

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re AIG ERISA Litigation

Master File No.: 04-CV-9387 (JES) (AJP)

This Document Relates To:

All Actions

NOTICE OF PROPOSED SETTLEMENT OF ERISA CLASS ACTION LITIGATION, SETTLEMENT FAIRNESS HEARING, AND MOTION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

Your legal rights might be affected if you are a member of the following class:

All persons: (a) who were participants in or beneficiaries of the: (i) AIG Incentive Savings Plan at any time from September 30, 2000 through May 31, 2005; (ii) American General Employees' Thrift and Incentive Savings Plan at any time from August 29, 2001 through January 1, 2003; (iii) American General Agents' and Managers' Thrift Plan at any time from August 29, 2001 through May 31, 2005; or the (iv) CommoLoCo Thrift Plan at any time from August 29, 2001 through May 31, 2005; and (b) whose Plan accounts included direct or indirect investments in AIG stock and/or the AIG Stock Fund(s) (collectively, the "Settlement Class" or "Class"). The Settlement Class shall not include any of the Individual Defendants (defined to include all Defendants other than AIG), or any of the Individual Defendants' Immediate Family, beneficiaries, alternate payees, Representatives or Successors-In-Interest, except for Immediate Family, beneficiaries, alternate payees, Representatives or Successors-In-Interest, who themselves were participants in the Plans, who shall be considered members of the Settlement Class with respect to their own Plan accounts.

PLEASE READ THIS NOTICE CAREFULLY. A FEDERAL COURT AUTHORIZED THIS NOTICE. THIS IS NOT A SOLICITATION. YOU HAVE NOT BEEN SUED.

This notice ("Notice") advises you of a proposed settlement (the "Settlement") of a consolidated class action lawsuit brought by plaintiffs Margaret B. Amidei, Oscar Saleh, Grace C. Baxter, Linda S. Adams, Christopher Townley, and Terry Phillips (collectively, the "Named Plaintiffs") on behalf of themselves, the Plans (referred to above), and as representatives of the Class against the Defendants who are alleged fiduciaries under the Plans, alleging that they breached their fiduciary duties and violated the Employee Retirement Income Security Act of 1974 ("ERISA"). This Settlement relates to all claims brought under ERISA against American International Group, Inc. ("AIG" or the "Company") and the following persons named as defendants in the Complaint (defined below): Richard A. Grosiak, Axel I. Freudmann, Patricia Cameron, Robert Cole, Gustavo Covacevich, Marion Fajen, Georgia Feigel, Anthony Galioto, John Keogh, Ronald Latz, David Pinkerton, Charles Schader, Patricia McCann, Gary Reddick, Kathleen Shannon, Nicholas Tyler, and Timothy Hayes (the "AIG Defendants") and against Maurice R. Greenberg, Howard I. Smith, Martin J. Sullivan, and Donald P. Kanak (the "Director Defendants") (collectively, the "Defendants"). The Named Plaintiffs and the Defendants are referred to herein as the "Parties."

The Settlement will provide for a cash payment consisting of \$24,200,000.00 (twenty-four million two hundred thousand dollars), for alleged losses to the Plans to settle the claims against the Defendants, and for a pro rata allocation of this payment (excluding certain amounts described in the Settlement Agreement, including expenses associated with Class Notice, attorneys' fees and expenses, case contribution awards, taxes and other costs related to the administration of the Settlement Fund and implementation of the Plan of Allocation) to the accounts of members of the Class who had any portion of their Plan accounts invested in AIG stock during the Class Period.¹ The distributions will be made in proportion to the loss in value of AIG stock sustained by members of the Class during the Class Period.

The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made only if the Court approves the Settlement and that approval is upheld if there are any appeals. This process is explained in greater detail below.

Identification of Key Terms: This Notice contains summary information with respect to the Settlement. The terms and conditions of the Settlement are set forth in a Class Action Settlement Agreement (the "Settlement Agreement"). The Settlement Agreement, and additional information with respect to this lawsuit and the Settlement, are available at www.AIGERISASettlement.com. Counsel for the Class: Keller Rohrbach L.L.P., 1201 Third Avenue, Suite 3200, Seattle, WA 98101; Wolf Popper LLP, 845 Third Avenue, New York, NY 10022; Squitieri & Fearon, LLP, 32 East 57th Street, 12th Floor, New York, NY 10022; and Harwood Feffer LLP, 488 Madison Avenue, 8th Floor, New York, NY 10022 (collectively, "Plaintiffs' Counsel"), have established a toll-free phone number, (866) 778-6568, and email address (info@AIGERISASettlement.com) if you have questions.

