

**AMERICAN EXPRESS
KEY EMPLOYEES CHARITABLE AWARD PROGRAM FOR EDUCATION
(THE "PROGRAM")**

Questions and Answers

1. Q. **HOW DOES THE PROGRAM WORK?**
A. To participate in the Program, the eligible key employee makes a charitable donation of \$1,000 (or \$1,500, \$2,000 or \$2,500) annually for each of five consecutive years to a qualified educational institution. If these donations are made, and all other conditions are satisfied, American Express will make a deferred charitable contribution to the recommended institution in an amount equal to the Charitable Award Amount taken from the Charitable Award Schedule (or a different amount under certain circumstances). You can make your recommendation of an institution on the Charitable Award Recommendation Form as filed with American Express. The Company will make this donation after the death of you and your Joint Party, whichever occurs later, assuming you have made all five annual contributions.

2. Q. **WHO IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM?**
A. All key employees chosen by the Company, who work in the United States (or United States citizens working abroad) and who make an annual donation to a qualified educational institution for each of five consecutive years and who, along with their Joint Party, satisfy certain other requirements (such as, insurability).

3. Q. **CAN I PARTICIPATE IN THE PROGRAM IF I DO NOT HAVE A SPOUSE?**
A. Yes, subject to approval by the Administrator, you can irrevocably designate another healthy member of your family (specifically, your father, mother, sister, brother, son or daughter) as your Joint Party required under the Program, provided that the Joint Party is at least 21 years old on the enrollment date. Some additional requirements may be imposed on the Joint Party (such as, a medical examination). If you do not have such a family member to act as your Joint Party, you may still be able to participate in the Program as determined by the Company. You can notify the Program Record Keeper of your circumstances and your desire to participate by calling 1-800-342-2779.

4. Q. **WHAT IF I'M SINGLE, AND LATER GET MARRIED; OR IF I'M MARRIED AND LATER GET DIVORCED?**
A. Your Charitable Award Amount and the timing of American Express's charitable donation to the institution is determined as of the date of enrollment and does not change by reason of a later change in your marital status.

5. Q. **HOW DO I ENROLL IN THE PROGRAM?**
A. At this time, all you must do is complete and submit the Enrollment Form and Charitable Award Recommendation Form. Afterwards, you will be sent some paperwork, which must be completed by you and your Joint Party. If it is determined that you and your Joint Party satisfy the Program eligibility requirements, you will be so notified and will be requested to submit proof of having made the first annual donation to the recommended and approved institution. Once this proof has been received, your enrollment in the Program will be completed. Donations in future years (1990 and later) must be made during the applicable year. However, proof of donations in future years must be received no later than March 1 of the year following the year in which the required donation is made.

If you have already made a donation this year to the applicable charitable institution, that contribution can qualify under this Program as long as you have not yet applied for a matching gift with respect to that contribution under the American Express Educational Gift Matching Program.

6. Q. **CAN MORE THAN ONE INSTITUTION BE RECOMMENDED TO RECEIVE THE CHARITABLE DONATION FROM AMERICAN EXPRESS?**
A. No, only one institution may be recommended to receive the charitable donation from American Express.
7. Q. **ARE THERE ANY LIMITATIONS PLACED ON THE INSTITUTION WHICH I CAN RECOMMEND TO RECEIVE THE DONATION?**
A. Yes, in general, both at the date of enrollment and at the future American Express donation date, the organization must be a non-profit, non-proprietary and accredited secondary school or college or university and be certified by the Internal Revenue Service as an organization to which a charitable contribution will be deductible for federal income tax purposes. You may contact the Program Record Keeper at 1-800-342-2779 if you are uncertain whether a particular organization will qualify. If the recommended institution does not meet the Program's requirements at the time of the donation by American Express, the donation will be made to the American Express Foundation (or to another charitable organization chosen by American Express).
8. Q. **CAN I RECOMMEND A DIFFERENT INSTITUTION LATER IF I CHANGE MY MIND?**
A. Yes, you may submit a new recommendation to replace a prior one by completing a new Charitable Award Recommendation Form and filing it with the Secretary's Office at American Express Company.
9. Q. **WHEN IS THE CHARITABLE DONATION MADE BY AMERICAN EXPRESS?**
A. American Express will make the donation to the institution after your death and that of your Joint Party, whichever death occurs later.

10. Q. **WHAT HAPPENS UNDER THE PROGRAM IF I DON'T MAKE ALL FIVE DONATIONS FOR SOME REASON?**

A. If for any reason you should fail to make the full five charitable donations to your recommended institution, the Program will have different results. If you do not or cannot make the five required annual contributions, or if your employment with American Express terminates for any reason (other than death, disability or retirement) prior to making all five annual payments, American Express will donate an amount that is at least equal to 200% of the contributions you have made to the institution under the Program, but not the full Charitable Award Amount. This reduced donation will be made after it has been determined you have failed to make a required donation, or following your termination of employment, as the case may be.

