

MINUTES OF MEETING  
OF THE  
STOCK OPTION AND COMPENSATION COMMITTEE  
OF  
THE BOARD OF DIRECTORS  
AMERICAN INTERNATIONAL GROUP, INC.

Held March 26, 2002

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A meeting of the Stock Option and Compensation Committee of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held via telephone on March 26, 2002 at 4:00 P.M., at 70 Pine Street, New York, New York, pursuant to notice duly given to each of the members in accordance with the By-Laws.

Present: Messrs. Marshall A. Cohen  
Barber B. Conable  
Frank J. Hoenemeyer

Absent: Ms. Ellen V. Futter

Also present was Kathleen E. Shannon, Secretary of the Corporation.

A majority of the members of the Committee being present, a quorum existed and the meeting proceeded. Mr. Conable presided as Chairman and Ms. Shannon recorded the minutes.

The Secretary noted that the Chief Executive Officer Annual Compensation Plan (the "1997 Plan") requires the Committee to establish performance goals for the Chief Executive Officer prior to March 30 in each year and suggested that the Committee establish such goals for 2002.

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After full discussion, upon motion duly made, seconded and unanimously carried,  
it was

RESOLVED, that the 2002 base salary of \$1,000,000 for the Chairman and Chief Executive Officer approved at the December 13, 2001 meeting of this Committee be and the same hereby is confirmed as the annual base salary for 2002 pursuant to the 1997 Plan;

RESOLVED, that this Committee hereby establishes Return on Equity and Net Income as such terms are defined in the 1997 Plan as the bases under which the maximum bonus of the Chief Executive officer of the Corporation shall be measured for the year ending December 31, 2002;

RESOLVED, that a bonus may be payable to the Chief Executive Officer pursuant to the 1997 Plan only if the Return on Equity for 2002 equals at least 13 percent or the Net Income for 2002 equals at least \$5,900,000,000; and

RESOLVED, that the maximum bonus payable to the Chief Executive Officer for 2002 shall be determined in accordance with the schedule attached hereto as Exhibit A.

The Secretary next presented to the Committee management's recommendations with respect to grants of options to purchase Common Stock of the Corporation to certain employees. After full discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that pursuant to the 1999 Employee Stock Option Plan, this Committee hereby grants stock options relating to shares of this Corporation's Common Stock to the employees listed in Exhibit B hereto, noting the number of shares with respect to which options are so granted and the designation of whether all or any part of such options are incentive stock options, at a price which shall be the closing price of the Common Stock on the New York Stock Exchange on this date.

There being no further business to come before the meeting, upon motion duly made and seconded, the meeting was adjourned.

Kathleen Shannon  
Secretary

*M&G file*

**AMERICAN INTERNATIONAL GROUP, INC.  
CHIEF EXECUTIVE OFFICER ANNUAL COMPENSATION PLAN**

**2002 GOALS**

**Return on Equity**

**Maximum Bonus Payable**

|                   |             |
|-------------------|-------------|
| 13 to 13.5%       | \$3,000,000 |
| Above 13.5 to 14% | 3,500,000   |
| Above 14 to 14.5% | 4,000,000   |
| Above 14.5 to 15% | 4,500,000   |
| Above 15%         | 5,000,000   |

OR

**Net Income**

**Maximum Bonus Payable**

|  |             |
|--|-------------|
| \$5,900,000,000 to \$6,200,000,000       | \$3,000,000 |
| Above \$6,200,000,000 to \$6,500,000,000 | 3,500,000   |
| Above \$6,500,000,000 to \$6,800,000,000 | 4,000,000   |
| Above \$6,800,000,000 to \$7,100,000,000 | 4,500,000   |
| Above \$7,100,000,000                    | 5,000,000   |

SO&CC 3/26/02

EXHIBIT B

| <u>Employee</u>  | <u>Number of Shares</u>   |
|------------------|---|
| Jeffrey H. Mayer | 2,000 stock options, of which 1,058 are incentive stock options |
| Scott A. Meyer   | 500 incentive stock options                                     |
| Maureen Whalen   | 200 incentive stock options                                     |

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