Reasons for the Settlement: The Settlement resolves all claims in the Action against the Defendants for allegedly breaching fiduciary duties and violating ERISA. The Settlement is not, and should not be construed as, an admission of any fault, liability or wrongdoing whatsoever by any of the Defendants, who continue to deny all such claims. The Named Plaintiffs and Plaintiffs' Counsel believe that the proposed Settlement is fair, reasonable, and adequate, and in the best interests of the Class. The Named Plaintiffs and Plaintiffs' Counsel believe that the Settlement provides a substantial benefit in the form of \$24,200,000.00 in cash (less certain amounts described in the Settlement Agreement, including expenses associated with Class Notice, attorneys' fees and expenses, case contribution awards, taxes and other costs related to the administration of the Settlement Fund and implementation of the Plan of Allocation), as compared to the risks, costs and delays of proceeding with this litigation against the Defendants.

¹ "Class Period" means from September 30, 2000 through May 31, 2005 for participants in or beneficiaries of the AIG Incentive Savings Plan; from August 29, 2001 through January 1, 2003 for participants in or beneficiaries of the American General Employees' Thrift and Incentive Savings Plan; and from August 29, 2001 through May 31, 2005 for participants in or beneficiaries of the American General Agents' and Managers' Thrift Plan or CommoLoCo Thrift Plan.

Identification of Plaintiffs' Counsel: Any questions regarding the Settlement should be directed to Plaintiffs' Counsel: Lynn Lincoln Sarko, Keller Rohrback L.L.P., 1201 Third Avenue, Suite 3200, Seattle, WA 98101; Marian P. Rosner, Wolf Popper LLP, 845 Third Avenue, New York, NY 10022; Lee Squitieri, Squitieri & Fearon, LLP, 32 East 57th Street, 12th Floor, New York, NY 10022; or Robert I. Harwood, Harwood Feffer LLP, 488 Madison Avenue, 8th floor, New York, NY 10022. Please do not contact the Court. They will not be able to answer your questions.

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS TO WHOM THIS NOTICE IS ADDRESSED, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU NEED NOT DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT PURSUANT TO THE PROCEDURES DESCRIBED BELOW.

ACTIONS YOU MAY TAKE IN THE SETTLEMENT	
NO ACTION IS NECESSARY TO RECEIVE PAYMENT.	<p>If the Settlement is approved by the Court and you are a member of the Class, you do not need to do anything in order to receive a payment. The portion, if any, of the Settlement Fund to be allocated to your Plan account will be calculated as part of the implementation of the Settlement.</p> <p>If you are a current Plan participant, any share of the Settlement Fund to which you are entitled will be deposited into your Plan account. If you are no longer a Plan participant and are entitled to share in the Settlement Fund, a Plan account will be established for you, if necessary, and you will be notified of such account.</p>
YOU CAN OBJECT NO LATER THAN SEPTEMBER 23, 2008.	If you wish to object to any part of the Settlement, you can write to the Court and explain why you do not like the Settlement.
YOU CAN GO TO THE HEARING ON OCTOBER 7, 2008 BY FILING A NOTICE OF INTENTION TO APPEAR NO LATER THAN SEPTEMBER 23, 2008.	If you have submitted a written objection to the Court, you can ask to speak in Court about the fairness of the Settlement.

