, 2007

Citigroup Global Markets Inc.,
Merrill Lynch, Pierce, Fenner & Smith Incorporated,
Morgan Stanley & Co. Incorporated,
UBS Securities LLC,
Wachovia Capital Markets, LLC,
As representatives of the several Underwriters.

c/o Citigroup Global Markets Inc.,
388 Greenwich Street,
New York, NY 10013.

Ladies and Gentlemen:

This is with reference to the registration under the Securities Act of 1933 (the "Securities Act") and offering of $l aggregate principal amount of l% Series A-4 Junior Subordinated Debentures (the "Securities") of American International Group, Inc. (the "Company").

The two Registration Statements relating to the Securities (File Nos. 333-106040 and 333-31024) were filed on different dates on Form S-3 in accordance with procedures of the Securities and Exchange Commission (the "Commission") permitting a delayed or continuous offering of securities pursuant thereto and, if appropriate, a post-effective amendment, document incorporated by reference therein or prospectus supplement that provides information relating to the terms of the securities and the manner of their distribution.

The Registration Statements were amended by a Post-Effective Amendment No. 1, declared effective by the Commission on July 24, 2006. References in this letter to the Registration Statement refer to the latest Registration Statement as amended by Post-Effective Amendment No. 1. The Securities have been offered by the Prospectus dated July 24, 2006 (the "Basic Prospectus"), as supplemented by the Prospectus Supplement, dated June l, 2007 (the "Prospectus Supplement"). The Basic Prospectus, as supplemented by the Prospectus Supplement, does not necessarily contain a current description of the Company's business and affairs since, pursuant to Form S-3, it incorporates by reference certain documents filed with the Commission that contain information as of various dates.

As counsel to the Company, we reviewed the Registration Statement, the Basic Prospectus, the Prospectus Supplement and the documents listed in Schedule A hereto (those listed documents, taken together with the Basic Prospectus, being referred to herein as the "Pricing Disclosure Package") and participated in discussions with your representatives and those of the Company and its accountants. Between the date of the Prospectus Supplement and the time of delivery of this letter, we participated in further discussions with your representatives and those of the Company, its accountants and its counsel concerning certain matters relating to the Company and reviewed certificates of certain officers of the Company, a letter addressed to you from the Company's accountants and an opinion addressed to you from counsel to the Company. On the basis of the information that we gained in the course of the performance of the services referred to above, considered in the light of our understanding of the applicable law (including the requirements of Form S-3 and the character of prospectus contemplated thereby) and the experience we have gained through our practice under the Securities Act, we confirm to you that, in our opinion, each part of the Registration Statement, as of the effective date of Post-Effective Amendment No. 1, and the Basic Prospectus, as supplemented by the Prospectus Supplement, as of the date of the Prospectus Supplement, appeared on their face to be appropriately responsive, in all material respects relevant to the offering of the Securities, to the requirements of the Securities Act, the Trust Indenture Act of 1939 and the applicable rules and regulations of the Commission thereunder. Further, nothing that came to our attention in the course of such review has caused us to believe that, insofar as relevant to the offering of the Securities,

(a) any part of the Registration Statement, when such part became effective, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or

(b) the Pricing Disclosure Package, as of **[**___:00**]** **[**A/P**]**.M. on May l, 2007 (which you have informed us is prior to the time of the first sale of the Securities by any Underwriter), **[**when considered together with any other disclosure added in the Prospectus Supplement,**]** contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or

(c) the Basic Prospectus, as supplemented by the Prospectus Supplement, as of the date of the Prospectus Supplement, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

We also advise you that nothing that came to our attention in the course of the procedures described in the second sentence of this paragraph has caused us to believe that (a) the Basic Prospectus, as supplemented by the Prospectus Supplement, or (b) the Pricing Disclosure Package, **[**when considered together with any other disclosures added in the Prospectus Supplement,**]** as of the time of delivery of this letter, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the registration process are such, however, that we do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement, the Basic Prospectus, the Prospectus Supplement or the Pricing Disclosure Package, except for those made under the captions “Description of Junior Subordinated Debentures” in the Basic Prospectus and “Description of Terms of the Series A-4 Junior Subordinated Debentures”, “Replacement Capital Covenant” (except for the definition of “Qualifying Capital Securities”), “Certain United States Federal Income Tax Consequences” and “Underwriting” in the Prospectus Supplement, in each case insofar as they relate to provisions of the Securities, the Indenture under which the Securities are to be issued, the Replacement Capital Covenant dated the date hereof or the Underwriting Agreement relating to the Securities, or insofar as they relate to provisions of U.S. Federal tax law therein described. Also, we do not express any opinion or belief as to the financial statements or other financial data derived from accounting records contained in the Registration Statements, the Basic Prospectus, the Prospectus Supplement or the Pricing Disclosure Package, or as to the report of management’s assessment of the effectiveness of internal control over financial reporting or the auditors’ attestation report thereon, each as included in the Registration Statement, the Basic Prospectus, the Prospectus Supplement and the Pricing Disclosure Package, or as to the

statement of the eligibility and qualification of the Trustee under the Indenture under which the Securities are being issued.

This letter is furnished by us, as counsel to the Company, to you, as Representatives of the Underwriters, solely for the benefit of the Underwriters in their capacity as such, and may not be relied upon by any other person. This letter may not be quoted, referred to or furnished to any purchaser or prospective purchaser of the Securities and may not be used in furtherance of any offer or sale of the Securities.

Very truly yours,

Schedule A

[*List documents that are included in the Pricing Disclosure Package, including the Basic Prospectus as supplemented by the Preliminary Prospectus Supplement and the final term sheet prepared pursuant to Section 5(a) of the Underwriting Agreement.****]***

SCHEDULE IV

Form of Opinion of Kathleen E. Shannon

June •, 2007

Citigroup Global Markets Inc.,
Merrill Lynch, Pierce, Fenner & Smith Incorporated,
Morgan Stanley & Co. Incorporated,
UBS Securities LLC,
Wachovia Capital Markets, LLC,
As representatives of the several Underwriters.

c/o Citigroup Global Markets Inc.,
388 Greenwich Street,
New York, NY 10013.

Ladies and Gentlemen:

I am Senior Vice President, Secretary and Deputy General Counsel of American International Group, Inc., a Delaware corporation (the "Company"), and, as such, I am generally familiar with the corporate affairs of the Company.

This opinion is rendered in connection with the several purchases today by you and the other Underwriters named in Schedule I to the Underwriting Agreement, dated May •, 2007 (the "Underwriting Agreement"), between the Company and you, as Representatives of the several Underwriters named therein (the "Underwriters"), of $• aggregate principal amount of the Company's •% Series A-4 Junior Subordinated Debentures (the "Securities") issued pursuant to the Junior Subordinated Indenture, dated as of March 13, 2007, as supplemented by the Fourth Supplemental Indenture, dated June •, 2007 (together, the "Indenture"), between the Company and The Bank of New York, as Trustee (the "Trustee").

The two Registration Statements relating to the Securities (File Nos. 333-106040 and 333-31024) were filed under the Securities Act of 1933 (the "Act") on different dates on Form S-3. The Registration Statements were amended by a Post-Effective Amendment No. 1, declared effective by the Securities and Exchange Commission (the "Commission") on July 24,

2006. References in this letter to the Registration Statement refer to the latest Registration Statement as amended by Post-Effective Amendment No. 1. The Securities have been offered by the Prospectus dated July 24, 2006 (the "Basic Prospectus"), as supplemented by the Prospectus Supplement, dated June •, 2007 (the "Prospectus Supplement").

In rendering my opinion, I, as Senior Vice President, Secretary and Deputy General Counsel of the Company, have examined the Registration Statement, the Basic Prospectus, the Prospectus Supplement and the documents listed in Schedule A hereto (those listed documents, taken together with the Basic Prospectus as amended or supplemented immediately prior to the Applicable Time (as defined below) being referred to herein as the "Pricing Disclosure Package"), and I have examined such corporate records, certificates and other documents, and have reviewed such questions of law, as I have considered necessary or appropriate for the purposes of this opinion. Upon the basis of such examination and review, you are advised that, in my opinion:

(i) The Company has authorized capital as incorporated by reference in the Pricing Disclosure Package and the Basic Prospectus.

(ii) To the best of my knowledge and information, there are no contracts or other documents required to be summarized or disclosed or filed as exhibits to the Registration Statement, other than those summarized or disclosed in the Registration Statement or filed as exhibits thereto, and there are no legal or governmental proceedings pending or threatened of a character required to be disclosed in the Registration Statement and the Basic Prospectus, as amended or supplemented by the Prospectus Supplement, which are not disclosed.

(iii) The issue and sale of the Securities, and the compliance by the Company with all of the provisions of the Securities, the Indenture and the Underwriting Agreement, will not result in a breach of any of the terms or provisions of, or constitute a default under, any material indenture, mortgage, deed of trust, loan agreement, or other material agreement or instrument in effect on the date hereof and known to me, to which the Company is a party or by which the Company may be bound or to which any of the property or assets of the Company is subject or

violate any judgment, order or decree of any court or governmental body applicable to the Company, except for such breaches, defaults and violations that would not have a Material Adverse Effect (as defined in the Underwriting Agreement) or affect the validity of the Securities, nor will such action result in any violation of the provisions of the Restated Certificate of Incorporation, as amended, or the By-Laws of the Company in effect on the date hereof; and no consent, approval, authorization, order, registration or qualification of or with any court or any regulatory authority or other governmental body is required for the issue and sale of the Securities or the consummation by the Company of the other transactions contemplated by the Underwriting Agreement or the Indenture, except such as have been obtained under the Act and the Trust Indenture Act of 1939, as amended, and such consents, approvals, authorizations, orders, registrations or qualifications the failure to obtain or make would not have a Material Adverse Effect or affect the validity of the Securities and as may be required under state securities or Blue Sky laws (including insurance laws of any state relating to offers and sales of securities in such state) in connection with the purchase and distribution of the Securities by the Underwriters, as contemplated by the Underwriting Agreement.

(iv) Nothing which came to my attention has caused me to believe that, insofar as relevant to the offering of the Securities,

(a) any part of the Registration Statement, when such part became effective, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or

(b) the Pricing Disclosure Package, as of ___:00 **[**A/P**]**.M. on May •, 2007 (the "Applicable Time") (which you have informed me is prior to the time of the first sale of the Securities by any Underwriter), **[**when considered together with any other disclosure added in the Prospectus Supplement,**]** contained any untrue statement of a material fact or omitted to state any

material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or

(c) the Basic Prospectus, as supplemented by the Prospectus Supplement, as of the date of the Prospectus Supplement or as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(v) The documents incorporated by reference in the Basic Prospectus, as supplemented by the Prospectus Supplement, as of the date they became effective or were filed with the Commission, as the case may be, complied as to form in all material respects with the Act and the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

In rendering the opinion in paragraph (iv), (A) I assume no responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement, the Basic Prospectus, the Prospectus Supplement or the Pricing Disclosure Package, except for those made under the captions "Description of Junior Subordinated Debentures" in the Basic Prospectus and "Description of Terms of the Series A-4 Junior Subordinated Debentures" and "Replacement Capital Covenant" (except for the definition of "Qualifying Capital Securities") in the Prospectus Supplement, in each case insofar as they relate to provisions of the Securities, the Indenture under which the Securities are to be issued therein described and the Replacement Capital Covenant dated the date hereof, and (B) I express no opinion or belief as to the financial statements or other financial data derived from accounting records contained in the Registration Statement, the Basic Prospectus, the Prospectus Supplement or the Pricing Disclosure Package, or as to the report of management's assessment of the effectiveness of internal control over financial reporting or the auditors' attestation report thereon, each as included in the Registration Statement, the Basic Prospectus, the Prospectus Supplement and the Pricing Disclosure Package, or as to the statement of the eligibility and qualification of the Trustee under the Indenture under which the Securities are being issued.

In rendering the opinion in paragraph (v), I express no opinion or belief as to the financial statements or other financial or statistical data contained in the Basic Prospectus or the Prospectus Supplement, or as to the report of management's assessment of the effectiveness of internal control over financial reporting or the auditors' attestation report thereon, each as included in the Basic Prospectus and the Prospectus Supplement.

This letter is furnished by me, as Senior Vice President, Secretary and Deputy General Counsel of the Company, to you, as Representatives of the Underwriters, solely for the benefit of the Underwriters in their capacity as such, and may not be relied upon by any other person. This opinion may not be quoted, referred to or furnished to any purchaser or prospective purchaser of the Securities and may not be used in furtherance of any offer or sale of the Securities.

