

# Annual General Meeting

## Company Participants

- Brian Duperreault, President, Chief Executive Officer
- Douglas Steenland, Independent Chairman of the Board
- Rose Marie E. Glazer, Corporate Secretary and Deputy General Counsel
- Unidentified Speaker

## Other Participants

- Unidentified Participant

## Presentation

### **Rose Marie E. Glazer** {BIO 16059799 <GO>}

Good morning. I'm Rose Marie Glazer, Corporate Secretary and Deputy General Counsel of AIG and I welcome you to the Annual Meeting of Shareholders for 2019. Joining me is Doug Steenland, Chairman of the AIG Board of Directors; and Brian Duperreault, AIG's President and Chief Executive Officer. This meeting is also being webcast and we welcome those listening from beyond 175 Water Street, here in New York City.

Before we begin the meeting, I'd like to cover a couple of housekeeping items. For those joining us in person, please turn off your mobile devices as they may interfere with the webcast. In addition, a quick safety announcement. Note the emergency exits in the side and rear of the room. In the unlikely event of an emergency, instructions will be provided by our building's safety and security teams. If for any reason it becomes necessary to exit the building, you will be directed by our staff to the emergency exits and to the stairwells located at the rear of the elevator lobby.

Turning back to the meeting, Doug will conduct the official business and address the list of proposals under consideration today as presented in the proxy statement. You've been provided with the procedures we are going to follow and I ask everyone to adhere to them. He will then introduce Brian to provide an overview of AIG's progress on its multi-year strategy for long-term sustainable growth. We will conclude with Q&A.

A certified list of shareholders entitled to vote at this meeting is available for inspection. Copies of the AIG annual report, which includes the Form 10-K for the year 2018, the proxy statement and the Form 10-Q for the first quarter of 2019 are also available.

I now submit the affidavit of Broadridge Financial Solutions Inc., certifying that each shareholder record at the close of business as of March 25, 2019 was sent, a notice of Availability of Proxy Materials transmitted on April 2, 2019 or a package containing AIG's

2018 Annual Report, notice of this meeting, a proxy statement, a proxy card and a return envelope mailed commencing on April 2, 2019.

In addition, I would like to remind you that the remarks made today may contain forward-looking-statements, which are based on management's current expectations and are subject to uncertainty and changes in circumstances. Any forward-looking statements are not guarantees of future performance or events. Actual performance and events may differ, possibly materially from those anticipated in any such forward-looking statements. Factors that could cause such differences include the factors described under management's discussion and analysis and under risk factors in our 2019 first quarter 10-Q and our 2018 10-K. AIG is not under any obligation and expressly disclaims any obligation to update any forward-looking-statements, whether as a result of new information, future events or otherwise.

The information provided today may also include non-GAAP financial measures. The definitions of such measures and the reconciliations of such measures to the comparable GAAP figures are included in AIG's Annual Report to Shareholders and our 2018 and first quarter 2019 financial supplements, which are available on AIG's website.

Christopher Woods has been sworn in as our Independent Inspector of Election. He advises that a quorum is present. With that, I turn the meeting over to our chairman, Doug Steenland.

### **Douglas Steenland** {BIO 1433979 <GO>}

Thank you, Rose Marie, and good morning. I hereby call to order the 2019 Annual Meeting of Shareholders of American International Group, Inc. First I will introduce the 13 nominees to the Board, which include Brian and me. All the nominees are currently members of AIG's Board of Directors with the exception of Peter R. Porrino, Amy L. Schioldager and Therese M. Vaughan, who are standing for election to our Board for the first time.

The nominees are seated in the front row and I ask them to stand as I read their name. W. Don Cornwell, Brian Duperreault, John H. Fitzpatrick, William G. Jurgensen, Christopher S. Lynch, Henry S. Miller, Linda A. Mills, Thomas F. Motamed, Suzanne Nora Johnson, Peter R. Porrino, Amy L. Schioldager and Therese M. Vaughan and myself, Doug Steenland.

Before we proceed further, I would like to particularly recognize Terry Stone, who is retiring from the AIG Board effective this Annual Meeting and Ron Rittenmeyer, who has decided not to stand for re-election due to other professional commitments. Thank you both for your service and for your many valuable contributions.

Finally, I thank all of the nominees for agreeing to stand for election and being willing to serve. Proceeding to the official business of today's meeting, I will present the list of the company's proposals under consideration today, as they appear in the proxy statement. After the list has been presented, if any shareholder wants to comment on or ask a question about any of these proposals, a microphone can be brought to you and I will recognize you.