WHAT THIS NOTICE CONTAINS

SUMMARY OF SETTLEMENT	3
BASIC INFORMATION	3
1. Why did I get this Notice package?	3
2. How do I know whether I am part of the Settlement?	4
3. What does the Settlement provide?.....	4
4. What will be my share of the Settlement Fund?.....	4
5. What is the lawsuit about? What has happened so far?	4
6. Why is this case a class action?	5
7. Why is there a Settlement?	5
8. How can I get my portion of the recovery?.....	5
9. When will I receive my payment?	5
10. What rights am I giving up in the Settlement?.....	5
11. Can I exclude myself from the Settlement?	5
THE LAWYERS REPRESENTING YOU	6
12. Do I have a lawyer in the case?.....	6
13. How will the lawyers be paid?.....	6
OBJECTING TO THE SETTLEMENT OR THE ATTORNEYS' FEES	6
14. How do I tell the Court if I don't like the Settlement?.....	6
THE COURT'S FAIRNESS HEARING	7
15. When and where will the Court decide whether to approve the Settlement?.....	7
16. Do I have to come to the hearing?	7
17. May I speak at the hearing?.....	7
IF YOU DO NOTHING	7
18. What happens if I do nothing at all?	7
GETTING MORE INFORMATION	7
19. How do I get more information?.....	7

This litigation (the “ERISA Action”) is a consolidation of a series of cases filed in federal district court. As described in more detail below and in the complaints themselves, the cases concern allegations that Defendants breached fiduciary duties they owed to participants in the Plans. Copies of the Consolidated Amended Complaint for Violations of the Employment Retirement Income Security Act (“Complaint”) and other documents filed in the ERISA Action are available at www.AIGERISASettlement.com.

SUMMARY OF SETTLEMENT

A Settlement Fund will be established in this Action by depositing the Settlement amount of \$24,200,000.00 in an interest bearing account. The Settlement Fund, including any accrued interest (less certain amounts described in the Settlement Agreement, including expenses associated with Class Notice, attorneys’ fees and expenses, case contribution awards, taxes and other costs related to the administration of the Settlement Fund and implementation of the Plan of Allocation) will be allocated among the Class members in accordance with the Plan of Allocation to be approved by the Court. (See Section 4 below for details of the Plan of Allocation.)

As with any litigation, the Parties would face an uncertain outcome if the Action were to continue against the Defendants. Continued litigation of the Action against the Defendants could result in a judgment or verdict greater or less than the recovery under the Settlement Agreement, or in no recovery at all. Moreover, this litigation has been hotly contested from the outset. Indeed, throughout this litigation, the Named Plaintiffs and the Defendants have disagreed on both liability and damages, and they do not agree on the amount that would be recoverable even if the Plaintiffs were to prevail at trial. The Defendants, among other things: (1) have denied, and continue to deny, the material allegations of the Complaint; (2) have denied, and continue to deny, any wrongdoing or liability whatsoever; (3) believe that they acted at all times reasonably and prudently with respect to the Plans, their participants and beneficiaries, and the Settlement Class; (4) would assert certain other defenses if this Settlement is not consummated; and (5) are entering into the Settlement solely to avoid the cost, disruption, and uncertainty of litigation. Nevertheless, the Parties have taken into account the uncertainty and risks inherent in this litigation, particularly its complex nature, and have concluded that it is desirable that the Action be fully and finally settled on the terms and conditions set forth in the Settlement Agreement.

Plaintiffs’ Counsel in the Action will apply to the Court for an order awarding Plaintiffs’ Counsel attorneys’ fees not in excess of 30% of the amount recovered in the Settlement, plus reimbursement of expenses. The Named Plaintiffs in the Action will share in the allocation of the money paid to the Plans on the same basis and to the same extent as all other members of the Settlement Class, except that, in addition, the Named Plaintiffs may apply to the Court for compensation up to \$5,000 each. Any compensation awarded to the Named Plaintiffs by the Court will be payable from the proceeds of the Settlement.

Plaintiffs’ Counsel have established a toll-free phone number, (866) 778-6568, if you have questions or comments. Plaintiffs’ Counsel may also be contacted via email (info@AIGERISASettlment.com).

BASIC INFORMATION

1. Why did I get this Notice package?

Either you or someone in your family may have been a participant in or beneficiary of one of the Plans and may have had a portion of your, his, or her Plan account(s) invested in AIG stock during the Class Period. The Court has directed that this Notice be sent to you because, as a potential class member, you have a right to know about the proposed Settlement with the Defendants before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and all related objections and appeals are favorably resolved, the net amount of the Settlement Fund will be allocated among Class members according to a court-approved Plan of Allocation.