Very truly yours,

Schedule A

[*List documents that are included in the Pricing Disclosure Package, including the Basic Prospectus as supplemented by the Preliminary Prospectus Supplement and the final term sheet prepared pursuant to Section 5(a) of the Underwriting Agreement.****]***

SCHEDULE V

Form of Letter of Independent Registered Public Accounting Firm

May 31, 2007

American International Group, Inc.

and

Citigroup Global Markets Inc.,
Merrill Lynch, Pierce, Fenner & Smith Incorporated,
Morgan Stanley & Co. Incorporated,
UBS Securities LLC,
Wachovia Capital Markets, LLC,
As representatives of the several underwriters

Ladies and Gentlemen:

We have audited:

1. the consolidated financial statements of American International Group, Inc. (the "Company") and subsidiaries as of December 31, 2006 and 2005 and for each of the three years in the period ended December 31, 2006 included in the Company's annual report on Form 10-K for the year ended December 31, 2006 (the "Form 10-K"),

2. the related financial statement schedules included in the Form 10-K,

3. management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2006 included in the Form 10-K, and

4. the effectiveness of the Company's internal control over financial reporting as of December 31, 2006.

The consolidated financial statements, financial statement schedules and management's assessment referred to above are all incorporated by reference in the registration statement (No. 333-106040) on Form S-3 filed by the Company under the Securities Act of 1933 (the "Act"); our report (which contains an adverse opinion on the effectiveness of internal control over financial reporting) with respect to the audits referred to above is also incorporated by reference in such registration statement. Such registration statement, of which the Prospectus dated July 24, 2006 forms a part, is supplemented by the Preliminary Prospectus Supplement dated May 29, 2007 and the Prospectus Supplement dated May 31, 2007 for the offering of $750 million of 6.45% Series A-4 Junior Subordinated Debentures. Such registration statement is herein referred to as the "Registration Statement."

In connection with the Registration Statement:

1. We are an independent registered public accounting firm with respect to the Company within the meaning of the Act and the applicable rules and regulations thereunder adopted by the Securities and Exchange Commission (the "SEC") and the Public Company Accounting Oversight Board (United States) (the "PCAOB").

2. In our opinion, the consolidated financial statements and financial statement schedules audited by us and incorporated by reference in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the Securities Exchange Act of 1934 and the related rules and regulations adopted by the SEC.

3. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2006; although we have conducted an audit for the year ended December 31, 2006, the purpose (and therefore the scope) of such audit was to enable us to express our opinion on the consolidated financial statements as of December 31, 2006 and for the year then ended, but not on the financial statements for any interim period within that year. Therefore, we are unable to and do not express any opinion on the unaudited consolidated balance sheet as of March 31, 2007 and the unaudited consolidated statements of income, comprehensive income, and cash flows for the three-month periods ended March 31, 2007 and 2006, included in the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2007 and incorporated by reference in the Registration Statement, or on the Company's financial position, results of operations, or cash flows as of any date or for any period subsequent to December 31, 2006. Also, we have not audited the Company's internal control over financial reporting as of any date subsequent to December 31, 2006. Therefore, we do not express any opinion on the Company's internal control over financial reporting as of any date subsequent to December 31, 2006.

4. For purposes of this letter, we have read the minutes of the 2007 meetings of the shareholders, the Board of Directors and Committees of the Board of Directors of the Company as set forth in the minute books at May 30, 2007, officials of the Company having advised us that the minutes of all such meetings through that date were set forth therein, except for the minutes of the meetings listed below which were not approved in final form, for which agendas were provided to us; officials of the Company have represented that such agendas include all substantive actions taken at such meetings:

a) the May 16, 2007 shareholders' meeting;

b) the May 16, 2007 Board of Directors meeting;

c) the May 4, 2007 Audit Committee meeting;

d) the April 19, 2007 Finance Committee meeting;

e) the February 15, 2007, March 13, 2007 and May 15, 2007 Nominating and Corporate Governance Committee meetings;

f) the March 14, 2007 Public Policy and Social Responsibility Committee meeting; and

g) the May 16, 2007 Regulatory, Compliance and Legal Committee meeting.

We have carried out other procedures to May 30, 2007 (our work did not extend to May 31, 2007) as follows.

With respect to the three-month periods ended March 31, 2007 and 2006, we have:

(i) performed the procedures (completed the procedures related to March 31, 2007 on May 10, 2007) specified by the PCAOB for a review of interim financial information as described in SAS No. 100, *Interim Financial Information*, on the unaudited condensed consolidated financial statements as of and for the three-month periods ended March 31, 2007 and 2006 included in the Company's quarterly report on Form 10-Q for the quarter ended March 31, 2007, incorporated by reference in the Registration Statement; and

(ii) inquired of certain officials of the Company who have responsibility for financial and accounting matters whether the unaudited condensed consolidated financial statements referred to in (i) above comply as to form in all material respects with the applicable accounting requirements of the Securities Exchange Act of 1934 as it applies to Form 10-Q and the related rules and regulations adopted by the SEC.

The foregoing procedures do not constitute an audit made in accordance with standards of the PCAOB. Also, they would not necessarily reveal matters of significance with respect to the comments in the following paragraph. Accordingly, we make no representations as to the sufficiency of the foregoing procedures for your purposes.

5. Nothing came to our attention as a result of the foregoing procedures, however, that caused us to believe that:

   (i) Any material modifications should be made to the unaudited condensed consolidated financial statements described in 4(i), incorporated by reference in the Registration Statement, for them to be in conformity with generally accepted accounting principles.

   (ii) The unaudited condensed consolidated financial statements described in 4(i) do not comply as to form in all material respects with the applicable accounting requirements of the Securities Exchange Act of 1934 as it applies to Form 10-Q and the related rules and regulations adopted by the SEC.

   It should be noted that effective January 1, 2007 the Company adopted SOP 05-1 "Accounting by Insurance Enterprises for Deferred Acquisition Costs in Connection with Modifications or Exchange of Insurance Contracts", FIN 48 "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109", and FSP 13-2 "Accounting for a Change or Projected Change in the Timing of Cash Flows Relating to Income Taxes Generated by a Leveraged Lease Transaction".

6. Company officials have advised us that no consolidated financial data as of any date or for any period subsequent to March 31, 2007 are available; accordingly, the procedures carried out by us with respect to changes in financial statement items after March 31, 2007 have, of necessity, been limited. We have inquired of certain officials of the Company who have responsibility for financial and accounting matters as to whether (a) at May 30, 2007 there was any change in the capital stock, increase in long-term debt, or decrease in consolidated shareholders' equity of the Company as compared with amounts shown in the March 31, 2007 unaudited consolidated balance sheet incorporated by reference in the Registration Statement; or (b) for the period from April 1, 2007 to May 30, 2007, there was any decrease, as compared with the corresponding period in the preceding year, in consolidated net income.

   Those officials referred to above stated that due to the fact that there is no consolidated financial data available subsequent to March 31, 2007, they are not in a position to comment on whether there was any such change, increase or decrease.

7. This letter is solely for the information of the addressees and to assist the underwriters in conducting and documenting their investigation of the affairs of the Company in connection with the offering of the securities covered by the Registration Statement, and is not to be used, circulated, quoted, or otherwise referred to for any other purpose, including but not limited to the registration, purchase, or sale of securities, nor is it to be filed with or referred to in whole or in part in the Registration Statement or any other document, except that reference may be made to it in the underwriting agreement or in any list of closing documents pertaining to the offering of the securities covered by the Registration Statement.

Yours very truly,

Exhibit 4.1

AMERICAN INTERNATIONAL GROUP, INC.

Fourth Supplemental Indenture

Dated as of June 7, 2007

(Supplemental to the Junior Subordinated Debt Indenture Dated as of March 13, 2007)

THE BANK OF NEW YORK,
as Trustee

FOURTH SUPPLEMENTAL INDENTURE, dated as of June 7, 2007, between American International Group, Inc., a corporation duly organized and existing under the laws of the State of Delaware (herein called the "Company"), and The Bank of New York, a New York banking corporation, as Trustee (herein called "Trustee");

RECITALS:

WHEREAS, the Company has heretofore executed and delivered to the Trustee a Junior Subordinated Debt Indenture, dated as of March 13, 2007 (the "Indenture"), providing for the issuance from time to time of the Company's unsecured debentures, notes or other evidences of indebtedness (herein and therein called the "Securities"), to be issued in one or more series as provided in the Indenture;

WHEREAS, Section 901 of the Indenture permits the Company and the Trustee to enter into an indenture supplemental to the Indenture to establish the form and terms of a series of Securities;

WHEREAS, Section 201 of the Indenture permits the form of Securities of a series to be established in an indenture supplemental to the Indenture;

WHEREAS, Section 301 of the Indenture permits certain terms of a series of Securities to be established pursuant to an indenture supplemental to the Indenture;

WHEREAS, pursuant to Sections 201 and 301 of the Indenture, the Company desires to provide for the establishment of a new series of Securities under the Indenture, the form and substance of such Securities and the terms, provisions and conditions thereof to be set forth as provided in the Indenture and this Fourth Supplemental Indenture;

WHEREAS, all things necessary to make this Fourth Supplemental Indenture a valid agreement of the Company, in accordance with its terms, have been done;

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities of the series established by this Fourth Supplemental Indenture by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all such Holders, as follows:

ARTICLE ONE

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.1 Relation to Indenture

This Fourth Supplemental Indenture constitutes a part of the Indenture (the provisions of which, as modified by this Fourth Supplemental Indenture, shall apply to the Debentures) in respect of the Debentures but shall not modify, amend or otherwise affect the Indenture insofar as it relates to any other series of Securities or modify, amend or otherwise affect in any manner the terms and conditions of the Securities of any other series.

Section 1.2 Definitions

For all purposes of this Fourth Supplemental Indenture, the capitalized terms used herein (i) which are defined in this Section 1.2 have the respective meanings assigned hereto in this Section 1.2 and (ii) which are defined in the Indenture (and which are not defined in this Section 1.2) have the respective meanings assigned thereto in the Indenture. For all purposes of this Fourth Supplemental Indenture:

1.2.1 Unless the context otherwise requires, any reference to an Article or Section refers to an Article or Section, as the case may be, of this Fourth Supplemental Indenture;

1.2.2 The words “herein”, “hereof” and “hereunder” and words of similar import refer to this Fourth Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision; and

1.2.3 (a) The terms defined in this Section 1.2.3 have the meanings assigned to them in this Section and include the plural as well as the singular:

“Additional Debentures” has the meaning set forth in Section 2.1(b).

“Adjusted Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the quarterly equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

“APM Commencement Date” means, with respect to any Deferral Period, the earlier of (i) the Business Day following the conclusion of 20 consecutive Interest Periods following the commencement of such Deferral Period and (ii) the first Interest Payment Date following the commencement of such Deferral Period on which the Company pays any current interest on the Debentures.

"APM Common Stock" means an aggregate number of shares of Common Stock, including any shares of Common Stock held in treasury, and any shares of Common Stock sold pursuant to the Company's dividend reinvestment or similar plan or sold pursuant to any Employee Benefit Plan, up to the Maximum Share Number.

"APM Qualifying Securities" means APM Common Stock, Qualifying Warrants and Qualifying Non-Cumulative Preferred Stock.

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

"Bankruptcy Event" means an Event of Default set forth in Sections 501(5) or (6) of the Indenture.

"Business Combination" means 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.

"Business Day" is any day, other than (i) a Saturday, 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 or (ii) on or after the Scheduled Maturity Date, a day that is not a London Banking Day.

"Calculation Agent" means AIG Financial Products Corp., or any other Person appointed by the Company, acting as calculation agent for the Debentures. Any successor or substitute Calculation Agent may be an Affiliate of the Company.

"Capital Stock" for any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) shares issued by that Person.

"Commercially Reasonable Efforts" means, for purposes of selling APM Qualifying Securities or Qualifying Capital Securities, commercially reasonable efforts to complete the offer and sale of APM Qualifying Securities or Qualifying Capital Securities, as applicable, to third parties that are not Subsidiaries of the Company in public offerings or private placements. The Company shall not be considered to have made Commercially Reasonable Efforts to effect a sale of APM Qualifying Securities or Qualifying Capital Securities, as applicable, if it determines not to pursue or complete such sale due to pricing, coupon, dividend rate or dilution considerations.

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

"Comparable Treasury Issue" means the U.S. Treasury security selected by an independent investment bank selected by the Calculation Agent as having a maturity comparable to the term remaining from the Redemption Date to June 15, 2012 that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity.

"Comparable Treasury Price" means, with respect to any Redemption Date, the average of the Reference Treasury Dealer Quotations for such Redemption Date.