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The first proposal is the election to the AIG Board of the 13 nominees I introduced to serve as Directors, until the next annual election, until their successors are elected and qualified. The second proposal is a non-binding resolution to approve executive compensation. The third proposal is a non-binding vote on the frequency of future executive compensation advisory votes. The fourth proposal is the ratification of the selection of PricewaterhouseCoopers LLP as AIG's independent registered public accounting firm for 2019.

Before we move on to the final fifth proposal, are there any questions or comments on any of these four proposals? If so, please raise your hand and wait to be recognized and a microphone will be provided. Just as a reminder, there will be time later for general questions. Are there any questions?

Okay, seeing none. The fifth and final item of business is to consider a shareholder proposal that the Board takes steps to lower the ownership threshold required for shareholders to call a special meeting. The Board has unanimously recommended that shareholders vote against this proposal for the reasons set forth in the proxy statement.

Glenn Beattie [ph] representing Kenneth Steiner will present the proposal. Mr. Beattie, please wait for a microphone to be brought to you. Your proposal in supporting argument is contained in the proxy statement and is deemed submitted. If you wish to make a statement in support of the proposal in accordance with the rules of conduct for this meeting, you will have up to five minutes to present your statement. Mr. Beattie?

### Unidentified Speaker

Thank you. Proposal 5, Special Shareholder Meetings, sponsored by Kenneth Steiner, Great Neck, New York. Shareholders ask the Board of Directors to take the steps necessary to amend the governing documents, give the owners of a combined 10% of the outstanding common stock, the power to call a special shareholder meeting.

Special shareholder meetings allow shareholders to vote on important matters, such as electing new directors that can arise between annual meetings. This proposal topic won more than 70% support at Edwards Lifesciences and SunEdison. This proposal topic won 78% support at a Sprint

annual meeting with 1.7 billion yes-votes. Nuance Communications shareholders gave a 94% support in 2018 to a rule 14a-8 proposal, calling for 10% of shareholders to call a special meeting.

The current high-25% stock ownership threshold for shareholders to call a special meeting may be unreachable, due to time constraints and the detailed technical requirements that can easily trip-up half of shareholders, who are in favor of calling a special meeting. Thus, the current 25% stock ownership threshold could, in effect, be a 50% stock ownership threshold, because half of the special meeting requests could be rejected on technical grounds.

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Any claim that a shareholder right to call a special meeting can be costly may be largely moot. When shareholders have a good reason to call the special meeting, the Board should be able to take positive responding action to make a special meeting unnecessary. Calling a special meeting is a means to elect a Director, who could focus more on the wisdom of a \$43 million CEO pay package that was rejected by 37% of shareholders in 2018. There was also a \$6 billion charge in 2018. Meanwhile the price of AIG stock is the same as it was five years ago.

Please vote yes. Shareholder Meetings Proposal 5.

### **Douglas Steenland** {BIO 1433979 <GO>}

Thank you, Mr. Beattie. For the reasons stated in the proxy statement, the Board of Directors has carefully considered Mr. Steiner's proposal and has unanimously recommended a vote against the proposal. Are there any other questions or comments regarding the proposal?

Hearing none, seeing no hands raised. We will now proceed to vote on the proposals that have been properly presented to the meeting. The polls are now open. If any one wants to vote now, please raise your hand and we will have a ballot brought to you. Has anyone vote -- everyone vote, who wishes to vote.

Seeing no hands. I hereby declare the polls closed and ask that the ballots be delivered to the inspection of election. I have the report of the Inspector of Elections as of the start of this meeting. He certifies that each of the Director nominees standing for election has been elected by a majority of the votes cast. That all of the Board's sponsor proposals have been adopted and that the shareholder proposal of Mr. Steiner was not adopted. Later today, we will issue a press release with these results in detail.

The official business of this Annual Meeting is now concluded. We will now turn to a brief overview of AIG's strategy and our focus on delivering sustainable value over the longer term. Last year marked Brian's first year as President and CEO of AIG. During his tenure, he has undertaken a number of significant actions to reposition AIG as a growing profitable industry leader.

I will now invite him to share more about what's been accomplished and how AIG will build on that for the future. Brian?

### **Brian Duperreault** {BIO 1645891 <GO>}

Thank you, Doug. Thanks to you, our shareholders, for continuing to entrust us with your capital. Last year, I told you that we spent 2017 developing our strategic plan to reposition AIG for sustainable profitable growth. In 2018, we undertook significant foundational work to execute against this plan. While there is still work to be done, I'm pleased to say our strong first quarter 2019 performance demonstrates progress on our journey. General Insurance achieved an underwriting profit and Life and Retirement continued to deliver solid return on equity and we expect this to continue.