This Notice explains the Action, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how you will receive your portion of the benefits. The purpose of this Notice is to inform you of a hearing (the “Fairness Hearing”) to be held by the Court to consider the fairness, reasonableness and adequacy of the proposed Settlement and to consider the application of Plaintiffs’ Counsel for their attorneys’ fees and reimbursement of litigation expenses as well as an application for case contribution awards to the Named Plaintiffs.

The Fairness Hearing will be held at 3:00 p.m. on October 7, 2008 before the Honorable John E. Sprizzo in the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007, to determine:

- (a) Whether the Settlement should be approved as fair, reasonable, and adequate;
- (b) Whether the Complaint should be dismissed with prejudice pursuant to the terms of the Settlement;
- (c) Whether the Class Notice provided for by the Settlement Agreement: (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise members of the Settlement Class of the pendency of the litigation, their right to object to the Settlement, and their right to appear at the Fairness Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to notice; and (iv) met all applicable requirements of the Federal Rules of Civil Procedure, and any other applicable law;
- (d) Whether the Class should be certified pursuant to Fed. R. Civ. P. 23(a) & (b) for purposes of the Settlement and, with respect thereto, whether Plaintiffs’ Counsel should be appointed as Class Counsel pursuant to Fed. R. Civ. P. 23(g);
- (e) Whether the application for attorneys’ fees and expenses filed by Plaintiffs’ Counsel should be approved; and
- (f) Whether the application for case contribution awards for the Named Plaintiffs should be approved.

The issuance of this Notice is not an expression of the Court’s opinion on the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payment to the Class will be made after all related appeals, if any, are favorably resolved. It is always uncertain whether such appeals can be favorably resolved, and resolving them can take time, perhaps more than a year. Please be patient.

2. How do I know whether I am part of the Settlement?

The Court has certified the Action as a class action. You are a member of the Settlement Class if you: (a) were a participant in or beneficiary of the: (i) AIG Incentive Savings Plan at any time from September 30, 2000 through May 31, 2005; (ii) American General Employees' Thrift and Incentive Savings Plan at any time from August 29, 2001 through January 1, 2003; (iii) American General Agents' and Managers' Thrift Plan at any time from August 29, 2001 through May 31, 2005; or the (iv) CommoLoCo Thrift Plan at any time from August 29, 2001 through May 31, 2005; and (b) your Plan accounts included direct or indirect investments in AIG stock and/or the AIG Stock Fund(s). The "Settlement Class" shall not include any of the Individual Defendants (defined to include all Defendants other than AIG), or any of the Individual Defendants' Immediate Family, beneficiaries, alternate payees, Representatives or Successors-In-Interest, except for Immediate Family, beneficiaries, alternate payees, Representatives or Successors-In-Interest, who themselves were participants in the Plans, who shall be considered members of the Settlement Class with respect to their own Plan accounts.

3. What does the Settlement provide?

A Settlement Fund consisting of \$24,200,000.00 in cash, plus interest, is being established in the Action. The net amount in the Settlement Fund (after payment of, and establishment of reserves for, certain amounts as described in the Settlement Agreement, including expenses associated with Class Notice, attorneys' fees and expenses, case contribution awards, taxes and other costs related to the administration of the Settlement Fund and implementation of the Plan of Allocation) will be allocated among and paid to members of the Class according to a Plan of Allocation to be approved by the Court. Allocations will be made to accounts established for members of the Class. Disbursement of the Settlement Fund to the Class will occur once the Settlement has become Final – after all appeals relating to the Settlement are favorably decided and all appeal periods have run.

The above description of the operation of the Settlement is only a summary. The governing provisions are set forth in the Settlement Agreement (including its exhibits), which may be obtained at www.AIGERISASettlement.com.

4. What will be my share of the Settlement Fund?

Your share of the Settlement Fund, if any, will be determined using a methodology that takes into account the value of any investments in AIG stock in your account(s) at the beginning of the Class Period, the value of subsequent AIG stock purchases in your account(s) (whether as a result of Company matching or voluntary contributions), and the proceeds of AIG stock sales or withdrawals from your account(s). That methodology, called the Plan of Allocation, will be implemented by the Plans' trustee and record keeper and based on available records. The Court will be asked to approve the Plan of Allocation at the Fairness Hearing.