"Continuing Director" means a director who was a director of the Company at the time of the initial approval of the definitive agreement relating to a Business Combination transaction by the Company's Board of Directors.

"Current Stock Market Price" of the APM Common Stock on any date shall mean (i) 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, or (ii) if the Common Stock is not listed on any U.S. securities exchange on the relevant date, 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 Company for this purpose.

"Debentures" has the meaning set forth in Section 2.1(a).

"Deferral Period" means each period beginning on an Interest Payment Date with respect to which the Company either (A) elects pursuant to Section 2.1(g) to defer all or part of any interest payment due on an Interest Payment Date or (B) fails to pay all or any part of any interest payment due on an Interest Payment Date within five Business Days after the Interest Payment Date and ending on the earlier of (i) the conclusion of 40 consecutive Interest Periods following such Interest Payment Date and (ii) the next Interest Payment Date on which the Company has paid all accrued and previously unpaid interest on the Debentures.

"Eligible APM Proceeds" means, with respect to any Interest Payment Date, the net proceeds (after underwriters' or placement agents' fees, commissions or discounts and other expenses relating to the issuance or sale) that the Company has received during the 180-days prior to the related Interest Payment Date from the issuance or sale of APM Qualifying Securities to Persons that are not Subsidiaries. This includes, without limitation, sales pursuant to any dividend reinvestment or similar plan and sales made pursuant to any Employee Benefit Plan.

"Eligible Repayment Proceeds" means, with respect to any Repayment Date, the Applicable Percentage of the net proceeds the Company has received from the issuance

of Qualifying Capital Securities that the Company has sold during a 180-day period ending on a notice date not more than 30 or less than 10 Business Days prior to such Repayment Date.

"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.

"Enforcement Event" means any one of the following events:

(1) failure by the Company to observe, satisfy or perform any of the covenants or agreements contained in this Fourth Supplemental Indenture or the Indenture (other than (i) any covenant or agreement in the Indenture expressly declared inapplicable herein, (ii) a covenant or agreement in respect of the Debentures a default in whose observance, satisfaction or performance is elsewhere specifically dealt with in this Fourth Supplemental Indenture or the Indenture (including without limitation Article X of the Indenture), or (iii) an event which is, or with the passage of time and/or giving of notice would result in, an Event of Default) on the part of the Company in respect of the Debentures that continues following a period of 60 days after the date on which written notice of such failure, requiring the Company to remedy the same and stating that it is a notice with respect to an Enforcement Event hereunder, shall have been given to the Company by the Trustee by registered mail, or to the Company and the Trustee by the Holders of at least a majority in the aggregate principal amount of the Debentures at the time Outstanding; or

(2) unless otherwise provided for in Section 2.1(d), the Company's failure to use Commercially Reasonable Efforts to raise sufficient Eligible Repayment Proceeds as required by Section 2.1(d); or

(3) the Company's failure (a) to use commercially reasonable efforts to raise Eligible APM Proceeds, or (b) to pay deferred interest on the Debentures, in either case as required by Section 2.1(h) or (i).

"Event of Default" has the meaning set forth in Section 2.1(j).

"Final Maturity Date" has the meaning set forth in Section 2.1(d)(iii).

"Indebtedness" means all indebtedness and obligations (other than the Debentures) of, or Guaranteed or assumed by, the Company that (i) are for borrowed money or (ii) are evidenced by bonds, debentures, notes or other similar instruments.

"Interest Payment Date" has the meaning set forth in Section 2.1(e).

"Interest Period" means the period from and including any Interest Payment Date (or, in the case of the first Interest Payment Date, June 7, 2007) to but excluding the next Interest Payment Date.

"LIBOR Determination Date" means the second London Banking Day immediately preceding the first day of the relevant Interest Period.

"London Banking Day" means any day on which dealings in dollars are transacted in the London interbank market.

"Make-Whole Redemption Price" means the sum, as determined by the Calculation Agent, of the present values of the remaining scheduled payments of principal discounted from June 15, 2012 and interest thereon that would have been payable to and including June 15, 2012 (not including any portion of such payments of interest accrued to the Redemption Date) discounted from the relevant Interest Payment Date to the Redemption Date on a quarterly basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate plus 0.50%.

"Market Disruption Event" means, for purposes of sales of APM Qualifying Securities pursuant to Section 2.1(h) or sales of Qualifying Capital Securities pursuant to Section 2.1(d), as applicable (collectively, the "Permitted Securities"), the occurrence or existence of any of the following events or sets of circumstances:

(a) trading in securities generally (or in the Common Stock specifically) on the New York Stock Exchange or any other national securities exchange, or in the over-the-counter market, on which the Company's Capital Stock is 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, Permitted Securities;

(b) the Company 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 Permitted Securities, and the Company 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 Permitted Securities would, in the Company'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 Company reasonably believes that the offering document for the offer and the sale of Permitted 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 Company 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 180-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 Permitted 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 the Company's 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 Company's judgment, impracticable or inadvisable to proceed with the offer and sale of Permitted Securities.

"Maximum Share Number" has the meaning set forth in Section 2.1(h).

"Maximum Warrant Number" has the meaning set forth in Section 2.1(h).

"Outstanding" has the meaning set forth in Section 2.1(d).

"Outstanding Parity Securities" has the meaning set forth in Section 2.1(v)(iv).

"*pari passu*", as applied to the ranking of any obligation of a Person in relation to any other obligation of such Person, means in any bankruptcy, insolvency or receivership proceeding that each such obligation either (i) is not subordinated or junior in right of payment to any other obligation or (ii) is subordinate or junior in right of payment to the same obligations as is the other, and is so subordinate or junior to the same extent, and is not subordinate or junior in right of payment to each other or to any obligation as to which the other is not so subordinate or junior.

"Preferred Stock Issuance Cap" has the meaning set forth in Section 2.1(i)(1).

"Prospectus Supplement" means the prospectus supplement dated May 31, 2007 relating to the Debentures.

"Qualifying Non-Cumulative Preferred Stock" means the Company's non-cumulative perpetual preferred stock that (i) contains no remedies other than Permitted Remedies and (ii)(a) is redeemable, but is subject to Intent-Based Replacement Disclosure, and has a provision that prohibits the Company from making any distributions thereon upon its failure to satisfy one or more financial tests set forth therein or (b) is subject to a replacement capital covenant substantially similar to the Replacement Capital Covenant.

"Qualifying Warrants" means net share settled warrants to purchase shares of Common Stock that (i) have an exercise price per share greater than the Current Stock Market Price as of the date of pricing thereof, (ii) the Company is not entitled to redeem for cash and the holders of which are not entitled to require the Company to repurchase for cash in any circumstances and (iii) do not entitle the holders thereof to purchase a number of shares of Common Stock in excess of the applicable Maximum Warrant Number.

"Rating Agency" means, prior to the effectiveness of Section 3(a)(62) of the Exchange Act, any nationally recognized statistical rating organization within the meaning of Rule 15c3-1 under the Exchange Act and, after the effectiveness of Section 3(a)(62) of the Exchange Act, any nationally recognized statistical rating organization as defined in Section 3(a)(62) (or any successor provision), that publishes a rating for the Company on the relevant date.

"Rating Agency Event" means that any Rating Agency amends, clarifies or changes the criteria it uses to assign equity credit to securities such as the Debentures, which amendment, clarification or change results in:

(a) the shortening of the length of time the Debentures are assigned a particular level of equity credit by that Rating Agency as compared to the length of time they would have been assigned that level of equity credit by that Rating Agency or its predecessor on June 7, 2007; or

(b) the lowering of the equity credit (including up to a lesser amount) assigned to the Debentures by that Rating Agency as compared to the equity credit assigned by that Rating Agency or its predecessor on June 7, 2007.

"Reference Treasury Dealer" means each of Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated, or their respective successors; *provided*, *however*, that if either of the foregoing shall cease to be a primary U.S. government securities dealer in New York City (a "Primary Treasury Dealer"), the Company shall substitute therefor another Primary Treasury Dealer; and any other

Primary Treasury Dealer selected by the Calculation Agent after consultation with the Company.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Calculation Agent, of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent by that Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such Redemption Date.

"Regular Record Date" for the payment of any current interest payable on any Interest Payment Date, the date specified in Section 2.1(f) and for the payment of deferred interest, the date specified in Section 2.1(g)(ii).

"Repayment Date" means the Scheduled Maturity Date and each Interest Payment Date thereafter until the Company shall have repaid, redeemed, defeased or otherwise acquired all of the Debentures.

"Replacement Capital Covenant" means the replacement capital covenant, dated as of June 7, 2007, of the Company, as the same may be amended or supplemented from time to time in accordance with the provisions hereof and thereof.

"Reuters Screen LIBOR01" means the display designated on Reuters Screen LIBOR01 (or such other page or service as may replace the Reuters Screen LIBOR01 as selected by the Calculation Agent for the purposes of displaying Three-month LIBOR interest rates of major banks or, if not available, such other page and service as may be selected by the Calculation Agent from time to time).

"Scheduled Maturity Date" has the meaning set forth in Section 2.1(d).

"Stock and Warrant Issuance Cap" has the meaning set forth in Section 2.1(i)(1).

"Tax Event" means that the Company has requested and received an Opinion of Counsel (which counsel need not be satisfactory to the Trustee) experienced in such matters to the effect that, as a result of any:

(a) amendment to or change in the laws or regulations of the United States or any political subdivision or taxing authority of or in the United States that is enacted or becomes effective after May 31, 2007;

(b) proposed change in those laws or regulations that is announced after May 31, 2007;

(c) official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after May 31, 2007; or

(d) threatened challenge asserted in connection with an audit of the Company, or a threatened challenge asserted in writing against any other taxpayer that has raised capital through the issuance of securities that are substantially similar to the Debentures;

there is more than an insubstantial risk that interest payable by the Company on the Debentures is not, or will not be, deductible by the Company, in whole or in part, for United States federal income tax purposes.

"Three-month LIBOR" means, with respect to any Interest Period, the rate (expressed as a percentage per annum and determined by the Calculation Agent) for deposits in U.S. dollars for a three-month period commencing on the first day of that Interest Period that appears on Reuters Screen LIBOR01 as of 11:00 a.m. (London time) on the LIBOR Determination Date for that Interest Period. If such rate does not appear on Reuters Screen LIBOR01, Three-month LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for a three-month period commencing on the first day of that Interest Period are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent (after consultation with the Company), at approximately 11:00 a.m., London time, on the LIBOR Determination Date for that Interest Period, in an amount that, in the Calculation Agent's judgment, is representative of a single transaction in that market at that time. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, Three-month LIBOR with respect to that Interest Period will be the arithmetic mean of such quotations. If fewer than two quotations are provided, Three-month LIBOR with respect to that Interest Period will be the arithmetic mean of the rates quoted by three major banks in New York City selected by the Calculation Agent, at approximately 11:00 a.m., New York City time, on the first day of that Interest Period for loans in U.S. dollars to leading European banks for a three-month period commencing on the first day of that Interest Period and in an amount that, in the Calculation Agent's judgment, is representative of a single transaction in that market at that time. However, if fewer than three banks selected by the Calculation Agent to provide quotations are quoting as described above, Three-month LIBOR for that Interest Period will be the same as Three-month LIBOR as determined for the previous Interest Period or, in the case of the Interest Period beginning on the Scheduled Maturity Date, 5.36%.

"Voting Stock" means equity securities which ordinarily have voting power for the election of directors, whether at all times or only so long as no senior class of equity securities has such voting power by reason of any contingency.

(b) "Applicable Percentage", "Intent-Based Replacement Disclosure", "Permitted Remedies" and "Qualifying Capital Securities" shall have the respective meanings set forth in the Replacement Capital Covenant as in effect on the date hereof and as it may be amended pursuant to its terms consistent with Section 2.1(r).

ARTICLE TWO

GENERAL TERMS AND CONDITIONS OF THE DEBENTURES

Section 2.1 Terms of Debentures

Pursuant to Sections 201 and 301 of the Indenture, there is hereby established a series of Securities, the terms of which shall be as follows:

(a) Designation. The Securities of this series shall be known and designated as the "6.45% Series A-4 Junior Subordinated Debentures" of the Company (the "Debentures"). The CUSIP number of the Debentures is 026874800.

