

MINUTES OF A REGULAR MEETING OF DIRECTORS
AMERICAN INTERNATIONAL GROUP, INC.

Held March 12, 2003

A regular meeting of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held March 12, 2003 at 11:00 A.M., at 70 Pine Street, New York, New York, pursuant to notice duly given to each of the Directors in accordance with the By-Laws.

Present: Messrs. M. Bernard Aidinoff
 Eli Broad
 Pei-yuan Chia
 Marshall A. Cohen
 Barber B. Conable, Jr.
 Martin S. Feldstein
 Maurice R. Greenberg
 Frank J. Hoenemeyer
 Richard C. Holbrooke (via telephone)
 Edward E. Matthews
 Howard I. Smith
 Martin J. Sullivan
 Thomas R. Tizzio
 Edmund S.W. Tse
 Jay S. Wintrob
 Frank G. Wisner
 Frank G. Zarb

 Mesdames Ellen V. Futter
 Carla A. Hills

Also present were Honorary Directors Mrs. Marion E. Fajen and Messrs. John J. Roberts and Ernest E. Stempel, and Ms. Kathleen E. Shannon, Secretary.

All of the Directors being present, the meeting proceeded.

The Chairman, Mr. M.R. Greenberg, presided and the Secretary, Ms. Kathleen E. Shannon, recorded the minutes of the meeting.

Upon motion duly made and seconded, the following minutes were unanimously approved, copies having previously been sent to all Directors:

Board of Directors	November 13, 2002 January 7, 2003 (Special) February 3, 2003 (Special)
Audit Committee	November 13, 2002 December 12, 2002 February 3, 2003 February 11, 2003
Finance Committee	November 13, 2002 December 12, 2002 January 16, 2003 February 11, 2003
Stock Option & Compensation Committee	December 16, 2002 February 10, 2003 February 13, 2003
<u>Unanimous Consents:</u> Executive Committee	December 30, 2002 February 11, 2003
Stock Option & Compensation Committee	November 13, 2002

The Chairman presented the Financial Statements for the quarter and year ending December 31, 2002. The Chairman gave an overview of 2002 and the outlook for the year, providing key information on each business segment. He noted that general insurance premium rates continued to strengthen during the first quarter, increasing by an average of between 30 and 50 percent. Mr. Greenberg noted the challenges created by low interest rates as well as the current geopolitical environment. Mr. Tizzio reported on the successful cross marketing of major accounts and efforts to diversify the producer base. He also described industry involvement in the negotiations to settle the actions brought by the Securities and Exchange Commission and New York Attorney General Spitzer against the various investment bankers, working to assure that the settlement does not result in insurance claims.

Mr. Sullivan reported that all regions contributed to the strong start for foreign general insurance in 2003, as the flight to quality accelerated. Mr. Tse reported that the new sub-branches in China had opened last week with 100 captive agents, and the Corporation is working to form a joint venture to conduct a mutual fund management business. He noted the strong expansion of distribution alternatives such as worksite marketing in India and banks in Japan and Korea. Domestically, Mr. Tse reported the continuing consolidation and integration of American General operations and the launch of the Philippine joint venture for outsourcing business processing.

Mr. Wintrob reported on developments in the retirement savings operations, noting the push to make the necessary filings to lower crediting rates, and the managed

account option for 401(k) plans, which uses an independent investment advisor to automatically allocate and rebalance the account as markets change.

Mr. Matthews updated the members on financial services operations, reporting that International Lease Finance Corporation continues to manage well in a difficult environment, while AIG Financial Products Corp. is off to an excellent start in 2003 and American General Finance, Inc. has kept credit problems in check.

The Chairman next described several potential acquisitions currently under negotiation and the opportunities presented. The Chairman also described a major effort to package life products to enhance yield throughout the organization.

Mr. Hoenemeyer reported that the Audit Committee had met with the external auditors and reviewed the financial statements and the Schedule of Unadjusted Differences. The Committee has also evaluated and confirmed management's determinations on the accounting treatment for the SICO Deferred Compensation Profit Participation Plans.

Mr. Aidinoff presented the report of the Nominating and Corporate Governance Committee. He reported that the Committee expects to renominate all current outside directors, but recognizes a need to identify additional outside directors to replace those who will be retiring during the next several years. He requested that all Board members submit any recommendations to the Committee so that a pool could be developed. Mr.

Aidinoff next reported that the first private meeting of the outside directors had been held the previous evening, chaired by Mr. Zarb, and that there had been a full and frank discussion. Future meetings will be chaired by the directors, rotating in reverse alphabetical order.

Mr. Aidinoff next reported that the Committee had considered whether to adopt new charters for the various committees and recommended that such action be deferred until the adoption of the new New York Stock Exchange Rules. He noted at the current time it would be appropriate, however, to adopt the proposed revisions to the Audit Committee Charter. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the American International Group, Inc. Audit Committee Charter be, and hereby is, amended to read in its entirety as set forth in Annex A to the minutes of this meeting.