In general, the Plan of Allocation will provide that each Class member's share of the Settlement Fund will be calculated as follows:

The Net Proceeds shall be distributed among Class members in proportion to their Net Losses. Each Class member's "Net Loss" will be the total of the member's "AIG Common Stock Fund Net Loss," which will be, for each Class member, the greater of (a) zero, or (b) the result obtained by (i) taking the dollar amount of the Class member's Plan account balance invested in the AIG Stock Fund at the beginning of the Class Period; (ii) adding the dollar amount added to the Class member's Plan account balance invested in the AIG Stock Fund during the Class Period (including the value of AIG common stock received as a dividend); and (iii) subtracting the dollar amount credited to the Class member's Plan account balance resulting from dispositions from the AIG Stock Fund as well as the balance of any stock held in the Plan on the earlier of either the last day of the Class Period or on the last day the member was a participant in the Plan.

The Net Losses of the Class members will be aggregated. Each Class member will be assigned a "Net Loss Percentage," showing the percentage of the Class member's Net Loss in relation to all Class members' Net Losses. Each Class member's share of the Net Proceeds will be equal to the Net Proceeds multiplied by the member's Net Loss Percentage. If data is not available for the beginning date of the Class Period, then data from the nearest available date will be used.

The trustee or record keeper will perform all calculations for you and determine both whether you are entitled to a share of the Net Proceeds and your share amount. The trustee or record keeper will have access to all available records so you do not need to be concerned if you no longer have your Plan account statements. The Court will be asked to approve a more detailed statement of the Plan of Allocation, a copy of which is available along with other settlement documents at www.AIGERISASettlement.com.

The Settlement shall not include the Individual Defendants, or any of the Individual Defendants' Immediate Family, beneficiaries, alternate payees, Representatives or Successors-In-Interest, except for Immediate Family, beneficiaries, alternate payees, Representatives or Successors-In-Interest, who themselves were participants in the Plans, who shall be considered members of the Settlement Class with respect to their own Plan accounts.

5. What is the lawsuit about? What has happened so far?

Beginning on November 30, 2004, nine putative class action lawsuits were brought on behalf of a purported class of individuals who were participants in or beneficiaries of the Plans during the Class Period, alleging breaches of fiduciary duties in violation of ERISA (the "ERISA Actions"). By Order dated August 3, 2005, the Court consolidated the ERISA Actions under Master File No.: 04-CV-9387 (JES) (AJP).

Plaintiffs allege in the Complaint, among other things, that the Defendants were fiduciaries of the Plans and violated fiduciary duties under ERISA by causing the Plans to offer, purchase and hold units of AIG stock when AIG stock was allegedly an unsuitable and imprudent investment for the Plans. Plaintiffs further allege that the Defendants violated ERISA by misrepresenting to Plaintiffs and Plan participants the true financial condition of the Company and, consequently, the true value of AIG stock. Plaintiffs sought to recover from the Defendants losses to the Plans caused by the Defendants' alleged misconduct.

The Defendants have continued to deny all of the claims. Plaintiffs' Counsel have conducted extensive discovery regarding the facts and claims in this Action, including reviewing millions of pages of documents produced in this Action, participating in a number of merits depositions, serving document requests and interrogatories, and analyzing studies performed by their consultants regarding the estimated damages in the Action.

After engaging in this extensive fact-finding discovery, Plaintiffs' Counsel and counsel for the Defendants have reached an agreement to settle the Action on the terms that are summarized in this Notice. The Named Plaintiffs and the Defendants, through their counsel, have conducted an extensive investigation of the allegations in the Action and evaluated its merits. With the assistance of counsel and an independent mediator, the Parties have also engaged in substantial arm's-length negotiations to attempt to resolve all claims that have been or could have been asserted in the Action against the Defendants. Plaintiffs' Counsel and counsel for the Defendants have conducted numerous meetings and conferences in which the terms of the Settlement were extensively debated and negotiated.

6. Why is this case a class action?

In a class action, one or more plaintiffs, called "named plaintiffs," sue on behalf of people who have similar claims. All of the individuals on whose behalf the Named Plaintiffs in this Action are suing are "Class members," and they are also referred to in this Notice as members of the Class. The Court resolves the issues for all Class members. U.S. District Judge John E. Sprizzo is presiding over this case.