(b) Aggregate Principal Amount. The maximum aggregate principal amount of the Debentures that may be authenticated and delivered under the Indenture and this Fourth Supplemental Indenture is $750,000,000 (except for Debentures authenticated and delivered upon registration of transfer of, or exchange for, or in lieu of, other Debentures pursuant to Section 304, 305, 306, 906 or 1107 of the Indenture or Section 3.5 of this Fourth Supplemental Indenture); *provided*, that the Company may authenticate and deliver up to an additional $112,500,000 principal amount of Debentures pursuant to the exercise of the underwriters' over-allotment option under the Underwriting Agreement, dated as of May 31, 2007, between the Company and Citigroup Global Markets Inc., Merrill, Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, UBS Securities LLC and Wachovia Capital Markets, LLC, as representatives of the several underwriters; *provided, further*, that the Company may from time to time authenticate and deliver under the Indenture and this Fourth Supplemental Indenture additional Debentures (any such additional Debentures, the "Additional Debentures") in addition to the $750,000,000 principal amount previously provided for and in addition to the principal amount of any Debentures delivered pursuant to the exercise of the underwriters' over-allotment option, so long as the aggregate principal amount of Debentures delivered under the Indenture and this Fourth Supplemental Indenture does not exceed $1,237,500,000, which Additional Debentures may accrue interest from a different date than the Debentures, as may be specified pursuant to Section 301 of the Indenture, so long as the Company reasonably determines the Additional Debentures so authenticated and delivered will be fungible for United States federal income tax purposes. From time to time the Company may execute and deliver, and upon Company Order the Trustee shall authenticate and deliver, additional Debentures.

(c) Form and Denominations. The Debentures will be issued only in fully registered form, and the authorized denominations of the Debentures shall be $25 principal amount and integral multiples of $25 in excess thereof. The Debentures will initially be issued in the form of one or more Global Securities substantially in the form of Annex A attached hereto, with such modifications thereto as may be approved by the

authorized officer executing the same. The Debentures will be denominated in U.S. dollars and payments of principal and interest will be made in U.S. dollars.

(d) Scheduled Maturity Date.

(i) The principal amount of, and all accrued and unpaid interest on, the Outstanding Debentures shall be payable in full on June 15, 2047, or if such day is not a Business Day, the next Business Day (the "Scheduled Maturity Date"); *provided* that in the event the Company has delivered an Officers' Certificate to the Trustee pursuant to clause (vi) of this Section 2.1(d) in connection with the Scheduled Maturity Date, (A) the principal amount of Debentures payable on the Scheduled Maturity Date, if any, shall be the principal amount set forth in the notice of repayment accompanying such Officers' Certificate, (B) such specified principal amount of Debentures shall be repaid on the Scheduled Maturity Date pursuant to Article III, and (C) subject to clause (ii) of this Section 2.1(d), the remaining Debentures shall remain Outstanding and shall be payable on the immediately succeeding Interest Payment Date or such earlier date on which they are redeemed pursuant to Section 2.1(q) or shall become due and payable pursuant to Section 502 of the Indenture or clause (iii) of this Section 2.1(d). The Outstanding Debentures shall be due and payable on the Scheduled Maturity Date except to the extent so specified in an Officers' Certificate delivered to the Trustee not more than 30 and not less than 10 Business Days immediately preceding the Scheduled Maturity Date.

(ii) In the event the Company has delivered an Officers' Certificate to the Trustee pursuant to clause (vi) of this Section 2.1(d) in connection with any Interest Payment Date, the principal amount of Debentures payable on such Interest Payment Date shall be the principal amount set forth in the notice of repayment, if any, accompanying such Officers' Certificate, such principal amount of Debentures shall be repaid on such Interest Payment Date pursuant to Article III, and the remaining Debentures shall remain Outstanding and shall be payable on the immediately succeeding Interest Payment Date or such earlier date on which they are redeemed pursuant to Section 2.1(q) or shall become due and payable pursuant to Section 502 of the Indenture or clause (iii) of this Section 2.1(d). The Outstanding Debentures shall be due and payable on any Interest Payment Date except to the extent so specified in an Officers' Certificate delivered to the Trustee not more than 30 and no less than 10 Business Days immediately preceding such Interest Payment Date.

(iii) Notwithstanding anything to the contrary set forth in this Fourth Supplemental Indenture, the principal of, and all accrued and unpaid interest on, all Outstanding Debentures shall be due and payable on June 15, 2077, or if such day is not a Business Day, the following Business Day (the "Final Maturity Date").

(iv) Any repayment of principal and current interest on the Debentures pursuant to this Section 2.1(d) on any date prior to the Final Maturity Date shall not affect the Company's obligations under Section 2.1(h) with respect to the payment of deferred interest on the Debentures. For the purpose of clarity, it is possible that the Company may repay the principal and current interest on a Debenture pursuant to this Section 2.1(d) but still be obligated to pay deferred interest on the Debenture. For the purposes of the definition of "Outstanding" in the Indenture, a Debenture, as to which principal and current interest has been repaid, redeemed or otherwise satisfied by the Company, shall for all purposes of the Indenture and this Fourth Supplemental Indenture, other than for purposes of Article XI of the Indenture and Section 2.1(d) and Article III of this Fourth Supplemental Indenture, be deemed Outstanding so long as any deferred interest on such Debenture remains unpaid.

(v) Until principal and current interest on all Outstanding Debentures are paid in full, the principal of all Outstanding Debentures is automatically accelerated as provided in Section 2.1(k) or a declaration of acceleration pursuant to Section 502 of the Indenture occurs, the Company shall use Commercially Reasonable Efforts, subject to a Market Disruption Event:

(A) to raise sufficient Eligible Repayment Proceeds during a 180-day period ending on a date not more than 30 and not less than 10 Business Days prior to the Scheduled Maturity Date to permit repayment of the principal and current interest on all Outstanding Debentures in full on the Scheduled Maturity Date; and

(B) if the Company is unable for any reason to raise sufficient Eligible Repayment Proceeds to permit repayment in full of the principal amount of and current interest on all the Outstanding Debentures on the Scheduled Maturity Date or any subsequent Interest Payment Date, to raise sufficient Eligible Repayment Proceeds to permit repayment of the principal and current interest on all Outstanding Debentures in full on the next Interest Payment Date pursuant to clause (ii) of this Section 2.1(d).

(vi) The Company shall, if it has not raised sufficient Eligible Repayment Proceeds in connection with any Repayment Date, deliver an Officers' Certificate to the Trustee no more than 30 and no less than 10 Business Days in advance of such Repayment Date stating the amount of Eligible Repayment Proceeds, if any, raised pursuant to clause (v) above in connection with such Repayment Date. Each Officers' Certificate delivered pursuant to this clause (vi), unless no principal amount of Debentures is to be repaid on the applicable Repayment Date, shall be accompanied by a notice of repayment pursuant to Section 3.1 setting forth the principal amount of the Debentures to be repaid on such Repayment Date, which amount shall be determined after giving effect to clause (viii) of this Section 2.1(d).

(vii) The Company shall be excused from its obligation to use Commercially Reasonable Efforts to sell Qualifying Capital Securities pursuant to clause (v) above if such Officers' Certificate further certifies that: (A) a Market Disruption Event was existing at any time during the period commencing 180 days prior to the date of such Officers' Certificate or, in the case of any Repayment Date after the Scheduled Maturity Date, the period commencing on the immediately preceding Interest Payment Date and ending on the Business Day immediately preceding the date of such Officers' Certificate; and (B) either (1) the Market Disruption Event continued for the entire 180-day period or, in the case of any Repayment Date after the Scheduled Maturity Date, the period since the most recent Interest Payment Date, as the case may be, or (2) the Market Disruption Event continued for only part of the relevant period, but the Company was unable after Commercially Reasonable Efforts to raise sufficient Eligible Repayment Proceeds during the rest of that period to permit repayment of the Debentures in full.

(viii) Payments on the Debentures on any Repayment Date shall be applied, first, to the extent permitted by Section 2.1(i), to deferred interest to the extent of Eligible APM Proceeds raised pursuant to Section 2.1(i), second, to current interest and, third, to the repayment of the principal of Debentures; *provided* that if the Company is obligated to sell Qualifying Capital Securities and repay any outstanding *pari passu* securities in addition to the Debentures, then on any date and for any period such payments shall be applied (A) first, to Outstanding Parity Securities and any other *pari passu* securities having an earlier scheduled maturity date than the Debentures, until the principal of and all accrued and unpaid interest on those securities has been paid in full, and (B) second, to the Debentures and any Outstanding Parity Securities or other *pari passu* securities having the same scheduled maturity date as the Debentures pro rata in accordance with their respective outstanding principal amounts. None of such payments shall be applied to any other *pari passu* securities having a later scheduled maturity date until the principal of and all accrued and unpaid interest on the Debentures has been paid in full, except to the extent permitted by clause (vii) of Section 2.1(g) and the first sentence of Section 2.1(h). If the Company has raised less than $5,000,000 of Eligible Repayment Proceeds during the relevant 180-day or three-month period, the Company will not be required to repay any Debentures on the relevant Repayment Date, but it will repay the applicable principal amount of the Debentures on the next Interest Payment Date as of which the Company has raised at least $5,000,000 of Eligible Repayment Proceeds.

(e) Rate of Interest. The Debentures shall bear interest (i) from and including June 7, 2007 to but excluding the Scheduled Maturity Date at the rate of 6.45% *per annum*, computed on the basis of a 360-day year comprised of twelve 30-day months, and (ii) thereafter, as to the principal amount of any Outstanding Debentures, at an annual rate equal to Three-month LIBOR plus 1.82%, computed on the basis of a 360-day year and the actual number of days elapsed. All percentages resulting from any calculation of

Three-month LIBOR will be rounded upward or downward, as appropriate, to the next higher or lower one hundred-thousandth of a percentage point. Subject to Sections 2.1(g) and (h): interest on the Debentures shall be payable quarterly in arrears on March 15, June 15, September 15 and December 15 of each year, beginning on September 15, 2007 (each such date, an "Interest Payment Date"). In the event any Interest Payment Date on or before the Scheduled Maturity Date falls on a day that is not a Business Day, the interest payment due on that date will be postponed to the next day that is a Business Day and no interest shall accrue as a result of such postponement. If any Interest Payment Date after the Scheduled Maturity Date would otherwise fall on a day that is not a Business Day, such Interest Payment Date will be postponed to the following Business Day, unless such postponement would cause the day to fall in the next calendar month, in which case it shall be brought forward to the immediately preceding Business Day. Any installment of interest (or portion thereof) deferred in accordance with Section 2.1(g) or otherwise unpaid shall bear additional interest, to the extent permitted by law, at the rate of interest then in effect from time to time on the Debentures, from the relevant Interest Payment Date, compounded on each subsequent Interest Payment Date, until paid in accordance with Section 2.1(h).

(f) To Whom Interest is Payable. Interest (other than deferred interest which shall be payable to the Persons specified pursuant to Section 2.1(g)(ii)) shall be payable to the Person in whose name the Debentures are registered at the close of business on the Business Day next preceding the Interest Payment Date, or in the event the Debentures cease to be held in the form of one or more Global Securities, at the close of business on the date 15 days prior to that Interest Payment Date, whether or not a Business Day.

(g) Option to Defer Interest Payments.

(i) The Company shall have the right, at any time and from time to time prior to the Final Maturity Date, to defer the payment of interest on the Debentures for up to 40 consecutive Interest Periods; *provided* that no Deferral Period shall extend beyond the Final Maturity Date or the earlier redemption of the Debentures. If an Event of Default has occurred and is continuing or the Company has given notice of its election to defer interest payments but the Deferral Period has not yet commenced or a Deferral Period is continuing, the Company shall not, and shall not permit any Subsidiary, subject to the exceptions specified in clause (vii) of this Section 2.1(g), to: (a) declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any Capital Stock of the Company, (b) make any payment of principal of, or interest or premium, if any, on, or repay, purchase or redeem any debt securities of the Company that rank *pari passu* with or junior to the Debentures or (c) make any payments with respect to any Guarantee by the Company of securities of any Subsidiary if such Guarantee ranks *pari passu* with, or junior to, the Debentures.

(ii) At the end of any Deferral Period, the Company shall pay all deferred interest on the Debentures (together with compounded interest thereon, if any, to the extent permitted by applicable law), to the Person in whose name the Debentures are registered at the close of business on the Business Day next preceding the Interest Payment Date at the end of such Deferral Period or, in the event the Debentures cease to be held in the form of one or more Global Securities, at the close of business on the date 15 days prior to the end of the Deferral Period, whether or not a Business Day.

(iii) Upon termination of any Deferral Period and upon the payment of all deferred interest and any compounded interest then due on any Interest Payment Date, the Company may elect to begin a new Deferral Period pursuant to clause (i) of this Section 2.1(g).

(iv) The Company may elect to pay deferred interest on any Interest Payment Date during any Deferral Period to the extent permitted by Section 2.1(h).