Mr. Aidinoff next reported the Committee recommendation that there be mandatory deferral of the common stock component of the fees paid to outside directors. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that payment of any and all fees payable in the form of Common Stock of this Corporation to any individual for services as a director of this Corporation be, and hereby are, deferred until such time as such individual is no longer a director of this Corporation.

The Chairman then recommended declaration of the dividend on the Common Stock. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that out of the funds of the Corporation legally available therefor a dividend of \$.047 per share is declared upon the Common Stock of the Corporation, payable June 20, 2003 to stockholders of record as of June 6, 2003.

Mr. Greenberg next proposed that Michael Sherman be elected an officer of the Corporation. Upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that Michael Sherman be, and hereby is, elected Vice President – Foreign General Insurance of the Corporation.

Mr. Greenberg next requested that the Board approve increases in the maximum limits for letters of credit with certain banks. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the proper officers of the Corporation be, and hereby are, authorized to execute on behalf of the Corporation applications to Banco Santander Central Hispano providing for the issuance of standby Letters of Credit for the benefit of the Corporation and various of its subsidiaries and affiliates in the aggregate amount of up to (i) \$400,000,000 and (ii) 250,000,000 British Pounds.

RESOLVED, that the proper officers of the Corporation be, and hereby are, authorized to execute on behalf of the Corporation applications to Bank One providing for the issuance of standby Letters of Credit for the benefit of the

Corporation and various of its subsidiaries and affiliates in the aggregate amount of up to \$100,000,000.

RESOLVED, that the proper officers of the Corporation be, and hereby are, authorized to execute on behalf of the Corporation applications to Barclays Bank, PLC providing for the issuance of standby Letters of Credit for the benefit of the Corporation and various of its subsidiaries and affiliates in the aggregate amount of up to \$100,000,000.

RESOLVED, that the proper officers of the Corporation be, and hereby are, authorized to execute on behalf of the Corporation applications to BNP Paribas providing for the issuance of standby Letters of Credit for the benefit of the Corporation and various of its subsidiaries and affiliates in the aggregate amount of up to \$150,000,000.

RESOLVED, that the proper officers of the Corporation be, and hereby are, authorized to execute on behalf of the Corporation applications to National Australia Bank providing for the issuance of standby Letters of Credit for the benefit of the Corporation and various of its subsidiaries and affiliates in the aggregate amount of up to \$400,000,000.

RESOLVED, that the proper officers of the Corporation be, and hereby are, authorized to execute on behalf of the Corporation applications to Standard Chartered Bank providing for the issuance of standby Letters of Credit for the benefit of the Corporation and various of its subsidiaries and affiliates in the aggregate amount of up to \$200,000,000.

RESOLVED, that the proper officers of the Corporation be, and hereby are, authorized to execute on behalf of the Corporation applications to Svenska Handelsbanken providing for the issuance of standby Letters of Credit for the benefit of the Corporation and various of its subsidiaries and affiliates in the aggregate amount of up to \$250,000,000.

The Chairman next requested that the Board approve an amendment to the 1999 Stock Option Plan to increase the shares authorized for issuance to 45 million shares. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the American International Group, Inc. 1999 Stock Option Plan be, and hereby is, amended and restated in the form presented to this meeting, which form shall be filed as Annex B to the minutes of this meeting.

The Chairman next requested that the Board consider an amendment to the 1996 Employee Stock Purchase Plan to increase the shares authorized for issuance to 10 million. After discussion, upon motion duly made, seconded and unanimously approved, it was

RESOLVED, that the American International Group, Inc. 1996 Employee Stock Purchase Plan be, and hereby is, amended and restated in the form presented to this meeting, which form shall be filed as Annex C to the minutes of this meeting.

The Chairman next requested that the Board authorize the appropriate officers of the Corporation to prepare appropriate documentation and make such filings as they deem necessary to enable the Corporation to take advantage of favorable financing opportunities. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the Corporation be, and hereby is authorized to issue up to \$1,500,000,000 aggregate principal amount (at stated maturity) of debentures, notes and/or other debt obligations (the "Securities") under and in accordance with an Indenture (as defined below); and that the Securities may initially be issued in transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), as any Authorized Officer (as defined below) may determine; and

RESOLVED, that in connection with the authorization, issuance and sale of the Securities, M.R. Greenberg, Howard I. Smith and Steven J. Bensinger or any one of them ("Authorized Officer") be and hereby are authorized, subject to the limitations set forth below, to exercise all of the powers and authority of the Board of Directors of the Corporation in the matters set forth in the following resolutions; and

RESOLVED, that M.R. Greenberg be and hereby is authorized to designate, from time to time, additional officers as Authorized Officers in connection with the authorization, issuance and sale of the Securities, and Authorized Officers so designated are authorized to exercise the authority delegated pursuant to these resolutions to Authorized Officers; and

RESOLVED, that within the limitations specified in these resolutions, any Authorized Officer may at any time until two years from the date hereof authorize one or more issues and sales of Securities by the Corporation and, in connection with any such issue, determine, approve or appoint, as the case may be:

- a) the type of security or securities and title or titles; provided, however, that no Security shall (i) be secured by any mortgage, pledge, lien, charge or security interest on any property or assets; (ii) subordinated in right of payment to any other securities or (iii) convertible into or exchangeable for any equity securities of the Corporation;
- b) the aggregate principal amount and denominations;
- c) the maturity or maturities;
- d) the public offering price of the Securities (which may be at a deep discount from the principal amount of the Securities at their maturity) and any discount received by, or commission paid to, any underwriters; provided, however, that the aggregate of the public offering prices for all Securities issued and sold pursuant to these resolutions shall not exceed \$1,500,000,000;

- e) the interest rate or rates, if any, to be established for such Securities (or manner of calculation thereof);
- f) the currency (which may be a composite currency such as the Euro or European Currency Unit);
- g) the sinking fund, if any, and related redemption prices;
- h) the optional redemption rights, if any, of the Corporation and of the Security holders, and related redemption prices and any limitations on such redemption rights;
- i) the affirmative or negative covenants, if any, to be imposed upon the Corporation relating to any of the Securities;
- j) any trustees, authenticating or paying agents, transfer agents or registrars (collectively, the "Fiduciaries"); and
- k) such other terms, conditions and provisions as such Authorized Officer shall deem appropriate; and that each of such Authorized Officers be, and hereby is, authorized, in the name and on behalf of the Corporation, to take any and all such actions and to do, or authorize to be done, all such things as such Authorized Officer may deem necessary or appropriate to effectuate the purpose of these resolutions; and

RESOLVED, that each of such Authorized Officers be, and hereby is, authorized, in the name and on behalf of the Corporation, to take any and all such actions and to do, or authorize to be done, all such things as such Authorized Officer may deem necessary or appropriate to effectuate the purpose of these resolutions; and

RESOLVED, that the Chairman, any Vice Chairman or any Vice President of the Corporation is hereby authorized, in the name and on behalf of the Corporation, to execute and

deliver with such underwriters as any Authorized Officer deems appropriate, an Underwriting Agreement or Purchase Agreement in such form and with such terms and provisions as any Authorized Officer may approve as necessary or appropriate, such approval to be conclusively evidenced by the execution and delivery thereof (the "Underwriting Agreement"); and

RESOLVED, that the Indenture (including forms of Securities) dated July 15, 1989 be, and hereby is, approved for use in connection with the authorization, issuance and sale of the Securities, and that the Chairman, any Vice Chairman and any Executive or Senior Vice President of the Corporation is hereby authorized and empowered, in the name and on behalf of the Corporation and under its corporate seal attested by its Secretary or Assistant Secretary to execute and deliver one or more supplemental indentures thereto (including form of Securities) with The Bank of New York, as Trustee (the "Trustee"), with such terms and provisions any Authorized Officer shall deem appropriate and necessary (the Indenture, as amended by indentures supplemental thereto, as executed and delivered on behalf of the Corporation, being hereinafter referred to as an "Indenture") for use in connection with the authorization, issuance and sale of the Securities, such appropriateness or necessity to be conclusively evidenced by the execution of the Indenture, and that the Chairman, any Vice Chairman or any Executive or Senior Vice President of the Corporation is hereby authorized and empowered, in the name and on behalf of the Corporation and under its corporate seal attested by its Secretary or Assistant Secretary, to execute and deliver the Indenture and the proper officers of the Corporation are hereby further authorized and empowered to do any and all acts which they, in their discretion, may deem necessary or appropriate to make each Indenture the valid and effective act and agreement of the Corporation; and

RESOLVED, that the officers of the Corporation be, and each of them hereby is, authorized, in the name and on behalf of the Corporation, to execute and deliver such other agreements, documents, certificates and instruments, including, but not limited to, agreements providing for registration rights with respect to the Securities on such terms and with such conditions as any Authorized Officer may approve, such approval to be conclusively evidenced by the execution thereof, as may be required by the Trustee or

any authenticating or paying agents, conversion agents, calculation agents, transfer agents or registrars in connection with the Indenture or as may be necessary or appropriate in connection with the issuance and sale of the Securities; and

RESOLVED, that Securities shall be executed on behalf of the Corporation by the Chairman of the Board, any Vice Chairman or any Vice President, under its corporate seal reproduced thereon, and attested by the Corporation's Secretary or any Assistant Secretary; that the signature of each of such officers on the Securities may be manual or facsimile; that Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation notwithstanding that such individuals or any of them cease to hold such offices prior to the authentication of such Securities or the delivery of such Securities; and that Securities shall be in such form and of such character as shall be set forth in the Indenture pursuant to which they are issued or as shall be otherwise approved by an Authorized Officer; and

RESOLVED, that the proper officers and directors of the Corporation be, and they hereby are, authorized, in the name and on behalf of the Corporation, to prepare one or more offering memorandums or prospectuses to be used in connection with the sale of the Securities; and