7. Why is there a Settlement?

Under the proposed Settlement, the Court will not decide the merits of the Action in favor of either the Plaintiffs or the Defendants. By agreeing to a Settlement, both the Plaintiffs and the Defendants avoid the costs, risks and delays of litigating the Action.

This Settlement is the product of extensive arm's-length negotiations between Plaintiffs' Counsel and the Defendants' counsel, including utilizing the services of an experienced mediator. Throughout the Settlement negotiations, the Plaintiffs and the Defendants were advised by various consultants and experts, including individuals with expertise in ERISA fiduciary liability issues, insurance coverage issues, and potential damages evaluations in cases involving ERISA fiduciary liability.

Plaintiffs' Counsel believe that the proposed Settlement is fair, reasonable and adequate and in the best interest of the Class.

8. How can I get my portion of the recovery?

Members of the Class do not need to file a claim for recovery in this Action. Members of the Class will receive instructions regarding how to receive any distribution. Any questions regarding the distribution of the Settlement Fund can be directed to (866) 778-6568 or info@AIGERISASettlement.com.

9. When will I receive my payment?

Payment is conditioned on several matters, including the Court's approval of the Settlement and that approval becoming Final and no longer subject to any appeals. Upon satisfaction of various conditions, the Net Proceeds will be allocated to Class Members' Plan accounts or to accounts created for them pursuant to the Plan of Allocation (described above) as soon as possible after Final approval has been obtained for the Settlement, including the exhaustion of any appeals. Any appeal of the Final approval could take several years. Any accrued interest on the Settlement Fund will be included in the amount allocated and paid to the Class members. The Settlement Agreement may be terminated on several grounds, including if the Court does not approve or otherwise modifies the terms of the Settlement. If the Settlement Agreement is terminated, the Settlement will also be terminated, and the Action will proceed as if the Settlement had not been reached.

10. What rights am I giving up in the Settlement?

If the Settlement is approved, the Court will enter a judgment. This judgment will fully, finally, and forever release, relinquish, and discharge all of the Defendants and any person or entity that at any time during the Class Period served as a named or functional fiduciary or a trustee of the Plans, as well as any representative of any Defendant or any such person or entity, including, but not limited to, their attorneys, agents, directors, officers, and employees, and the Insurers (the "Released Parties") from, and shall forever enjoin from prosecution all of the Released Parties for, any and all Released Claims.

The Released Claims shall be any actual or potential claims, actions, causes of action, demands, obligations, liabilities, attorneys' fees, expenses and costs not otherwise addressed in the Settlement Agreement through the date of execution of the Settlement Agreement whether arising under local, state, or federal law, whether by statute, contract, common law, equity, or otherwise, whether brought in an individual, representative, or any other capacity, whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen, actual or contingent, liquidated or unliquidated that have been, could have been, or could be brought by or on behalf of the Named Plaintiffs, the Plans, or any member of the Settlement Class in the Complaint and that: (i) arise out of, relate to or are based on the allegations, facts, matters, occurrences or omissions set forth in the Complaint: (a) breach of duties or obligations under ERISA to the Plans, to Named Plaintiffs, to the Settlement Class, or to the other participants and beneficiaries of the Plans in connection with the acquisition or direct or indirect holding of AIG stock and/or AIG Stock Fund(s) by or for the benefit of the Plans or the Plans' participants or beneficiaries; (b) failure to provide information to the Plans' fiduciaries or the Plans' participants and beneficiaries regarding AIG or AIG stock; (c) failure to appoint, remove and/or adequately monitor the Plans' fiduciaries; (d) violation of ERISA duties related to the acquisition, disposition, or retention of AIG stock by the Plans; (e) breach of ERISA duties in connection with the failure to avoid or resolve conflicts of interest; or (f) knowing of an ERISA breach of fiduciary duty related to the acquisition, disposition, or retention of AIG stock by the Plans, and participating or enabling such ERISA breach of fiduciary duty, or knowing of the ERISA breach and failing to remedy it; (ii) would be barred by principles of *res judicata* had the claims asserted in the Action been fully litigated and resulted in a final judgment or order; or (iii) pertain to any conduct related to the direction to calculate, the calculation of, and/or the method or manner of allocation of the Settlement Fund to the Plans or any participant or beneficiary of the Plans pursuant to the Plan of Allocation. The Released Claims do not include the claims in the *In re AIG Securities Litigation*, Case No. 04-CV-8141 (JES) (AJP), and in the *In re AIG Derivative Litigation*, Case No. 04-CV-8406 (JES) (AJP), and actions consolidated thereunder, both pending in the United States District Court for the Southern District of New York, which are separate lawsuits and which are not affected by this Settlement.