(v) The Company shall give written notice to the Trustee and the Holders of the Debentures of its election to begin any Deferral Period at least one Business Day prior to the Regular Record Date for that Interest Payment Date. Notwithstanding the previous sentence, the Company's failure to pay any interest due within five Business Days after any Interest Payment Date shall automatically and without any further action by any Person be deemed to commence a Deferral Period.

(vi) If any Deferral Period lasts longer than one year, the Company shall not, and shall cause its Subsidiaries not to, purchase, redeem or otherwise acquire any securities ranking junior to or *pari passu* with any APM Qualifying Securities the proceeds of which were used to pay deferred interest during such Deferral Period until the first anniversary of the date on which all deferred interest has been paid, subject to the exceptions set forth in clause (vii) below. If the Company is involved in 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 neither the restrictions set forth in this clause (vi) nor the provisions of Section 2.1(h) shall apply to any Deferral Period that is terminated on the next Interest Payment Date following the date of consummation of the Business Combination.

(vii) The restrictions in clauses (i) and (vi) of this Section 2.1(g) do not apply to (a) purchases, redemptions or other acquisitions of shares of the Company's Capital Stock in connection with (1) any Employee Benefit Plan or the Assurance Agreement or (2) a dividend reinvestment, stock purchase plan or

other similar plan, (b) any exchange or conversion of any class or series of the Company's Capital Stock (or the Capital Stock of any Subsidiary) for any class or series of the Company's Capital Stock or of any class or series of Indebtedness of the Company for any class or series of the Company's Capital Stock, (c) the purchase of fractional interests in shares of the Capital Stock of the Company in accordance with the conversion or exchange provisions of the Company's Capital Stock or the security or instrument being converted or exchanged, (d) any declaration of a dividend in connection with any stockholders' right plan, or the issuance of rights, equity securities or other property under any stockholders' right plan, or the redemption or repurchase of rights in accordance with any stockholders' rights plan, (e) any dividend in the form of equity securities, warrants, options or other rights where the dividend stock or the stock issuable upon exercise of the warrants, options or other rights is the same stock as that on which the dividend is being paid or ranks *pari passu* with or junior to such equity securities, (f) any payment during a Deferral Period of current or deferred interest in respect of any debt securities of the Company that rank *pari passu* with the Debentures that is made *pro rata* to the amounts due on *pari passu* securities and the Debentures (*provided* that such payments are made in accordance with Section 2.1(h) to the extent it applies) and any payments of deferred interest on such *pari passu* securities that, if not made, would cause the Company to breach the terms of the instrument governing such *pari passu* securities, (g) any payment of principal in respect of *pari passu* securities having an earlier scheduled maturity date than the Debentures, as required under a provision of such *pari passu* securities that is substantially the same as Section 2.1(d) or any such payment in respect of any such *pari passu s*ecurities having the same scheduled maturity date as the Debentures that is made on a *pro rata* basis among one or more series of such securities and the Debentures or (h) any repayment or redemption of a security necessary to avoid a breach of the instrument governing that security.

(h) Payment of Deferred Interest. The Company shall not pay deferred interest (including compounded interest thereon) on the Debentures on any Interest Payment Date during any Deferral Period from any source other than Eligible APM Proceeds unless (x) required by an applicable regulatory authority, (y) permitted under clause (vi) of Section 2.1(g) or (z) an Event of Default has occurred and is continuing. Notwithstanding the foregoing, the Company may pay current interest during a Deferral Period from any available funds. To the extent that the Company is able to raise some, but not all, Eligible APM Proceeds to pay accrued and unpaid interest on the applicable Interest Payment Date, such Eligible APM Proceeds shall be allocated first to deferred payments of accrued and unpaid interest in chronological order based on the date each payment was first deferred. If any Indebtedness of the Company that ranks *pari passu* with the Debentures is outstanding in addition to the Debentures under which the Company is obligated to sell APM Qualifying Securities and apply the net proceeds to the payment of deferred interest or distributions, then on any date and for any period the amount of Eligible APM Proceeds received by the Company from such sales and

available for payment of the deferred interest and distributions shall be applied to the Debentures and such *pari passu* securities on a *pro rata* basis up to, in the case of Common Stock, the Stock and Warrant Issuance Cap and the Maximum Share Number, in the case of Qualifying Warrants, the Stock and Warrant Issuance Cap and the Maximum Warrant Number and, in the case of Qualifying Non-Cumulative Preferred Stock, the Preferred Stock Issuance Cap (or comparable provisions in the instruments governing such *pari passu* securities) in proportion to the total amounts that are due on the Debentures and such *pari passu* securities. The Company may make such *pro rata* payments on such *pari passu* securities so long as it shall have paid or deposited with the paying agent for the Debentures or shall have segregated and holds in trust for payment the *pro rata* proceeds applicable to the Debentures that have not been paid. The "Maximum Share Number" will initially equal 100,000,000 and the "Maximum Warrant Number" will initially equal 100,000,000; *provided* that, if the number of issued and outstanding shares of Common Stock is changed into a different number of shares or a different class by reason of any stock split, reverse stock split, stock dividend, reclassification, recapitalization, split-up, combination, exchange of shares or other similar transaction, then the Maximum Share Number and the Maximum Warrant Number shall be correspondingly adjusted in a manner reasonably determined by the Company. The Company may, at its discretion and without the consent of the holders of the Debentures, increase the Maximum Share Number or the Maximum Warrant Number or both (including through the increase of the Company's authorized share capital, if necessary) if the Company determines that such increase is necessary to allow the Company to issue sufficient Common Stock and/or Qualifying Warrants to pay deferred interest on the Debentures.

(i) Alternative Payment Mechanism. Immediately following any APM Commencement Date and until the termination of the related Deferral Period, the Company will be required to use Commercially Reasonable Efforts to sell APM Qualifying Securities until the Company has raised an amount of Eligible APM Proceeds at least equal to the aggregate amount of accrued and unpaid deferred interest on the Debentures (including compounded interest thereon) and applied such Eligible APM Proceeds on the next Interest Payment Date to the payment of deferred interest (including compounded interest thereon) in accordance with Section 2.1(h); *provided* that:

(1) the foregoing obligations shall not apply (i) to the issuance of Common Stock and Qualifying Warrants during the first 20 consecutive Interest Periods of any Deferral Period to the extent the number of shares of Common Stock issued and the number of shares of Common Stock subject to such Qualifying Warrants, together with the number of shares of Common Stock previously issued and the number of shares of Common Stock subject to Qualifying Warrants previously issued during such Deferral Period to pay interest on the Debentures pursuant to this Section 2.1(i), would, in the aggregate, exceed 2% of the total number of issued and outstanding shares of Common Stock as of the date of the Company's most recent publicly available consolidated financial statements on the date of determination (the "Stock and Warrant Issuance Cap")

or (ii) to the issuance of Qualifying Non-Cumulative Preferred Stock at any time to the extent the Eligible APM Proceeds raised from such issuance, together with the Eligible APM Proceeds of all prior issuances of Qualifying Non-Cumulative Preferred Stock pursuant to this Section 2.1(i) applied to pay deferred interest on the Debentures, would exceed $187,500,000 *plus* 25% of the sum of (i) the aggregate principal amount of any Debentures issued upon exercise of the underwriters' over-allotment option referred to in Section 2.1(b) and (ii) the aggregate principal amount of any Additional Debentures issued pursuant to Section 2.1(b) (the "Preferred Stock Issuance Cap");

(2) the foregoing obligations shall not apply in respect of any Interest Payment Date if the Company shall have provided to the Trustee (which the Trustee will promptly forward upon receipt to each Holder of the Debentures whose name appears in the Security Register) no more than 30 and no less than 10 Business Days prior to such Interest Payment Date an Officers' Certificate stating that (i) a Market Disruption Event occurred after the immediately preceding Interest Payment Date and (ii) either (A) the Market Disruption Event continued for the entire period from the Business Day immediately following the preceding Interest Payment Date to the Business Day immediately preceding the date on which such Officers' Certificate is provided or (B) the Market Disruption Event continued for only part of such period but the Company was unable after Commercially Reasonable Efforts to raise sufficient Eligible APM Proceeds during the rest of that period to pay all accrued and unpaid interest due on the Interest Payment Date with respect to which such Officers' Certificate is being delivered; and

(3) to the extent that the Company has raised some but not all Eligible APM Proceeds necessary to pay all deferred interest on any Interest Payment Date, such Eligible APM Proceeds shall be applied in accordance with Section 2.1(h).

Once the Company reaches the Stock and Warrant Issuance Cap for a Deferral Period, the Company will not be required to issue more shares of Common Stock or Qualifying Warrants under this Section 2.1(i) during the first 20 consecutive Interest Periods of such Deferral Period even if the Stock and Warrant Issuance Cap subsequently increases because of a subsequent increase in the number of outstanding shares of Common Stock. The Stock and Warrant Issuance Cap will cease to apply after the conclusion of 20 consecutive Interest Periods following the commencement of any Deferral Period, at which point the Company must pay any deferred interest, regardless of the time at which it was deferred pursuant to Section 2.1(h), subject to the limitations in Section 2.1(g), the Preferred Stock Issuance Cap, the Maximum Share Number, the Maximum Warrant Number and any Market Disruption Event. In addition, if the Stock and Warrant Issuance Cap is reached during a Deferral Period and the Company subsequently pays all deferred interest, the Stock and Warrant Issuance Cap will cease to apply at the termination of such Deferral Period, reset to zero and will not apply again

unless and until the start of a new Deferral Period. The Preferred Stock Issuance Cap shall not reset to zero even if the Company pays all deferred interest for a Deferral Period, and the Eligible APM Proceeds from sales of Qualifying Non-Cumulative Preferred Stock applied pursuant to Section 2.1(h) during such Deferral Period and all prior Deferral Periods cumulate as Qualifying Non-Cumulative Preferred Stock is issued to pay deferred interest. The Company will not be excused from its obligations under this Section 2.1(i) if it determines not to pursue or complete the sale of APM Qualifying Securities due to pricing, dividend rate or dilution considerations.

(j) Events of Default. The Debentures shall not be entitled to the benefits of the Events of Default in clauses (1) through (4) of Section 501 of the Indenture. The Debentures shall be entitled to the benefits of the Events of Default in clauses (5) and (6) of Section 501 of the Indenture. The following events shall be Events of Default with respect to the Debentures (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article Fourteen of the Indenture or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of interest, including compounded interest, in full on any Debenture for a period of 30 days after the conclusion of 40 consecutive Interest Periods following the commencement of any Deferral Period;

(2) default in the payment of the principal of the Debentures at the Final Maturity Date or upon a call for redemption;

Except as provided in this paragraph (j), no breach or default by the Company of any other covenant or obligation under the Indenture or the terms of the Debentures shall constitute an Event of Default.

(k) Acceleration of Maturity; Rescission of Amendment. The remedies provided to the Trustee and Holders by Section 502 of the Indenture will apply only to an Event of Default under clause (1) of Section 2.1(j). If an Event of Default specified in Section 501(5) or 501(6) of the Indenture occurs, then in every such case the principal amount of all the Debentures shall automatically become due and payable immediately, without any declaration or other action on the part of the Trustee or any Holder. An Event of Default in clause (2) of Section 2.1(j) shall not entitle the Holders to the benefits of Section 502 of the Indenture.

(l) Collection of Indebtedness and Suits From Enforcement by Trustee. The Debentures shall not have the benefits of the first paragraph of Section 503 of the Indenture.

(m) Limitation on Suits. For purposes of the Debentures, Section 507 of the Indenture is hereby amended (i) by adding “or Enforcement Event” after “Event of Default” in clause (1) thereof, and (ii) by adding at the end of clause (2) thereof: “or the

Holders of no less than a majority in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Enforcement Event in its own name as Trustee hereunder;"

(n) Unconditional Right of Holders to Receive Principal, Premium and Interest. For purposes of the Debentures, Section 508 of the Indenture is hereby amended and restated in its entirety:

"Notwithstanding any other provision in this Indenture or the Fourth Supplemental Indenture, the Holder of any Debenture shall have the right, which is absolute and unconditional, to receive payment of the principal of and any premium and (subject to Section 2.1(g)(ii) of the Fourth Supplemental Indenture and Section 307 of the Indenture) interest on such Debenture when due, it being understood (i) that, in the case of a Deferral Period, interest shall only become due and payable at the time and in the manner provided for in Sections 2.1(g) and (h) of the Fourth Supplemental Indenture, and interest shall, in the case of Section 2.1(i) of the Fourth Supplemental Indenture, only become due and payable in the amount determined in accordance with such Section, and (ii) that the extent to which Holders have a right to receive payment of principal on any Repayment Date is determined in accordance with Section 2.1(d) of the Fourth Supplemental Indenture. Any Holder's right to institute suit for the enforcement of any such payment, and such rights referred to in this Section 508 shall not be impaired without the consent of such Holder."