RESOLVED, that the proper officers and directors of the Corporation be and they hereby are, authorized, in the name and on behalf of the Corporation, to prepare, execute and file, or cause to be prepared and filed, with the Securities and Exchange Commission (the "SEC") one or more Registration Statements under the Securities Act for the registration of the Securities, with full power and authority to make such changes or additions thereto as any of them approve, such approval to be conclusively evidenced by the execution thereof, and to prepare, execute and cause to be filed any amendments to such Registration Statements (including, without limitation, post-effective amendments and additional registration statements pursuant to Rule 462(b) under the Securities Act) or supplements to the prospectus contained therein, together with all documents required as exhibits to such Registration Statement or Statements, or any amendments or supplements thereto, and all

certificates, letters, instruments, applications and any other documents which may be required to be filed with the SEC with respect to the registration and offering of Securities, and to take any and all action with respect to any of the foregoing that any such officer shall deem necessary or advisable, with the taking of such action conclusively establishing the validity thereof; and

RESOLVED, that Kathleen E. Shannon is hereby designated and appointed as the agent for service of the Corporation in all matters relating to each said Registration Statement; and

RESOLVED, that the proper officers of the Corporation are authorized in the name and on behalf of the Corporation to take any and all action which they deem necessary or advisable in order to effect the registration or qualification of part or all of the Securities for offer and sale under the securities or Blue Sky or insurance securities laws of any of the states and other jurisdictions, and in connection therewith to execute, acknowledge, verify, deliver, file and publish all such applications, reports, issuer's covenants, resolutions and other papers and instruments as may be required under such laws, and to take any and all further action which they deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem to be in the best interest of the Corporation; and

RESOLVED, that the Chairman, any Vice Chairman, an Executive or Senior Vice President or a Vice President and the Secretary or an Assistant Secretary of the Corporation be and they hereby are authorized in the name and on behalf of the Corporation to execute and file irrevocable written consents on the part of the Corporation to be sued in such states and other jurisdictions wherein such consents to service of process may be requisite under the securities laws thereof in connection with said registration or qualification of the Securities, or in connection with said registration of the Corporation, and to appoint the appropriate state official agent of the Corporation for the purpose of receiving and accepting process; and

RESOLVED, that the proper officers of the Corporation be, and each of them hereby is, authorized to pay any and all expenses and fees arising in connection with the issuance of any Securities, the registration of such Securities under the Securities Act of 1933, and under the Securities Exchange

Act of 1934, as amended, and under the securities or Blue Sky or insurance securities laws of the various states and jurisdictions, and in connection with the review of the legality of such Securities for investment under the legal investment laws of the various states and jurisdictions, and otherwise in connection with these resolutions; and

RESOLVED, that the officers of the Corporation be and hereby are authorized, in the name and on behalf of the Corporation, to execute and deliver or cause to be made, executed and delivered, all such officer's certificates and such other agreements, undertakings, documents or instruments or to perform such other acts as such officer may deem necessary or appropriate in order to effectuate the purpose and intent of the foregoing resolutions, including the performance of the obligations of the Corporation under the Underwriting Agreement, Indenture, the Securities, any Registration Statement or any agreements referred to herein, and that all actions heretofore taken by such officers to achieve the intent and purpose of the foregoing resolutions be and hereby are ratified and approved; and

RESOLVED, that any actions taken by, with the authorization of or at the direction of any Authorized Officer or counsel to the Corporation prior to the date hereof which action would have been authorized by the foregoing resolutions had such action been taken after the date hereof, be, and the same hereby are, ratified, confirmed and approved in all respects.

RESOLVED, that the Board of Directors deems it advisable and in the best interest of the Corporation to proceed with one or more registrations under the Securities Act of 1933 (the "Securities Act"), in connection with the issuance, offering and sale from time to time, of (i) senior debt securities and subordinated debt securities of the Corporation, in one or more series, which may be convertible into or exchangeable for shares of preferred stock of the Corporation and/or depositary shares representing such shares, (ii) warrants, purchase contracts and/or other securities of the Corporation to purchase or sell, or whose cash value is determined by reference to or is linked to the performance or level of, one or more of the following (a) securities of one or more entities (including the Corporation), (b) one or more currencies, (c) one or more commodities, (d)

one or more indices or baskets of securities, currencies, commodities or other financial, economic or other measures or instruments; (including the occurrence or non-occurrence of any event or circumstance) and/or (e) any other financial, economic or other measure or instrument (including the occurrence or non-occurrence of any event or circumstance), (iii) shares of Preferred Stock \$5.00 par value ("Preferred Stock") of the Corporation in one or more series and depositary shares representing such shares, (iv) shares of Common Stock, \$2.50 par value ("Common Stock") of the Corporation, (v) Trust Securities (as defined below), (vi) guarantees of the Corporation with respect to any of the above referenced securities, and/or (vii) units comprised of any combination of the securities referred to above, in the initial aggregate offering price (or the equivalent thereof in any other currency, currencies or currency units) of up to \$5,000,000,000 (collectively, the "offered Securities"); provided that the limit on the initial aggregate offering price amount set forth in this resolution may be increased by any Authorized Person (as defined below) to any amounts permitted under one or more registration statements that may be filed pursuant to Rule 462(b) under the Securities Act, subject to any limitations on the borrowing capacity of the Corporation authorized by the Board of Directors of the Corporation or any committee thereof or other person authorized thereby from time to time; and