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We also continue to expect to reach a double-digit adjusted ROE for a consolidated AIG within three years. Let me provide a little more context and all that's taken place over the past year that gets us to this point. Achieving underwriting profitability in General Insurance reflects the tremendous work undertaken by Peter and his leadership team and many colleagues across the country to transform the business over the last 18 months. They instituted a new underwriting risk appetite to substantially reduce gross and net limits in our portfolio.

Improved underwriting capabilities created business units that positively distinguish themselves in the market, build a world-class leadership team and added strategic complementary capabilities through the acquisition of Validus and Glatfelter. This notable progress on risk management and underwriting was critical to the execution of a revised reinsurance strategy this year, which has further reduced the risk and volatility across our portfolio. Our first quarter results in GI are a significant milestone on our path to longer-term profitability.

Turning to Life and Retirement. In 2018, Kevin and his highly experienced team delivered solid results and double-digit ROE. This builds on our ongoing strategy to leverage our broad product portfolio and diversified distribution network. Sales last year increased in each key Illinois segment, individual retirement, group retirement and life insurance, and institutional markets closed a number of pension risk transfer deals.

The first quarter of 2019 saw growth continue across indexed and fixed annuity sales, group retirement deposits and international life sales along with closing a pension risk transfer transaction. The overall strength of our Life and Retirement business reflects their award-winning customer experience, supported by their strong digital capabilities and modernized operating platforms.

With regard to our use of capital, in 2018, we invested to make AIG more valuable and better position for our investors, clients, brokers and employees. We also returned \$2.9 billion in capital to shareholders last year by repurchasing shares and warrants and paying dividends. We made high-quality acquisitions, that are complementary to our products, markets and geographies and supportive of our profitability goals.

We also established Fortitude Re to most of our runoff portfolios. We are actively working to separate Fortitude Re to facilitate the release of capital, as we continue to sell down our ownership interests in the company. Finally and most importantly, we invested in the attracting, developing and retaining world-class talent. Our people continue to be our most valuable asset and I remain grateful to our employees throughout the company, who demonstrated another year of focus and determination amidst high-impact catastrophe events, changing economic environments and shifting market demands. Looking ahead, we remain confident. We have the right strategy in place to restore AIG as a leading insurance company in the world. Thank you for your continued support in all our efforts.

I'll now turn the floor back to Doug to begin the general Q&A. Doug?

## **Douglas Steenland** {BIO 1433979 <GO>}

Thank you, Brian. I'd like to remind you of the procedures that we're going to follow for our Q&A and ask you that you work with us to adhere to them. Please raise your hand, wait for us to recognize you and bring a microphone to you and direct your questions to me. Please wait for a microphone as this meeting is being webcast.

So, the floor is now open to anyone who has any questions that he or she would like to ask.

## **Questions And Answers**

### **A - Douglas Steenland** {BIO 1433979 <GO>}

I don't see any. There is one. Hi.

### **Q - Unidentified Participant**

Hi.

### **A - Douglas Steenland** {BIO 1433979 <GO>}

Blinded by the lights. Excuse me, yes, sir.

### **Q - Unidentified Participant**

Yes. I'd note that the strong corporate governance practices on Page 4 and 16, they are all quite good, Independent Chairman, self term limits, et cetera ,et cetera, but one element you mentioned is having single-year terms for directors to keep the directors in alignment with shareholders, while conceptually true shareholder interests go beyond one year. And I think that, for example, those who stand for -- stood for election today will probably be reviewed for their performance in November, which may or may not be a long enough term.

What I'm suggesting is possibly staggering two-year terms for Directors, so that they will - with two years, you clearly have a current performance, focus, but also you think a little bit longer about the longer term for the company and for the shareholders and there is a tendency in short-term thinking to get in trouble, which we've experienced in the past. Thank you.

### **A - Douglas Steenland** {BIO 1433979 <GO>}

Great. Thank you for your question. I guess, I will address it the following ways. One is, we look to have a Board that has a blend of experience and a blend of tenures. So, if you look at are our 13 Directors who our shareholders elected today, we have several Directors who have been on the Board for in excess of getting close to six, seven, eight years terms. We've brought three new Directors on today. We brought a fourth new Director on, earlier this year. And so, by having that blend of seasoned experienced Directors who know the history of the company, know the history of the executives and

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fresh insights brought from people who have just joined us, we think that represents a very good blend.

Second, I think, given the overall trends of corporate governance, Boards that are staggered, Boards that have multi-year terms certainly by other governance activists, they don't support that. And so, I think the blend that we've come up with is the right way to look to try to address, I think, the legitimate concerns that you raise, but also look to involve avoid the entrenchment argument that comes when terms go beyond one year.

Anyone else?

All right, seeing none. Thank you very much. We appreciate very much your attendance and we're -- our meeting is now concluded and we appreciate your support.

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