For the purposes of Section 316(b) of the Trust Indenture Act, it is understood and agreed that no payment of principal or interest shall be deemed due and payable under the provisions of Sections 2.1(d), 2.1(g)(ii) and 2.1(h) until the Company has received Eligible Repayment Proceeds or Eligible APM Proceeds, respectively, to pay such principal or interest.

(o) Waiver of Past Defaults. Notwithstanding anything to the contrary in Section 513 of the Indenture, for the purposes of the Debentures, a past default that is an Event of Default under Section 501(5) or 501(6) of the Indenture cannot be waived, with respect to the Debentures and its consequences, without the consent of each Holder of the Debentures.

(p) Notice of Defaults and Enforcement Events. For purposes of the Debentures, Section 602 of the Indenture is hereby amended (i) by adding "and Enforcement Events" after "Defaults" in the header thereof, and (ii) by adding "or Enforcement Event" after "default" in the first and second line of such Section.

(q) Redemption. The Debentures shall be redeemable in accordance with Article Eleven of the Indenture, *provided* that the Debentures are redeemable at the Company's option, (i) in whole or in part on any Interest Payment Date on or after June 15, 2012, at 100% of their principal amount, (ii) in whole but not in part at any time prior to June 15, 2012 upon the occurrence of a Tax Event at 100% of their principal amount

and (iii) in whole but not in part at any time prior to June 15, 2012 upon the occurrence of a Rating Agency Event at (1) 100% of their principal amount or (2) if greater, the Make-Whole Redemption Price, in the case of each of clauses (i) through (iii) plus accrued and unpaid interest to the Redemption Date. For purposes of the Debentures, the first sentence of Section 1104 of the Indenture is replaced in its entirety with the following: "Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 10 nor more than 60 days prior to the Redemption Date, to each Holders of Securities to be redeemed, at his address appearing in the Security Register."

(r) Replacement Capital Covenant. The Company shall not modify the Replacement Capital Covenant to (A) amend the definitions incorporated into this Fourth Supplemental Indenture pursuant to Section 1.2.3(b) in a manner adverse to the Holders or (B) impose additional restrictions on the type or amount of Qualifying Capital Securities that the Company may include for purposes of determining the extent to which repayment, redemption, defeasance or repurchase of the Debentures is permitted, except with the consent of the holders of a majority of the principal amount of Outstanding Debentures. Except as expressly provided in the preceding sentence, the Company may modify the Replacement Capital Covenant at any time and in any manner without the consent of the Holders of the Debentures.

(s) Limitation on Claims in the Event of Bankruptcy, Insolvency or Receivership. To the extent permitted by law, each Holder, by such Holder's acceptance of the Debentures, agrees that if a Bankruptcy Event shall occur prior to the redemption, repayment or defeasance of such Debentures, such Holder shall only have a claim for deferred and unpaid interest (including compounded interest thereon) to the extent such interest (including compounded interest thereon) relates to the earliest two years of the portion of the Deferral Period for which interest has not been paid.

(t) Sinking Fund; Holder Repurchase Right. The Debentures shall not be subject to any sinking fund or analogous provision or be redeemable at the option of the Holders.

(u) Forms. The Debentures shall be substantially in the form of Annex A attached hereto, with such modifications thereto as may be approved by the authorized officer executing the same.

(v) Subordination. The Debentures shall be subject to Article XIV of the Indenture, subject to the following modifications:

(i) For *purposes* of the Debentures, the "or" before clause (iii) of the definition of Senior Debt in the Indenture is deleted, the following clauses are added to the definition of Senior Debt in the Indenture after the word "contracts," in clause (iii) for purposes of the Debentures:

", (iv) any subordinated or junior subordinated debt that by its terms is not expressly *pari passu* or subordinated to the Debentures, (v) any Guarantee of any

indebtedness, obligation or security issued by any Person that is an Affiliate of the Company and such Person is viewed by the Company as a vehicle to finance its operations, and (vi) Indebtedness of the Company to its Subsidiaries"; and

(ii) For purposes of the Debentures, the following provision is added to the end of the definition of Senior Debt in the Indenture after the word "Securities": "*provided* that (a) trade account payables and accrued liabilities arising in the ordinary course of the Company's business, (b) the Company's 6.25% Series A-1 Junior Subordinated Debentures, 5.75% Series A-2 Junior Subordinated Debentures and 4.875% Series A-3 Junior Subordinated Debentures and (c) any other indebtedness, Guarantee or other obligation that is specifically designated as being subordinate, or not superior, in right of payment to the Debentures, shall not be considered Senior Debt".

(iii) For *purposes* of the Debentures, the provisions of Section 1404 of the Indenture shall only apply in the case where (A) there has been an event of default with respect to Senior Debt within the meaning of clause (i) of the definition of Senior Debt, (B) the principal amount of such Senior Debt has been accelerated, (C) the outstanding principal amount of Senior Debt at the time of acceleration is at least $100,000,000 and (D) the event of default or acceleration has not been cured, waived, or otherwise ceased to exist. In no other case and to no other Senior Debt shall Section 1404 apply.

(iv) The Debentures shall rank *pari passu* with the Company's 6.25% Series A-1 Junior Subordinated Debentures, 5.75% Series A-2 Junior Subordinated Debentures and 4.875% Series A-3 Junior Subordinated Debentures (the "Outstanding Parity Securities").

(w) Registrar, Paying Agent, Authenticating Agent and Place of Payment. The Company hereby appoints the Bank of New York as Security Registrar, Authenticating Agent and Paying Agent with respect to the Debentures. The Debentures may be surrendered for registration of transfer and for exchange at the office or agency of the Company maintained for such purpose in the City of New York, New York and at any other office or agency maintained by the Company for such purpose. The Place of Payment for the Debentures shall be the Paying Agent's office in New York, New York.

(x) Defeasance. Until the Scheduled Maturity Date, the Debentures will be subject to Sections 1302 and 1303 of the Indenture.

ARTICLE THREE

REPAYMENT OF THE DEBENTURES

3.1. Repayment

The Company shall, not more than 30 nor less than 10 Business Days prior to each Repayment Date (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of the principal amount of Debentures to be repaid on such date pursuant to Section 2.1(d).

3.2. Selection of Securities to be Repaid

If less than all the Debentures are to be repaid on any Repayment Date, the particular Debentures to be repaid shall be selected not more than 30 days prior to such Repayment Date by the Trustee, from the Outstanding Debentures not previously repaid or redeemed or as to which notice of repayment or redemption has been given, by such other method as the Trustee may deem fair and appropriate and which may provide for the selection for repayment of a portion of the principal amount of any Debenture, *provided* that the portion of the principal amount of any Debenture not repaid shall be in an authorized denomination (which shall not be less than the minimum authorized denomination).

The Trustee shall promptly notify the Company in writing of the Debentures selected for partial repayment and the principal amount thereof to be repaid. For all purposes hereof, unless the context otherwise requires, all provisions relating to the repayment of Debentures shall relate, in the case of any Debenture repaid or to be repaid only in part, to the portion of the principal amount of such Debenture which has been or is to be repaid.

3.3. Notice of Repayment

Notice of repayment shall be given by first-class mail, postage prepaid, mailed at least 10 calendar days, but no more than 15 calendar days, prior to the Repayment Date, to each Holder of Debentures to be repaid, at the address of such Holder as it appears in the Security Register.

Each notice of repayment shall identify the Debentures to be repaid (including CUSIP number, if a CUSIP number has been assigned to the Debentures) and shall state:

(a) the Repayment Date;

(b) if less than all Outstanding Debentures are to be repaid, the identification (and, in the case of partial repayment, the respective principal amounts) of the particular Debentures to be repaid;

(c) that on the Repayment Date, the principal amount of the Debentures or portions thereof to be repaid will become due and payable, and that interest thereon, if any, shall cease to accrue on and after said date;

(d) whether any deferred interest shall remain outstanding on any Debentures to be repaid, and if so, the amount of such deferred interest and that compound interest thereon shall continued to accrue on and after said date until paid; and

(e) the place or places where such Debentures are to be surrendered for payment of the principal amount thereof.

Notice of repayment shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company and shall be irrevocable.

3.4. Deposit of Repayment Amount

Prior to 10:00 a.m., New York City time, on the Repayment Date specified in the notice of repayment given as provided in Section 3.3, the Company will deposit with the Trustee or with one or more Paying Agents (or if the Company is acting as its own Paying Agent, the Company will segregate and hold in trust as provided in Section 1003 of the Indenture) an amount of money sufficient to pay the principal amount of, and (except to the extent the payment of such accrued interest shall be prohibited pursuant to Section 2.1(h)) any accrued interest (including compounded interest) on, all the Debentures which are to be repaid on that date.

3.5. Payment of Debentures Subject to Repayment

If any notice of repayment has been given as provided in Section 3.3, the Debentures or portion of the Debentures with respect to which such notice has been given shall become due and payable on the Repayment Date. On presentation and surrender of such Debentures as provided in the notice of repayment, such Debentures or the specified portions thereof shall be paid by the Company at their principal amount, together with accrued interest (including any compounded interest) to the Repayment Date (except to the extent the payment of such accrued interest shall be prohibited pursuant to Section 2.1(h)); *provided* that, except in the case of a repayment in full of all Outstanding Debentures, installments of interest whose Stated Maturity is on or prior to the Repayment Date will be payable to the Holders of such Debentures, or one or more Predecessor Securities, registered as such at the close of business on the relevant Regular Record Dates according to their terms and the provisions of Section 307 of the Indenture and Section 2.1(g)(ii) of this Fourth Supplemental Indenture.

Section 1107 of the Indenture shall apply to any Debenture repaid in part pursuant to this Article III.

If any Debenture subject to repayment shall not be so repaid upon surrender thereof, the principal of such Debenture shall, until paid, bear interest from the applicable Repayment Date at the rate prescribed therefore in the Debenture.

ARTICLE FOUR

MISCELLANEOUS

Section 4.1 Relationship to Existing Indenture

The Fourth Supplemental Indenture is a supplemental indenture within the meaning of the Indenture. The Indenture, as supplemented and amended by this Fourth Supplemental Indenture, is in all respects ratified, confirmed and approved and, with respect to the Debentures, the Indenture, as supplemented and amended by this Fourth Supplemental Indenture, shall be read, taken and construed as one and the same instrument.

Section 4.2 Modification of the Existing Indenture

Except as expressly modified by this Fourth Supplemental Indenture, the provisions of the Indenture shall govern the terms and conditions of the Debentures.

Section 4.3 Governing Law

This instrument shall be governed by and construed in accordance with the laws of the State of New York.

Section 4.4 Counterparts

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 4.5 Trustee Makes No Representation

The recitals contained herein are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Fourth Supplemental Indenture (except for its execution thereof and its certificates of authentication of the Debentures).

In Witness Whereof, the parties hereto have caused this Fourth Supplemental Indenture to be duly executed and attested all as of the day and year first above written.

AMERICAN INTERNATIONAL GROUP, INC.

By /s/ Robert A. Gender
Name: Robert A. Gender
Title: Vice President and Treasurer

Attest:

/s/ Kathleen E. Shannon

THE BANK OF NEW YORK,
as Trustee

By /s/ Julie Salovitch-Miller
Name: Julie Salovitch-Miller
Title: Vice President

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

AMERICAN INTERNATIONAL GROUP, INC.

No. CUSIP No.:

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American International Group, Inc., a corporation duly organized and existing under the laws of Delaware (herein called the "Company", which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to Cede & Co., or registered assigns, the principal sum of l Dollars ($l) on June 15, 2077, or if such day is not a Business Day, the following Business Day (the "Final Maturity Date"); *provided* that the principal amount of, and all accrued and unpaid interest on, this Security shall be payable in full on June 15, 2047, or if such day is not a Business Day, the next Business Day (the "Scheduled Maturity Date"), or any subsequent Interest Payment Date (as hereinafter defined) to the extent set forth in the Indenture hereinafter referred to. As provided in the Indenture, the principal of this Security is payable on the Scheduled Maturity Date only to the extent the Company has raised sufficient Eligible Repayment Proceeds. The Company's obligation to raise Eligible Repayment Proceeds is subject to certain limitations and restrictions described in the Fourth Supplemental Indenture hereinafter referred to. In connection with the issuances of this Security, the Company has entered into a Replacement Capital Covenant that contains restrictions on the Company's ability to repay the principal of this Security.