RESOLVED, that the registration of Offered Securities, from time to time and in whole or in part, pursuant to one or more registration statements as authorized or approved by any Authorized Person (collectively, the "Registration Statements") is hereby approved and the filing of the Registration Statements with the Securities and Exchange Commission (the "SEC"), together with all exhibits, certificates, letters, applications and other documents connected therewith, that may be filed with the SEC with respect to the registration and offering of the Offered Securities at any time or from time to time, are hereby approved, and each Authorized Person is hereby authorized to execute, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust (as defined below), in the name of the Corporation as depositor of such Trust, and to direct any Administrative Trustee (as defined below) to execute, any Registration Statement, in each case in such form or with such changes as may be approved by

any such Authorized Person, such authorization or approval to be conclusively evidenced by the execution thereof; and

RESOLVED, that each Authorized Person is hereby authorized to prepare, execute and file with the SEC, or cause to be prepared, executed and filed with the SEC, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust in the name and on behalf of the Corporation, as depositor of such Trust, and to direct any Administrative Trustee to prepare, execute and file, with the SEC, or cause to be prepared, executed and filed with the SEC, any registration statement under Rule 462 under the Securities Act to increase the initial aggregate offering price of Offered Securities registered under a Registration Statement or otherwise (it being understood that the term "Registration Statements" used herein will include any such registration statement under Rule 462), any amendments, including post-effective amendments, to the Registration Statements, and any preliminary or final prospectuses or supplements to the prospectuses contained therein (together with all exhibits, certificates, letters, applications and other documents connected therewith), in each case, in such form or with such changes as may be authorized or approved by any such Authorized Person, and to take any and all other action, in each case at such time, in such manner and in such form as any such Authorized Person shall believe necessary, desirable or appropriate in connection with the Registration Statements or with the issuance, offering or sale of Offered Securities; and that each Authorized Person and any Administrative Trustee is hereby further authorized to request acceleration of the effective date of any and all of the Registration Statements and any post-effective amendments thereto; and

RESOLVED, that each of the Authorized Persons and counsel to the Corporation is hereby authorized to act for, and in the name and on behalf of, the Corporation, and, where applicable, any Trust, before the SEC or any other entity or person in connection with any matter relating to the Registration Statements or prospectuses contained therein, or any supplements or amendments thereto; and

RESOLVED, that each Authorized Person is hereby authorized to determine the jurisdictions in which appropriate action shall be taken to qualify or register for sale all or such part of the Offered Securities as any such Authorized Person

may believe necessary, desirable or appropriate; that each Authorized Person is hereby authorized to perform, in the name and on behalf of the Corporation, and, where applicable, on behalf of any Trust in the name of the Corporation, as depositor of such Trust, and to direct any Administrative Trustee to perform, any and all such acts as such Authorized Person may believe necessary, desirable or appropriate in order to comply with the applicable laws of any such jurisdictions, and in connection therewith to execute and file all requisite papers and documents, including applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and that the execution by any such Authorized Person of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor from the Corporation and, where applicable, any Trust, and the approval and ratification by the Corporation and any Trust of the papers and documents so executed and the action so taken; and

RESOLVED, that each Authorized Person is hereby authorized to make, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust in the name of the Corporation, as depositor of such Trust, and to direct any Administrative Trustee to make application to any securities exchange or exchanges if and as any such Authorized Person shall believe necessary, desirable or appropriate for the listing thereon of any of the Offered Securities and in connection therewith to appoint one or more listing agents and to prepare, execute and file, or cause to be prepared, executed and filed, an application or applications for such listing and any and all supplements and amendments thereto and any additional certificates, documents, letters and other instruments which any such Authorized Person may believe necessary, desirable or appropriate; that each such Authorized Person and Administrative Trustee, or such other person as any such Authorized Person or Administrative Trustee may designate in writing, is hereby authorized to appear before any official or officials, or before any body of any such exchange, with authority to make such changes in such applications, supplements, amendments, certificates, documents, letters or other instruments and to execute and deliver such agreements relative thereto, including listing agreements and applications, fee agreements and indemnity

agreements, as any such Authorized Person may believe necessary, desirable or appropriate in order to comply with the requirements of any such exchange or to effect such listing.

RESOLVED, that to the extent any Authorized Person determines that any of the Offered Securities are to be listed on a securities exchange, each Authorized Person is hereby authorized to make, in the name and on behalf of the Corporation, and where applicable, on behalf of any Trust in the name of the Corporation, as depositor of such Trust, and to direct any Administrative Trustee to make application to the SEC for registration of such Offered Securities under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and to prepare, execute and file, or cause to be prepared, executed and filed with the SEC and any securities exchange an application or applications for such registration and any and all supplements and amendments thereto and any additional certificates, documents, letters and other instruments which any such Authorized Person may believe necessary, desirable or appropriate.

RESOLVED, that each Authorized Person and, where applicable, any Administrative Trustee is hereby authorized and directed to assist any selling agents, purchasing agents or underwriters in respect of any Offered Securities in any filing with the National Association of Securities Dealers, Inc. (the "NASD") that is necessary, desirable or appropriate in connection with the filing of the Registration Statements or any offering pursuant thereto.

