

**Portion of Gayle M. Rigione's Handwritten Notes of the MasterCard
Global Board Executive Committee Meeting on June 28, 1996
(as interpreted by Gayle Rigione)**

Competitive Discussion

U.S. - majority felt it necessary to restrict, prohibit issuance.

LA: situation would vary. Global board should delegate to region. Split - global board shouldn't dictate competition. Members should be managed. Visa and other preexisting. Members can not compete in gpc unless programs meet conditions determined by management. No damage to brand or to acceptance or membership in general. Shouldn't be mandated globally.

P-1197

DOJTE 000760

Issues to Take on Board

- | | |
|-------------------------|---|
| (1) font size too small | -see what was produced
-compare to standards |
| (2) PC training | - list of presenters at each |

ME/A - (1) would like to handle as a regional board
reiteration of support for MasterCard as a global program
reserved right to pass rules at a future date.

(2) management to return to board with terms, conditions, requirements,
recommendations on how to handle.
competitive?

Did not want to pass a non-compete stand

- will not solicit against existing card base
- will not subsidize merchant discount fee

Canada - (1) would like authority

(2) policy of no participation in competing programs
(including Visa and Amex)

(3) Preexisting conditions to be taken into consideration

(4) Management to come back with terms and conditions

EPI - If institution decided to go. No rule would impede. Best direction is to do more. Deliver quality at lowest cost. No official ruling at this time. Make EPI more attractive.

A/P: (1) July 9 meeting. Little interest in a formal exclusion of Amex option.

REDACTED

Open brand/open choice side of equation.
business-based with legal consideration

(notes in margin -- no prohibition, or no vote)

REDACTED

Greenawalt: This is not a 90/10.
members said nothing in two regions
close vote in one region
15 to 6 in U.S.

Members are not unified on this on our boards

Boylan: Products other than cards, can't just cherry pick what is dealing with Amex or not need to make it very, very clear.

REDACTED

Tan Sri Dato Loy: Don't want to have a double standard due to uneven handling. Injury.

REDACTED

Cawley: Get a strong enough U.S. member, don't know how you handle this. Members will be members.

Heuer: In surveying largest 15 in U.S., 12 to 15 favored prohibition.

Walsh: U.S. board: believed there should be autonomy,
believed they had a responsibility to other regions to hold the line,
75% in favor of freedom by policy, not by rule

HEL: Regional governance works. Flexibility for regional rules/policies.
Affirm prohibition against a competitor can't be legislated. Free market wins at the end of the day.

HEL: (1) would expect five to ten large issuers to take up this right.

(2) Don't believe there would be any meaningful transference of Visa cards, would be really expensive.

(3) Financial health in U.S. depends on mail share. Eighteen-month lag effect.

(6) without prohibitions large Visa composite banks would take it out on us, retribution

(7) with prohibitions may be the easiest out near term.

REDACTED

(8) should look at Hague decision potential.

(note in margin: U.S. decision, the recapture of mail share over the short to medium term.)

Ziegler: Had indemnity in AT&T situation, with members in regions be -- would members in region being protected?

REDACTED

HEL: with so many boards voting against no prohibition,
would see this as a U.S. Region Board decision.