This Security shall bear interest (i) from and including l, 20 l to, but excluding the Scheduled Maturity Date, payable (subject to deferral as set forth herein and in the Indenture) at the rate of 6.45% *per annum* quarterly in arrears on March 15, June 15, September 15 and December 15 in each year, commencing l, 20 l (computed on the basis of a 360-day year comprised of twelve 30-day months), and (ii) from and including the Scheduled Maturity Date, at an annual rate equal to Three-month LIBOR (as defined in the Indenture) plus 1.82% (computed on the basis of a 360-day year and the actual number of days elapsed), payable (subject to deferral as set forth herein and in the Indenture) quarterly in arrears on March 15, June 15, September 15 and December 15 in each year, commencing September 15, 2047, until the principal hereof is paid or made available for payment (each such date referred to in clause (i) or (ii), an "Interest Payment Date"). In the event that any Interest Payment Date on or before the Scheduled Maturity Date would otherwise fall on a day that is not a Business Day, the interest payment due on that date shall be postponed to the next day that is a Business Day and no interest shall accrue as a result of that postponement. In the event that any Interest Payment Date after the Scheduled Maturity Date would otherwise fall on a day that is not a Business Day, that Interest Payment Date shall be postponed to the next day that is a Business Day; however, if the postponement would cause the day to fall in the next calendar month, the Interest Payment Date will instead be brought forward to the immediately preceding Business Day. Any installment of interest (or portion thereof) deferred in accordance with the Indenture or otherwise unpaid on the relevant Interest Payment Date shall bear interest, to the extent permitted by law, at the rate of interest then in effect on this Security, from the relevant Interest Payment Date, compounded on each subsequent Interest Payment Date, until paid in accordance with the Indenture.

A "Business Day" shall mean any day other than (i) a Saturday, 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 and (ii) on or after the Scheduled Maturity Date, a day which is not a London Banking Day.

The interest (other than deferred interest) so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered (i) at the close of business on the Business Day next preceding the Interest Payment Date if this Security is issued in the form of a Global Security, or (ii) the close of business on the fifteenth day (whether or not a Business Day) next preceding such Interest Payment Date if this Security is not issued in the form of a Global Security. Any such interest not so punctually paid or duly provided for (other than deferred interest) will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

Any deferred interest shall be payable to the holder of record of this Security as provided below.

The Company shall have the right, at any time and from time to time, prior to the Final Maturity Date to defer the payment of interest on this Security for one or more consecutive Interest Periods that do not exceed 40 consecutive Interest Periods; *provided* that no Deferral Period shall extend beyond the Final Maturity Date or the earlier redemption of the Securities of this series. As provided in the Indenture, the payment of deferred interest is subject to the Company's ability to raise Eligible APM Proceeds. The Company's obligation to raise Eligible APM Proceeds is subject to certain limitations, restrictions and exceptions described in the Fourth Supplemental Indenture.

At the end of any Deferral Period, the Company shall pay all deferred interest on this Security (together with compounded interest thereon, if any, to the extent permitted by applicable law), to the Person in whose name this Security is registered at the close of business on the Business Day next preceding the Interest Payment Date at the end of such Deferral Period or, in the event this Security ceases to be held in the form of a Global Security, at the close of business on the date 15 days prior to the end of the Deferral Period, whether or not a Business Day. Upon termination of any Deferral Period and upon the payment of all deferred interest and any compounded interest then due on any Interest Payment Date, the Company may elect to begin a new Deferral Period, subject to the above requirements and those in the Indenture. The Company may elect to pay deferred interest on any Interest Payment Date during any Deferral Period to the extent permitted, and shall pay deferred interest (including compounded interest thereon) to the extent required, by the Indenture.

To the extent permitted by law, each Holder of this Security, by such Holder's acceptance of this Security agrees that if a Bankruptcy Event shall occur prior to the redemption or repayment of this Security, such Holder shall only have a claim for deferred and unpaid interest (including compounded interest thereon) to the extent such interest (including compounded interest thereon) relates to the earliest two years of the portion of the Deferral Period for which interest has not so been paid.

The Company shall give written notice to the Trustee and the Holders of this Security of its election to begin any Deferral Period at least one Business Day prior to the Regular Record Date for that Interest Payment Date, *provided, however*, that the Company's failure to pay any interest due within five Business Days after any Interest Payment Date shall automatically and without any further action by any Person be deemed to commence a Deferral Period.

Payment of the principal of (and premium, if any) and interest on this Security will be made at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated:

AMERICAN INTERNATIONAL GROUP, INC.

By: _____
Name:
Title:

Attest:

_____

[Secretary or Assistant Secretary]

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated:

THE BANK OF NEW YORK,
as Trustee

By: _____
Name:
Title:

(Signature Page for Series A-4 Security)

REVERSE OF SECURITY

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under a Junior Subordinated Debt Indenture, dated as of March 13, 2007 (herein called the "Base Indenture"), which term shall have the meaning assigned to it in such instrument, as supplemented by a Fourth Supplemental Indenture, dated as of June 7, 2007 (herein called the "Fourth Supplemental Indenture" and, together with the Base Indenture, the "Indenture"), in each case, between the Company and The Bank of New York, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, the holders of Senior Debt and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof limited in aggregate principal amount to $750,000,000 (except for Securities authenticated and delivered upon registration or transfer of, or exchange for, or in lieu of, other Securities pursuant to Section 304, 305, 306, 906, or 1107 of the Base Indenture or Section 3.5 of the Fourth Supplemental Indenture); *provided*, that the Company may authenticate and deliver up to an additional $112,500,000 principal amount of Debentures pursuant to the exercise of the underwriters' over-allotment option under the Underwriting Agreement, dated as of May 31, 2007, between the Company and Citigroup Global Markets Inc., Merrill, Lynch, Pierce, Fenner & Smith Incorporated , Morgan Stanley & Co. Incorporated, UBS Securities LLC and Wachovia Capital Markets, LLC, as representatives of the several underwriters; *provided*, *further*, that the Company may from time to time authenticate and deliver under the Indenture and the Fourth Supplemental Indenture additional Securities (any such additional Securities, the "Additional Securities") in addition to the $750,000,000 principal amount previously provided for and in addition to the principal amount of any Securities delivered pursuant to the exercise of the underwriters' over-allotment option, so long as the aggregate principal amount of Securities delivered under the Indenture and the Fourth Supplemental Indenture does not exceed $1,237,500,000, which Additional Securities may accrue interest from a different date than this Security, as may be specified pursuant to Section 301 of the Base Indenture, so long as the company reasonably determines that the Additional Securities so authenticated and delivered will be fungible for United States federal income tax purposes.

All terms used in this Security that are defined in the Indenture shall have the meanings assigned to them in the Indenture.

The Securities of this series are subject to redemption upon not less than 10 days nor more than 60 days' prior notice by first class mail, postage pre-paid, to each Holder of Securities to be redeemed, (i) on any Interest Payment Date on or after June 15, 2012, in whole or in part, at the option of the Company, at 100% of the principal amount thereof, (ii) prior to June 15, 2012, in whole but not in part upon the occurrence of a Tax Event, at 100% of the principal amount thereof or (iii) prior to June 15, 2012, in whole

but not in part upon the occurrence of a Rating Agency Event at (A) 100% of the principal amount thereof or (B) the Make-Whole Redemption Price, if greater, in any such case, plus accrued and unpaid interest to the Redemption Date.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

The indebtedness evidenced by this Security is, to the extent provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Debt, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his or her behalf to take such actions as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee as his or her attorney-in-fact for any and all such purposes. Each Holder hereof, by his or her acceptance hereof, waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Debt, whether now outstanding or hereafter created, incurred, assumed or Guaranteed, and waives reliance by each such holder of Senior Debt upon said provisions.

The Indenture contains provisions for defeasance of the entire indebtedness of this Security at any time prior to the Scheduled Maturity Date upon compliance with certain conditions set forth in the Indenture.

The Securities of this series are entitled to the benefits of the Events of Default described in Section 2.1(j) of the Fourth Supplemental Indenture and the Enforcement Events as defined in the Fourth Supplemental Indenture. The Holder of this Security and the Trustee shall be entitled to the remedies provided by Section 502 of the Base Indenture only if an Event of Default specified in clause (1) of Section 2.1(j) of the Fourth Supplemental Indenture shall occur with respect to the Securities of this series. If an Event of Default specified in Section 501(5) or Section 501(6) of the Base Indenture shall occur with respect to the Securities of this series, then in every such case the principal amount of all the Securities of this series shall become automatically due and payable immediately, without any declaration or other action on the part of the Trustee or any Holder. An Event of Default specified in clause (2) of Section 2.1(j) of the Fourth Supplemental Indenture shall not entitle the Holders to the benefits of Section 502 of the Base Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified

percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default or Enforcement Event with respect to the Securities of this series, the Holders of not less than 25% (or, in the case of an Enforcement Event, a majority) in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default or Enforcement Event, as the case may be, as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates to the extent provided by Section 2.1(n) of the Fourth Supplemental Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $25.00 and integral multiples of $25.00 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Company and, by its acceptance of this Security or a beneficial interest therein, the Holder of, and any Person that acquires beneficial interest in, this Security agree that, for United States federal, state and local tax purposes, it is intended that this Security constitute indebtedness.

THE BASE INDENTURE, THE FOURTH SUPPLEMENTAL INDENTURE AND THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

[LETTERHEAD OF SULLIVAN & CROMWELL LLP]

June 7, 2007

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

Ladies and Gentlemen:

In connection with the several purchases today by the Underwriters named in Schedule I to the Underwriting Agreement, dated May 31, 2007 (the "Underwriting Agreement"), between American International Group, Inc., a Delaware corporation (the "Company"), and Citigroup Global Markets Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, UBS Securities LLC and Wachovia Capital Markets, LLC, as representatives of the several Underwriters named therein, of $750,000,000 aggregate principal amount of the Company's 6.45% Series A-4 Junior Subordinated Debentures (the "Securities") issued pursuant to the Junior Subordinated Debt Indenture, dated as of March 13, 2007, as supplemented by the Fourth Supplemental Indenture, dated June 7, 2007 (together, the "Indenture"), between the Company and The Bank of New York, as Trustee (the "Trustee"), we, as counsel for the Company, have examined such corporate records, certificates and other documents, and such questions of law, as we have considered necessary or appropriate for the purposes of this opinion. Upon the basis of such examination, it is our opinion that:

(1) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware.

(2) The Securities constitute valid and legally binding obligations of the Company, subject to bankruptcy,

insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

The foregoing opinion is limited to the laws of the State of New York and the General Corporation Law of the State of Delaware, and we express no opinion as to the effect of the laws of any other jurisdiction.

We have relied as to certain matters upon information obtained from public officials, officers of the Company and other sources believed by us to be responsible, and we have assumed that the Indenture has been duly authorized, executed and delivered by the Trustee, that the Securities conform to the specimen thereof examined by us, that the Trustee's certificates of authentication of the Securities have been manually signed by one of the Trustee's authorized officers, and that the signatures on all documents examined by us are genuine, assumptions which we have not independently verified.

We hereby consent to the filing of this opinion as an exhibit to this Current Report on Form 8-K. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933.

Very truly yours,

/s/ Sullivan & Cromwell LLP

Exhibit 8.1

June 7, 2007

American International Group, Inc.
70 Pine Street
New York, NY 10270

Ladies and Gentlemen:

As special tax counsel to American International Group, Inc. in connection with the issuance of 6.45% Series A-4 Junior Subordinated Debentures, as described in the prospectus supplement, dated May 31, 2007, (the "Prospectus Supplement"), we hereby confirm to you our opinion as set forth under the heading "Certain United States Federal Income Tax Consequences" in the Prospectus Supplement, subject to the limitations set forth therein.

We hereby consent to the filing of this opinion as an exhibit to the Prospectus Supplement and to the reference to us under the heading "Certain Federal Income Tax Consequences" in the Prospectus Supplement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933.

Very truly yours,

/s/ SULLIVAN & CROMWELL LLP

Exhibit 99.1

Replacement Capital Covenant, dated as of June 7, 2007 (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 $750,000,000 aggregate principal amount of its Series A-4 Junior Subordinated Debentures due June 15, 2077 (the "*Debentures*").

B. This Replacement Capital Covenant is the "Replacement Capital Covenant" referred to in the Prospectus Supplement, dated May 31, 2007 (the "*Prospectus Supplement*"), relating to the Debentures.