RESOLVED, that Kathleen E. Shannon is designated as the agent for service of process and a person authorized to receive on behalf of the Corporation and any Trust notices and communications from the SEC with respect to the Registration Statements and any amendments and supplements thereto.

RESOLVED, that subject to the limitations set forth in these resolutions, the Corporation may issue and sell the Offered Securities at any time or from time to time as determined by any Authorized Officer; and

RESOLVED, that each Authorized Person is hereby authorized in the name and on behalf of the Corporation to form or cause to be formed, from time to time, one or more

business trusts, partnerships or other entities, under the laws of any one or more jurisdictions selected by an Authorized Person (each, a "Trust"), for the purpose of issuing and selling the common securities and/or preferred securities (collectively, the "Trust Securities"), the proceeds from which sale may be used by such Trust to purchase securities of the Corporation of a type or types determined by any Authorized Person, with the number of such Trusts so formed to be such number as any Authorized Person shall believe necessary, desirable or appropriate; and

RESOLVED, that each Authorized Person is hereby authorized in the name and on behalf of the Corporation, and on behalf of each Trust in the name of the Corporation as depositor of such Trust, to select one or more employees of the Corporation or any of its subsidiaries to act as trustee or attorney-in-fact or agent for such Trust (each an "Administrative Trustee") as such Authorized Person shall believe necessary, desirable or appropriate; and

RESOLVED, that each Authorized Person is hereby authorized in the name and on behalf of the Corporation, and on behalf of each Trust in the name of the Corporation, as depositor of the Trust, to execute or cause to be executed, and to direct any Administrative Trustee to execute or cause to be executed, one or more trust or similar agreements in connection with the establishment of a Trust and the issuance of the Trust Securities (collectively, the "Trust Agreement") and to file or cause to be filed with the applicable authority in the jurisdiction of formation of a Trust, all documents necessary, desirable or appropriate to create and to give continuing effect to such Trust, all of which documents shall be in such form and contain such terms and provisions as any Authorized Person shall approve, such approval to be conclusively evidenced by the execution thereof; and

RESOLVED, that each Authorized Person is hereby authorized to execute, acknowledge and deliver, in the name and on behalf of the Corporation, and where applicable, on behalf of any Trust in the name of the Corporation, as depositor of such Trust, and to direct any Administrative Trustee to execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, one or more indentures and supplemental indentures, warrant agreements, depositary agreements, purchase contract

agreements, unit agreements, guarantees, undertakings and any and all other similar or related agreements, instruments or other documents and any amendments or supplements thereto in connection with the offering, issuance or sale of any Offered Security as any Authorized Person may believe necessary, desirable or appropriate at any time or from time to time (it being understood that any Offered Security which is a senior debt security of the Corporation may be issued pursuant to the Indenture dated as of July 15, 1989 between the Corporation and The Bank of New York, as it may be amended or supplemented from time to time) (each such document a "Constituent Document"). Each such Constituent Document shall be in such form and contain such terms and provisions as any Authorized Person shall approve, such approval to be conclusively evidenced by the execution thereof; and

RESOLVED, that each Authorized Person is hereby authorized to prepare or cause to be prepared, in the name and on behalf of the Corporation and, where applicable, on behalf of any Trust in the name of the Corporation, as depositor of such Trust, and to direct any Administrative Trustee to prepare or cause to be prepared, one or more underwriting or distribution agreements relating to the Offered Securities and any other agreement or agreements that he or she may believe necessary, desirable or appropriate for the offering or sale of any of the Offered Securities at any time or from time to time (it being understood that such agreements may provide for sale of the Offered Securities to or through agents or underwriters or directly to investors and may also provide for representations, warranties, closing conditions, indemnification, contribution and expense reimbursement in favor of underwriters or agents) (each such document a "Sales Agreement"), and to execute and deliver, or cause to be executed and delivered, in the name and on behalf of the Corporation and, where applicable, any Trust, each Sales Agreement (and any subsequent amendments or waivers thereto), in each case in such form as may be approved by an Authorized Person, such approval to be conclusively evidenced by the execution and delivery thereof; and

RESOLVED, that subject to the limitations set forth in these resolutions, each Authorized Person may, at any time and from time to time, in the name and on behalf of the Corporation, authorize the issuance of Offered Securities

(where applicable, as one or more series of securities under the applicable Constituent Document) and in connection therewith establish any and all terms, or, if all of the Offered Securities of a series may not be originally issued at one time, to the extent believed necessary, desirable or appropriate, prescribe the manner of determining within any limitations established by such Authorized Persons any and all terms, for the Offered Securities; and

RESOLVED, that in connection with the Offered Securities of the Corporation and any series thereof, each Authorized Person and any other officer of the Corporation (if required by the applicable Constituent Document) is hereby authorized to execute and deliver one or more certificates or other documents required by any Constituent Document establishing the terms, or, if all of the Offered Securities of such series may not be originally issued at one time, prescribing the manner of determining the terms of such Offered Securities; and