11. Can I exclude myself from the Settlement?

You do not have the right to exclude yourself from the Settlement. For settlement purposes, the Action was certified under Federal Rule of Civil Procedure 23(b)(1) because the Court determined the requirements of that rule were satisfied. Thus, it is not possible for any of the Class members to

exclude themselves from the Settlement. As a member of the Class, you will be bound by any judgments or orders that are entered in the Action for all claims that were or could have been asserted in the Action against the Defendants or are otherwise included in the release under the Settlement.

Although members of the Class cannot opt out of the Settlement, they can object to the Settlement and ask the Court not to approve the Settlement.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in the case?

The Court has appointed the law firms of Keller Rohrback L.L.P., Wolf Popper LLP, Squitieri & Fearon, LLP, and Harwood Feffer LLP as members of a provisional committee for the Named Plaintiffs, the Plans, and the Class ("Plaintiffs' Counsel"). You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

At the Fairness Hearing, Plaintiffs' Counsel will apply for an award of attorneys' fees and expenses on behalf of all Plaintiffs' counsel. The application for attorneys' fees will not exceed 30% of the Settlement Fund. Any award of fees and additional expenses will be paid from the Settlement Fund prior to allocation and payment to the Class members.

To date, neither Plaintiffs' Counsel nor any additional Plaintiffs' counsel have received any payment for their services in prosecuting this Action on behalf of the Class, nor have counsel been reimbursed for their out-of-pocket expenses. The fee requested by Plaintiffs' Counsel would compensate all of Plaintiffs' counsel for their efforts in achieving the Settlement for the benefit of the Class and for their risk in undertaking this representation on a contingency basis. The Court will determine the actual amount of the award.

OBJECTING TO THE SETTLEMENT OR THE ATTORNEYS' FEES

14. How do I tell the Court if I don't like the Settlement?

Any member of the Class may appear at the Fairness Hearing and explain why Settlement of the Action against the Defendants as embodied in the Settlement Agreement should not be approved as fair, reasonable and adequate and why a judgment should not be entered thereon, why the attorneys' fees and expenses should not be awarded, or why the Named Plaintiffs should not be awarded a case contribution award² provided, however, that no member of the Class shall be heard or entitled to contest these matters unless such Class member has filed with the Court written objections (which state all supporting bases and reasons for the objection, set forth proof of their membership in the Class, clearly identify any and all witnesses, documents and other evidence of any kind that are to be presented at the Fairness Hearing in connection with such objections, and further describe the substance of any testimony to be given by themselves as well as by any supporting witnesses).

To object, you must send a letter or other written statement saying that you object to the Settlement, the attorneys' fee award, and/or the case contribution awards in *In re AIG ERISA Litigation*, Master File No.: 04-CV-9387 (JES) (AJP). Be sure to include your name, address, telephone number, signature, and a full explanation of all reasons you object to the Settlement. **Your written objection must be filed with the Court, and mailed to the counsel listed below, postmarked (and sent via facsimile) by no later than September 23, 2008:**

File with the Clerk of the Court:

Clerk of the Court
United States District Court for the Southern District of New York
Daniel Patrick Moynihan United States Courthouse
500 Pearl Street, New York, NY 10007-1312

And, by the same date, serve copies of all such papers by mail and fax to each of the following:

ERISA PLAINTIFFS' COUNSEL:

Lynn Lincoln Sarko
KELLER ROHRBACK L.L.P.
1201 Third Avenue, Suite 3200
Seattle, WA 98101
Fax: (206) 623-3384

Lee Squitieri
SQUITIERI & FEARON, LLP
32 East 57th Street, 12th Floor
New York, NY 10022
Fax: (212) 421-6553

Marian P. Rosner
WOLF POPPER LLP
845 Third Avenue
New York, NY 10022
Fax: (212) 486-2093

Robert I. Harwood
HARWOOD FEFFER LLP
488 Madison Avenue, 8th Floor
New York, NY 10022
Fax: (212) 753-3630

² The case contribution award is that amount awarded by the Court in recognition of each of the Named Plaintiffs' assistance in prosecuting this Action. The precise amount of the award, if any, shall be determined by the Court at the Fairness Hearing. However, in no event will Plaintiffs' Counsel request more than \$5,000.00 (five thousand dollars) per Named Plaintiff.

