

**Portion of Gayle M. Rigione's Handwritten Notes of MasterCard Senior
Management Group Meeting on May 8, 1996
(as interpreted by Gayle Rigione)**

5/8/96 SMG Meeting

Premium Card Product --
-- must it go to board?
-- which board?
No!

American Express Discussion

REDACTED

HEL: Proposed less black and white approach. Maybe with clever rules

RNC: Amex lacks scale and tries to build business to expand acceptance.
Take it further. Our pricing is same for Amex as well.
need holistic view.

Verdi: Merchants are brand indifferent. They want volume.

Rush: Why not embrace to fill in our product gaps like corporate card.

JVT: Would be ruthless. Why give them a life line?

Hogan: Crappy PR reality is what you'll get.
Won't get portfolio. Conversions
Would be brutal, ruthless

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AJH: Soft stand vis-a-vis Amex will render us SOL on credit.
American Express has money, position. Amex looking for a handful of Advantas. More at risk than just a credit card.

CDT: Natwest considering issuing Amex - have leveraged Visa/MasterCard for share of wallet to fullest
expense

REDACTED

HEL: This is a global problem, not a regional issue

WIJ: Not a good thing for MasterCard
How could we be ruthless to Amex. Handle the way Microsoft would. Be a strong competitor

HEL: Could HEL issue a rule, restriction on an interim basis until Board meets.

AJH: Discover doing well, good product initiatives

REDACTED

HEL: Doesn't want to legitimize this
MC Management doesn't believe it's in the best interest.
Will seek Board's ultimate decision and advise accordingly

REDACTED



REDACTED

HEL: For purposes of preparing executive committee analysis, consider not having a binary set of rules.

Maybe there's a business opportunity there.