C. 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.

D. 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 have sustained 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 Repurchase of Debentures*. The Corporation hereby promises and covenants to and for the benefit of each Covered Debtholder that the Corporation shall not repay, redeem, defease or purchase, and no Subsidiary of the Corporation shall purchase, all or any part of the Debentures prior to June 15, 2057, except to the extent that the principal amount repaid or defeased or 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 Exchangeable for Common Equity, Debt Exchangeable for Preferred Equity 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 as consideration for property or assets in an arm's-length transaction or 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 repayment, redemption or other acquisition of any Debentures that the Corporation has previously defeased in accordance with this Replacement Capital Covenant.

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 C, 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) June 15, 2057, (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). Moreover, if an event of default under the Supplemental Indenture resulting in an acceleration of the Debentures occurs, this Replacement Capital Covenant shall, without any further action, immediately terminate upon such acceleration. 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 Exchangeable for Common Equity, Mandatorily Convertible Preferred Stock and/or Rights to acquire Common Stock as Replacement Capital Securities if, after the date of the Prospectus Supplement, 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 Exchangeable for Common Equity, 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.

(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 Debentures is a third party beneficiary of this Replacement Capital Covenant, it being understood that such holders may have rights under the Subordinated Indenture.

(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/ Robert A. Gender
Name: Robert A. Gender
Title: Vice President and Treasurer

Annex I

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 Preferred Cap in the case of APM Qualifying Securities that are Qualifying Non-Cumulative 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) if deferral of Distributions continues for more than one year, 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 Rights to acquire Common Stock, 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 Rights to acquire Common Stock 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 Perpetual 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 thereof 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 and Rights to acquire Common Stock,

in each case to a maximum issuance cap to be set at the Corporation's discretion and otherwise substantially similar to the "maximum share number" and "maximum warrant number", respectively, each as defined in the Prospectus Supplement, *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 Perpetual 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 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; or

(ii) Rights to acquire Common Stock; and

(iii) Qualifying Non-Cumulative Preferred Stock;

provided that if the APM Qualifying Securities for any Alternative Payment Mechanism or Mandatory Trigger Provision include both Common Stock and Rights to acquire Common Stock, such Alternative Payment Mechanism or Mandatory Trigger Provision may permit, but need not require, the Corporation's issuance of Rights to acquire Common Stock.

"*Applicable Percentage*" means:

(i) in the case of any Common Stock or Rights to acquire Common Stock (a) 133.33% with respect to any repayment, redemption or purchase prior to June 15, 2027, (b) 200% with respect to any repayment, redemption or purchase on or after June 15, 2027 and prior to June 15, 2047 and (c) 400% with respect to any repayment, redemption or purchase on or after June 15, 2047;

(ii) in the case of any Mandatorily Convertible Preferred Stock, Debt Exchangeable for Common Equity, Debt Exchangeable for Preferred Equity or any Qualifying Capital Securities described in clause (i) of the definition of that term, (a) 100% with respect to any repayment, redemption or purchase prior to June 15, 2047, and (b) 300% with respect to any repayment, redemption or purchase on or after June 15, 2047;

(iii) in the case of any Qualifying Capital Securities described in clause (ii) of the definition of that term, (a) 100% with respect to any repayment, redemption or purchase on or after June 15, 2027 and prior to June 15, 2047 and (b) 200% with respect to any repayment, redemption or purchase on or after June 15, 2047; and

(iv) in the case of any Qualifying Capital Securities described in clause (iii) of the definition of that term, 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, 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 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.

"*Business Day*" means each day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in New York, New York are authorized or required by law or executive order to remain closed or, on or after June 15, 2047, a day that is not a London business day. A "*London business day*" is any day on which dealings in U.S. dollars are transacted in the London interbank market.

"*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*" has the meaning specified in Recital A.

"*Debt Exchangeable for Common Equity*" 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) subordinated 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 subordinated 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 subordinated 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 subordinated debt securities or other collateral directly or indirectly pledged by the holders in the Debt Exchangeable for Common Equity.

"*Debt Exchangeable for Preferred Equity*" means a security or combination of securities (together in this definition, "*securities*") that:

(i) gives the holder a beneficial interest in (a) subordinated debt securities of the Corporation or one of its Subsidiaries (in this definition, the "issuer") permitting the issuer to defer Distributions in whole or in part on such securities for one or more Distribution Periods of up to at least seven years without any remedies other than Permitted Remedies and that are the most junior subordinated debt of the issuer (or rank *pari passu* with its most junior subordinated debt) and (b) a fractional interest in a stock purchase contract that obligates the holder to acquire a beneficial interest in Qualifying Non-Cumulative Preferred Stock;

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

(iii) includes a remarketing feature pursuant to which such subordinated debt securities of the issuer are remarketed to new holders commencing within five years from the date of issuance of such subordinated debt securities or earlier in the event of an early settlement event based on (a) the Corporation's capital ratios or (b) the dissolution of the issuer;

(iv) provides for the proceeds raised in the remarketing to be used to purchase Qualifying Non-Cumulative Preferred Stock under the stock purchase contracts and, if there has not been a successful remarketing by the first Distribution Date that is six years after the date of issuance of such subordinated debt securities of the issuer, provides that the stock purchase contracts will be settled by the Corporation exercising its remedies as a secured party with respect to such subordinated debt securities or other collateral directly or indirectly pledged by holders of the Debt Exchangeable for Preferred Equity;

(v) includes a Qualifying Replacement Capital Covenant that shall also apply to any Qualifying Non-Cumulative Preferred Stock issued pursuant to the stock purchase contracts; *provided* that such Qualifying Replacement Capital Covenant shall not include Debt Exchangeable for Common Equity or Debt Exchangeable for Preferred Equity as "Replacement Capital Securities" for such securities; and

(vi) if applicable, after the issuance of such Qualifying Non-Cumulative Preferred Stock, provides the holders with a beneficial interest in such Qualifying Non-Cumulative Preferred Stock.

"*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 Debentures 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 of the Corporation

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.

"*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) require, or at its option in the case of non-cumulative perpetual preferred stock permit, the issuer of such securities to make payment of Distributions on such securities only pursuant to the issuance and sale of APM Qualifying Securities, within two years of a failure to satisfy one or more financial tests set forth in the terms of such securities or related transaction agreements, in an amount such that the net proceeds of such sale at least equal the amount of unpaid Distributions on such securities (including without limitation all deferred and accumulated amounts) and in either case require the application of the net proceeds of such sale to pay such unpaid Distributions on those securities, *provided* that (A) if the Mandatory Trigger Provision does not require such issuance and sale within one year of such failure, the amount of common stock or rights to acquire common stock the net proceeds of which the issuer must apply to pay such Distributions pursuant to such provision may not exceed the Common Cap, and (B) the amount of Qualifying Non-Cumulative 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) include a Repurchase Restriction if the provisions described in clause (i) do not require such issuance and sale within one year of such failure; and

(iii) 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

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

provided (and it being understood) that:

(1) the issuer 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 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 Events*" means one or more events or circumstances substantially similar to those listed as "Market Disruption Events" in the Supplemental Indenture.

"*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 Rights to acquire Common Stock, 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 repayment, redemption, defeasance or purchase of the Debentures (i) on or prior to June 15, 2047, the date 180 days prior to delivery of notice of such repayment, defeasance or redemption or the date of such purchase and (ii) after June 15, 2047, the date 90 days prior to the date of such repayment, redemption, defeasance or purchase, except that, if during the 90 days (or any shorter period) preceding the date that is 90 days prior to the date of such repayment, redemption, defeasance or purchase, net cash proceeds described above were received but no repayment, redemption, defeasance or purchase was made in connection therewith, the measurement date shall be the date upon which such 90-day (or shorter) period prior to the 90-day period prior to the date such repayment, redemption, defeasance or purchase began.

"*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, prior to the effectiveness of Section 3(a)(62) of the Securities Exchange Act, any nationally recognized statistical rating organization within the meaning of Rule 15c3-1

under the Securities Exchange Act and, after the effectiveness of Section 3(a)(62) of the Securities Exchange Act, 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.

"*Prospectus Supplement*" has the meaning specified in Recital B.

"*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) in connection with any repayment, redemption or purchase of Debentures prior to June 15, 2027:

(A) 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 60 years and (4) are subject to a Qualifying Replacement Capital Covenant;

(B) 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 60 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

(C) 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 40 years, (3) are subject to a Qualifying Replacement Capital Covenant and (4) have a Mandatory Trigger Provision and an Optional Deferral Provision; or

(ii) in connection with any repayment, redemption or purchase of Debentures on or after June 15, 2027 and prior to June 15, 2047:

(A) all types of securities described that would be Qualifying Capital Securities prior to June 15, 2027;

(B) 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 60 years, (3) are subject to a Qualifying Replacement Capital Covenant and (4) have an Optional Deferral Provision;

(C) securities issued by the Corporation or its Subsidiaries that (1) rank *pari passu* with or junior to the Debentures upon a liquidation, dissolution or winding up of the Corporation, (2) are Non-Cumulative, (3) have no maturity or a maturity of at least 60 years and (4) are subject to Intent-Based Replacement Disclosure; or

(D) 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 40 years and (3)(a) are Non-Cumulative and subject to a Qualifying Replacement Capital Covenant or (b) have a Mandatory Trigger Provision and an Optional Deferral Provision and are subject to Intent-Based Replacement Disclosure;

(E) securities issued by the Corporation or its Subsidiaries that (1) rank junior to all of the senior and subordinated debt of the Corporation other than the Debentures and the *pari passu* securities, (2) have a Mandatory Trigger Provision and an Optional Deferral Provision and are subject to Intent-Based Replacement Disclosure and (3) have no maturity or a maturity of at least 60 years;

(F) cumulative preferred stock issued by the Corporation or its Subsidiaries that (1) has no prepayment obligation on the part of the issuer thereof, whether at the

election of the holders or otherwise, and (2)(a) has no maturity or a maturity of at least 60 years and (b) is subject to a Qualifying Replacement Capital Covenant; or

(G) other securities issued by the Corporation or its Subsidiaries that (1) rank upon a liquidation, dissolution or winding-up of the Corporation (a) *pari passu* with or junior to the Debentures or (b) *pari passu* with the claims of the Corporation's trade creditors and junior to all of the Corporation's long-term indebtedness for money borrowed (other than the Corporation's long-term indebtedness for money borrowed from time to time outstanding that by its terms ranks *pari passu* with such securities on a liquidation, dissolution or winding-up of the Corporation); and (2) either (x) have no maturity or a maturity of at least 40 years and have a Mandatory Trigger Provision and an Optional Deferral Provision and are subject to Intent-Based Replacement Disclosure or (y) have no maturity or a maturity of at least 25 years and are subject to a Qualifying Replacement Capital Covenant and have a Mandatory Trigger Provision and an Optional Deferral Provision; or

(iii) in connection with any repayment, redemption or purchase of Debentures at any time on or after June 15, 2047:

(A) all of the types of securities that would be Qualifying Capital Securities prior to June 15, 2047;

(B) securities issued by the Corporation or its Subsidiaries that (1) rank *pari passu* with or junior to the Debentures upon a liquidation, dissolution or winding up, (2) either (a) have no maturity or a maturity of at least 60 years and have Intent-Based Replacement Disclosure or (b) have no maturity or a maturity of at least 30 years and are subject to a Qualifying Replacement Capital Covenant and (3) have an Optional Deferral Provision;

(C) securities issued by the Corporation or its Subsidiaries that (1) rank junior to all of the senior and subordinated debt of the Corporation other than the Debentures and any other *pari passu* securities, (2) have a Mandatory Trigger Provision and an Optional Deferral Provision and are subject to Intent-Based Replacement Disclosure and (3) have no maturity or a maturity of at least 30 years; or

(D) preferred stock issued by the Corporation or its Subsidiaries that either (1) has no maturity or a maturity of at least 60 years and Intent-Based Replacement Disclosure or (2) has a maturity of at least 40 years and is subject to a Qualifying Replacement Capital Covenant.

"*Qualifying Non-Cumulative Preferred Stock*" means non-cumulative perpetual preferred stock issued by the Corporation that (a) ranks *pari passu* with or junior to all other outstanding preferred stock of the issuer, other than a preferred stock that is issued or issuable pursuant to a stockholders' rights plan or similar plan or arrangement, and (b) contains no remedies other than Permitted Remedies and either (i) is subject to Intent-Based Replacement Disclosure and has a provision that prohibits the Corporation from making any Distributions thereon 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 Debentures 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.

"*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):

(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. 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 Rights to acquire Common Stock 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 issuance. 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.

"*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 by the Supplemental Indenture and as further amended and supplemented from time to time in accordance with its terms.

"*Supplemental Indenture*" means the Fourth Supplemental Indenture, dated as of June 7, 2007, between the Corporation and The Bank of New York, as trustee.

"*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).