COUNSEL FOR DEFENDANTS:

Lewis R. Clayton
PAUL, WEISS, RIFKIND, WHARTON &
GARRISON LLP
1285 Avenue of the Americas
New York, NY 10019-6064
Fax: (212) 757-3990

Dennis P. Orr
MORRISON & FOERSTER LLP
1290 Avenue of the Americas
New York, NY 10104
Fax: (212) 468-7900

David M. Murphy
WACHTELL, LIPTON, ROSEN & KATZ
51 West 52nd Street
New York, NY 10019
Fax: (212) 403-2000

Steven I. Froot
BOIES, SCHILLER & FLEXNER LLP
575 Lexington Avenue, 7th Floor
New York, NY 10022
Fax: (212) 446-2350

Vincent A. Sama
WINSTON & STRAWN LLP
200 Park Avenue
New York, NY 10166
Fax: (212) 294-4700

UNLESS OTHERWISE ORDERED BY THE COURT, ANY CLASS MEMBER WHO DOES NOT OBJECT IN THE MANNER DESCRIBED HEREIN WILL BE DEEMED TO HAVE WAIVED ANY OBJECTION AND SHALL BE FOREVER FORECLOSED FROM MAKING ANY OBJECTION TO THE PROPOSED SETTLEMENT AND THE APPLICATION FOR ATTORNEYS' FEES AND EXPENSES AND CASE CONTRIBUTION AWARDS.

THE COURT'S FAIRNESS HEARING

15. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at 3:00 p.m. on October 7, 2008, at the United States District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, New York 10007-1312.

IF YOU DO NOT WISH TO OBJECT TO THE PROPOSED SETTLEMENT OR THE APPLICATION FOR ATTORNEYS' FEES AND EXPENSES AND CASE CONTRIBUTION AWARDS, YOU NEED NOT ATTEND THE FAIRNESS HEARING.

At the hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement. The Court will also rule on the motions for attorneys' fees and expenses and case contribution awards to the Named Plaintiffs. We do not know how long these decisions will take.

16. Do I have to come to the hearing?

Plaintiffs' Counsel will answer questions Judge Sprizzo may have. You are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You may also have your own lawyer attend the Fairness Hearing at your expense, but such attendance is not necessary.

17. May I speak at the hearing?

If you are a member of the Class and you have filed a timely objection, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In re AIG ERISA Litigation*, Master File No.: 04-CV-9387 (JES) (AJP)." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be served on the attorneys listed above, postmarked and sent via facsimile no later than September 23, 2008, and must be filed with the Clerk of the Court, postmarked no later than September 23, 2008.

The Fairness Hearing may be delayed by the Court without further notice to the Class. If you wish to attend the Fairness Hearing, you should confirm the date and time with a member of the Provisional Committee.

IF YOU DO NOTHING

18. What happens if I do nothing at all?

If you do nothing and you are a Class member, you will participate in the Settlement as described above in this Notice if the Settlement is approved.

GETTING MORE INFORMATION

19. How do I get more information?

This Notice summarizes the proposed Settlement. Full details of the Settlement are set forth in the Settlement Agreement. You may obtain a copy of the Settlement Agreement by making a written request to a member of Plaintiffs' Counsel listed on Page 6. Copies of the Settlement Agreement, as well as the Preliminary Motion seeking preliminary approval of the Settlement Agreement, and the Preliminary Approval Order, may also be viewed at www.AIGERISASettlement.com.

Plaintiffs' Counsel have established a toll-free phone number to receive your comments and questions, (866) 778-6568, and may also be contacted via email at info@AIGERISASettlement.com.

DATED: JULY 1, 2008

By Order of the Court