RESOLVED, that each Authorized Person and any other officer of the Corporation (if required by the applicable Constituent Document) is hereby authorized to approve, in the name and on behalf of the Corporation, and on behalf of each Trust in the name of the Corporation, as depositor of the Trust, to direct any Administrative Trustee to approve the terms relating to the Trust Securities and to execute and deliver certificates evidencing the Trust Securities containing such terms and conditions as are specified in the Trust Agreement or other Constituent Document or containing such terms and conditions as any Authorized Person shall designate and such other terms and conditions as any Authorized person shall approve, as conclusively evidenced by the execution and delivery thereof; and

RESOLVED, that in connection with the Offered Securities and any series thereof, each Authorized Person is hereby authorized at any time or from time to time to select the selling agents, purchasing agents and/or underwriters in respect of any Offered Securities and any series thereof (which may include one or more affiliates of the Corporation), to determine the price or prices to be received by the Corporation or any Trust in any offering for sale of any Offered Securities of any series (except in the case of Preferred Stock or Common Stock, with respect to which such determination may be made by the Board of Directors

(or any other committee of the Board of Directors so authorized), any offering price or prices for the resale thereof, any discounts to be allowed or commissions to be paid to any underwriter, agent or dealer and any other terms of offering or sale of Offered Securities and any series thereof, and to sell any and all Offered Securities and any series thereof under the applicable Sales Agreement; and

RESOLVED, that each Authorized Person is hereby authorized in the name and on behalf of the Corporation, and, where applicable, on behalf of any Trust in the name of the Corporation, as depositor of such Trust, and to direct any Administrative Trustee, at any time or from time to time to appoint or designate, on behalf of the Corporation and/or any Trust, and to terminate any such appointment or designation of, one or more trustees under any indenture and one or more paying agents, registrars, transfer agents, authenticating agents, depositaries, calculation agents, exchange rate agents, depositary agents, unit agents, warrant agents and other agents (any of which may be the same entity as the other, the Corporation or a subsidiary of the Corporation) (each, an "Agent" and collectively, the "Agents") for any Offered Securities, and to execute and deliver, or cause to be executed and delivered, any agreement or other document providing for such appointment, designation or termination (which may provide for representations, warranties, indemnification, contribution and expense reimbursement in favor of any agent), in each case, as any Authorized Person may believe necessary, desirable or appropriate, such necessity, desirability or appropriateness to be conclusively evidenced by the execution and delivery thereof; and

RESOLVED that each Authorized Person is hereby authorized to execute and deliver, in the name and on behalf of the Corporation, and, where applicable, on behalf of any Trust in the name of the Corporation, as depositor of such Trust, to execute and deliver, or cause to be executed or delivered, to any Agent, one or more Offered Securities in the forms contained in such Constituent Document or such other forms as may be established or prescribed by an Authorized Person; that each Authorized Person is hereby authorized to execute the certificates representing the Offered Securities or any coupons appertaining to any Offered Security; that the signatures of any of the foregoing Authorized Persons on any certificates representing the

Offered Securities or any coupons may be manual or facsimile; and that certificates representing any Offered Security or coupon so executed by such persons and duly authenticated and delivered shall be valid obligations notwithstanding the fact that any such Authorized Person who signs or whose facsimile signature appears upon the certificates representing any Offered Security or coupon shall have ceased to be an officer or Authorized Person prior to the authentication and delivery of any such certificates; and

RESOLVED, that there hereby is adopted the form of any and all resolutions required by any Agent if, in the opinion of the Authorized Person or Administrative Trustee executing the resolution, the adoption of such resolution is necessary, desirable or appropriate; and that the Secretary or an Assistant Secretary of the Corporation hereby is directed to attach to the minutes of this meeting copies of such resolutions, which resolutions shall be deemed to be adopted by the Board of Directors and incorporated in these resolutions as a part of these resolutions, with the same force and effect as if presented to the Board of Directors, and the Secretary or an Assistant Secretary of the Corporation is empowered and authorized to certify to any such Agent that any such form of resolution has been duly adopted by this resolution; and

RESOLVED, that the Corporation is authorized to pay any and all expenses arising in connection with the offerings of the Offered Securities, including filing fees payable to the SEC, state securities commissions, the NASD or other agencies inside or outside the United States of America, securities exchanges, accounting and legal fees and expenses (including, if any Authorized Officer believes it necessary, desirable or appropriate, those incurred by any underwriter or agent participating in an offer or sale of Offered Securities), printing costs and the expenses of all Agents or any Trust; and

RESOLVED, that each Authorized Person and, where applicable, any Administrative Trustee is hereby authorized to take, or cause to be taken, any and all action which such Authorized Person or Administrative Trustee may believe necessary, desirable or appropriate in order to conduct the offerings of the Offered Securities, including the performance by the Corporation or any Trust of any obligation it may incur

in connection therewith and the compliance by the Corporation or any Trust with any applicable legal and regulatory requirements, including the Securities Act, the Exchange Act, the Trust Indenture Act of 1939, the Investment Company Act of 1940 or any securities or other laws of any jurisdiction within or outside the United States of America, and in connection therewith, to make, execute and deliver, or cause to be made, executed and delivered, all agreements, undertakings, documents, certificates, orders, requests or instruments in the name and on behalf of the Corporation or any Trust that any such Authorized Person may believe necessary, desirable or appropriate; and

