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MINUTES OF MEETING
OF THE
STOCK OPTION AND COMPENSATION COMMITTEE
OF
THE BOARD OF DIRECTORS
AMERICAN INTERNATIONAL GROUP, INC.
Held February 13, 2003

A meeting of the Stock Option and Compensation Committee of the Board of Directors of AMERICAN INTERNATIONAL GROUP, INC., was held on February 13, 2003 at 12:00 noon, 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 (via telephone)
Barber B. Conable
Frank J. Hoenemeyer
Richard C. Holbrooke

Also present were Director M. Bernard Aidinoff, Chairman and Chief Executive Officer, M.R. Greenberg, Senior Vice President – Human Resources Axel I. Freudmann and Kathleen E. Shannon, Vice President, Secretary and Deputy General Counsel of the Corporation.

All of the members of the Committee being present, the meeting proceeded.

The Chairman of the Committee, Mr. Barber B. Conable, presided and the Secretary, Ms. Kathleen E. Shannon, recorded the minutes of the meeting.

Mr. Greenberg noted that shareholder approval for payments under the Chief Executive Officer Compensation Plan had not been sought for 2002 payments, although the Committee had established goals in accordance with the provisions of that plan in March 2002. He then left the meeting so that the Committee could consider payment of a bonus to him. It was noted that if the Corporation had not increased reserves, Mr. Greenberg would have been entitled to a bonus of \$5,000,000 under the criteria established by the Committee. Members of the Committee expressed their opinions on the appropriateness of using that criteria. The Committee reviewed the accomplishments of the Chief Executive Officer in relation to the strategic plans and goals of the organization, and determined that payment of a bonus was appropriate. After full discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the payment to the Chief Executive Officer of a bonus for the year ended December 31, 2002 in the amount of \$5,000,000 be, and the same hereby is, approved, ratified and confirmed.

The members of the Committee next discussed the benefits of a shareholder-approved bonus program for senior executive officers but decided to take no action at the present time.

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 A 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.

The Secretary next presented management's recommendation that the "reload option feature" related to various of the options which were assumed as part of the acquisition of American General Corporation be terminated. She explained that the terms and conditions of such reload option agreements provide that the Corporation has a unilateral right to terminate the reload option feature and that both outside counsel and the independent accountants have been consulted on the matter. After discussion, upon motion duly made, seconded and unanimously carried, it was

RESOLVED, that the reload option feature included in any stock option with respect to shares of the Corporation's Common Stock be, and hereby is, terminated.

Mr. Aidinoff next advised the members of the Committee that, on behalf of the Nominating and Corporate Governance Committee, at the March meeting he intends to ask the Board to approve procedures whereby the outside directors have the opportunity to

defer receipt of shares upon exercise of the options granted to them prior to 1999, as well as a mandatory deferral of the shares granted quarterly to outside directors.

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

Kathleen E. Shannon
Secretary

EXHIBIT A

<u>Employee</u>	<u>Number of Shares</u>
Eric L. Lefkowitz	300 incentive stock options