

MINUTES OF A MEETING OF THE  
BOARD OF DIRECTORS OF  
AMERICAN INTERNATIONAL REINSURANCE COMPANY, LTD.

Held at the Office of the Company  
29 Richmond Road, Pembroke Parish, Bermuda  
on Friday, August 18, 2000 at 4:00 p.m.

PRESENT

J. C. H. Johnson  
Richard Krupp, as alternate to L. M. Murphy

REPRESENTED BY PROXY

E. G. Greenberg	J. C. H. Johnson
M. R. Greenberg	J. C. H. Johnson
E. E. Matthews	J. C. H. Johnson
L. M. Murphy	J. C. H. Johnson
J. J. Roberts	J. C. H. Johnson
H. I. Smith	J. C. J. Johnson
L. Stevens	J. C. H. Johnson
E. Tse	J. C. H. Johnson

In attendance: J. Barclay, Assistant Secretary

A quorum of the Directors being present, the Meeting proceeded. In the absence of the Chairman, Mr. J. C. H. Johnson was elected Chairman of the Meeting and Mrs. J. Barclay, the Assistant Secretary, recorded the Minutes.

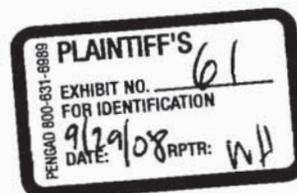
The Assistant Secretary stated that Notice of the Meeting had been given in accordance with the Bye-laws.

The Assistant Secretary presented the Minutes of the Directors' Meeting held on June 15, 2000. On motion duly made, seconded and unanimously carried, the Minutes were approved as recorded.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that the acquisition of 8,500 Series A Preferred Shares of Capco Reinsurance Company Ltd., a Barbados corporation, for a total consideration of US\$170,000,000 be and is hereby approved.

FURTHER RESOVLED, that the Subscription and Operating Agreement ("Agreement") for the subscription of the 8,500



Series A Preferred Shares of Capco Reinsurance Company Ltd. and the performance by the Company of the transactions contemplated therein be approved and Richard Krupp, Vice President and Comptroller be and is hereby authorized to execute the Agreement, Closing Certificate and Cross Receipt for and on behalf of the Company and to execute and deliver any other documents in connection therewith and to do all such things and take all such actions including making any amendments as Richard Krupp shall consider necessary or desirable in connection with the Agreement and any ancillary matters contemplated in the Agreement.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that the action of L. M. Murphy Vice President and Secretary and J. Barclay, Assistant Secretary in executing and delivering the Amendment No. 1 to Standstill Agreement dated June 30, 2000 on behalf of the Company as a holder of 12 1/2% Senior Secured Notes due 2008 of Bulong Operations Pty Ltd. be and is hereby approved, ratified and confirmed.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that this Company's commitment of EURO 29,045,259.59 for limited partnership interests in CAPVEST EQUITY PARTNERS, L.P. be and is hereby approved and that the action of L. M. Murphy, Vice President and Secretary in executing and delivering on behalf of the Company a Subscription Agreement, Power of Attorney issued to CapVest Private Equity, L.P., the general partner and the Amended and Restated Agreement of Limited Partnership be and is hereby ratified and confirmed.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that the action taken by L. M. Murphy, Director and J. Barclay, Assistant Secretary in executing, on behalf of the Company under its Corporate Seal, a Power of Attorney dated May 16, 2000, issued to Gustavo Covacevich and/or Ramon Massot for matters relating to the Stock Purchase and Merger Agreement of Boston AIG Company Ltd. be approved, ratified and confirmed.

On motion duly made, seconded and unanimously carried, it was

RESOLVED to approve the sale of this Company's 2,400 shares in Boston AIG Company Ltd. to Grupo Bapro S. A. (51%) and Holbah Merchant Company (49%).

FURTHER RESOLVED, that the action taken by S. George Cubbon in executing the Stock Purchase and Merger

Agreement dated April 27, 2000 and Amendment to Stock Purchase and Merger Agreement dated May 19, 2000 relating thereto, as presented to this meeting, be approved, ratified and confirmed.

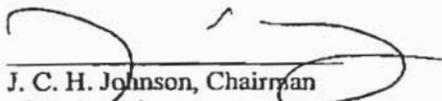
FURTHER RESOLVED, that any and all actions heretofore or hereafter taken by the Directors and Officers of the Company in furtherance of the aforesaid sale of shares or otherwise authorized by these resolutions, be and they are hereby approved, ratified and confirmed including, without limitation, the execution and delivery of any agreements, certificates, filings, instruments and other documents that may be necessary or desirable to facilitate the foregoing sale of shares.

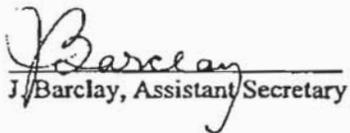
FURTHER RESOLVED, that the Director and Officers of the Company, without limitation, acting individually or severally in the name and on behalf of the Company, be and are hereby authorized, empowered and directed from time to time to take such additional action and to execute, certify, deliver, file and record with appropriate judicial, public and governmental authorities or any such other entities, such additional agreements, documents and instruments as may be deemed necessary or desirable to facilitate the foregoing sale of shares.

On motion duly made, seconded and unanimously carried, it was

RESOLVED, that an amount of One Hundred Seventy Million United States Dollars (US\$170,000,000) to be received from the parent company on August 25, 2000 be treated as a contribution to the surplus of the Company.

There being no further business, the proceedings then concluded.

  
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J. C. H. Johnson, Chairman  
of the Meeting

  
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J. Barclay, Assistant Secretary

Approved:  
  
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Richard Krupp