RESOLVED, that notwithstanding any of these resolutions, each Authorized Officer and, where applicable, Administrative Trustee may, at any time or from time to time, authorize any officer of the Corporation, any other persons designated by any Authorized Person or any attorney-in-fact to take, in the name and on behalf of the Corporation or any Trust, as applicable, any and all actions that such Authorized Person or Administrative Trustee is authorized to take under these resolutions, including the preparation, execution and delivery of any Constituent Document and any Sales Agreement, the establishing of the forms, terms and prices of any Offered Securities (subject to the limitations set forth in these resolutions), the preparation, execution and delivery of any filings with the SEC or other regulatory or self-regulatory body and any other agreement or other document, in each case as such Authorized Person or Administrative Trustee, as applicable, may determine to be necessary or desirable in carrying out these resolutions; and (i) any such action taken by any officer of the Corporation, any other person designated by any Authorized Person or any attorney-in-fact pursuant to any such authorization by an Authorized Person or Administrative Trustee shall be deemed to have the same force and effect under these resolutions as if taken directly by such Authorized Person or Administrative Trustee pursuant to these resolutions, and (ii) any action taken by any officer of the Corporation, any other person designated by any Authorized Person or Administrative Trustee or any attorney-in-fact shall be conclusively deemed to have been taken pursuant to such an authorization by an Authorized Person or Administrative Trustee if such action is authorized in a writing (which may be as general or specific as any Authorized Person or Administrative Trustee determines is necessary, desirable or

appropriate in carrying out these resolutions) signed by an Authorized Person or Administrative Trustee, as applicable, it being understood that such an authorization by an Authorized Person or Administrative Trustee need not be made in writing; and

RESOLVED, that the Board of Directors shall be deemed and conclusively presumed by these resolutions to have adopted, and the Secretary, or any Assistant Secretary of the Corporation is hereby authorized to certify the adoption by the Board of Directors of, any resolution not inconsistent with these resolutions which may be required or requested by any governmental agent, administration, commission or department of the United States of America or any state or other jurisdiction of the United States of America, or any country, province or other jurisdiction outside the United States of America, or any other person or entity in connection with the registration, qualification, exemption from registration, creation, issuance, offering, sale, delivery or trading of the Offered Securities, with a copy of any such resolutions to be included in the minutes of the Corporation; and

RESOLVED, that the execution, delivery or filing of any document relating to the matters contemplated by these resolutions by an Authorized Person or Administrative Trustee (or by any person acting pursuant to written authorization of any Authorized Person or Administrative Trustee) shall be deemed to be conclusive evidence that such action has been authorized by the Board of Directors; and

RESOLVED, that any actions taken by any Authorized Person, or by other officers of, or counsel to, the Corporation or its subsidiaries; prior to the date hereof which action would have been authorized by the foregoing resolutions had such action been taken by an Authorized Person after the date hereof, be, and the same hereby are, ratified, confirmed and approved in all respects; and

RESOLVED, that for purposes of these resolutions, "Authorized Persons" shall mean each or any of M.R. Greenberg, Howard I. Smith, Steven J. Bensinger and Kathleen E. Shannon acting alone or together.

The Chairman next led the Board in a discussion of the materials relating to the independence of the non-employee members of the Board and the financial literacy of Audit Committee members which had been provided to the members for their review so that the Board is able to make the determinations required under New York Stock Exchange Rules. After full discussion, upon motion duly made, seconded and unanimously adopted, it was

RESOLVED, that this Board of Directors hereby determines, in its business judgment, that each of M. Bernard Aidinoff, Pei-yuan Chia, Marshall A. Cohen, Barber B. Conable, Jr., Martin S. Feldstein, Ellen V. Futter, Carla A. Hills, Frank J. Hoenemeyer, Richard C. Holbrooke and Frank G. Zarb are independent as defined under current rules of the New York Stock Exchange.

RESOLVED, that this Board hereby determines, in its business judgment, that each of Frank J. Hoenemeyer, M. Bernard Aidinoff, Barber B. Conable, Jr., Carla A. Hills and Frank G. Zarb are financially literate.

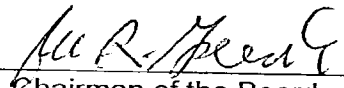
RESOLVED, that this Board of Directors hereby determines, in its business judgment, that at least one member of the Audit Committee of this Board of Directors as currently constituted has accounting or related financial management expertise.

The next meeting of the Board of Directors will be held on May 14, 2003 at 12:15 P.M. in the 18th Floor Boardroom, 70 Pine Street.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting was adjourned. The Honorary Directors, the Secretary and the directors other than the Chairman and the outside

directors then left the meeting room and the Chairman met with the outside directors in executive session.


Secretary


Chairman of the Board