On the other hand, if your employment with American Express terminates as a result of death, disability or retirement prior to making all five annual payments to the institution, the Charitable Award Amount will be prorated according to the total number of the required five donations actually made to the institution. Alternatively in these cases, you (or, in the event of your death, your Joint Party) can elect to continue to make the remaining payments to the institution, in which case the institution would receive the full Charitable Award Amount.

11. Q. **IS THERE ANY CURRENT TAX LIABILITY ON MY PART OR ANY TAX BENEFITS TO ME, AS THE RESULT OF PARTICIPATION IN THE PROGRAM?**

A. No, it is our understanding that based on the current law (which could change at any time), your participation in this Program should not result in additional federal taxable income for you. The tax benefits from American Express's deferred charitable donation to the institution belong to American Express, not to you.

YOU ARE STRONGLY URGED TO CHECK WITH YOUR PERSONAL TAX ADVISORS AS TO ANY ISSUES RELATED TO THE TAX CONSEQUENCES OF YOUR PARTICIPATION IN THE PROGRAM IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES.

12. Q. **DOES MY JOINT PARTY HAVE ANY OBLIGATION OR RESPONSIBILITY TO MAKE THE FIVE ANNUAL DONATIONS TO THE INSTITUTION, OR ANY OTHER LIABILITY ASSOCIATED WITH THEIR INVOLVEMENT IN THE PROGRAM WITH ME?**

A. No, only you are responsible to make the five required annual donations. Your Joint Party has no obligations under the Program except to submit to medical exams, to sign certain consent forms and to do other things requested by the Administrator.

However, as discussed above in Question 10, in the event of your death, your Joint Party can elect to make any remaining payments and thereby preserve for the institution a gift of the entire Charitable Award Amount.

13. Q. **WHY ARE THERE SOME REFERENCES TO LIFE INSURANCE IN THE PROGRAM?**
- A. Under current tax laws, life insurance may be an attractive way for American Express to deal with its obligations under the Program. Therefore, it is possible that American Express may acquire such policies in connection with the Program. Of course, since American Express will be the sole owner of any such insurance contracts (or other assets), you, your Joint Party and the institution will have no rights or beneficial interest in these policies or proceeds when paid.
14. Q. **WILL I HAVE TO TAKE A PHYSICAL EXAM TO PARTICIPATE IN THE PROGRAM?**
- A. If you are married, generally you and your spouse will not be required to complete a medical examination or give a blood sample. However, you are required to complete and sign certain forms, and answer a few medical questions. If you are single, your Joint Party may be required to undergo a medical examination (at no expense to you or the Joint Party) in order for you to participate in the Program.
15. Q. **DO HEALTH PROBLEMS MAKE IT IMPOSSIBLE FOR ME TO PARTICIPATE IN THE PROGRAM?**
- A. Generally, no. However, in certain circumstances you or your Joint Party may be required to take a medical examination (at no expense) in order to participate in the Program. In addition, in the case of certain extreme health problems, you may be precluded from participating in the Program.
16. Q. **CAN I STILL USE THE AMERICAN EXPRESS GIFT MATCHING PROGRAM IF I PARTICIPATE IN THIS PROGRAM?**
- A. This Program is an alternative to the Educational Gift Matching Program. Therefore, if you make a \$2,500 annual contribution under this Program, you could not use the Educational Gift Matching Program until after all five annual contributions have been made over the five-year period. If you make a \$1,000 annual contribution under this Program, you could still use the Educational Gift Matching Program to the extent of \$1,500 per year during the five-year period. Finally, participation in this Program will have no effect on your ability to participate in the Cultural Gift Matching Program.
17. Q. **CAN AMERICAN EXPRESS EVER AMEND OR DISCONTINUE THE PROGRAM?**
- A. Yes, American Express reserves the right to amend or discontinue the Program at any time for any reason (such as, if it determines that the Program may result in significantly greater costs, expenses or liabilities than are currently projected, as a result of changes in tax law, accounting treatment or other conditions). However, following any change to the Program that significantly reduces or delays the payment of the charitable donation, you (or, in the event of your death, your Joint Party) will be provided the opportunity to recommend that the institution immediately receive, in lieu of any other payments, an amount equal to 200% of the contributions you have made under the Program. Consequently, the institution should never receive less than that which it would otherwise have received from American Express under the current Educational Gift Matching Program.

18. Q. WHO WILL ADMINISTER THE PROGRAM?
A. The record keeping of the Program will be handled by The Ayco Corporation. The administration of the Program will be done by the American Express Company Secretary's Office.

* * * * *

The foregoing questions and answers describe only certain highlights of the Program. They do not supersede the actual provisions of the Program document, which in all cases is the final authority. The Program may be amended (or even terminated) by the Company at any time without prior notice or consent.

You are strongly urged to check with your personal financial, tax and legal advisors as to any issues related to the consequences of your participation in the program in light of your particular circumstances.

EXHIBIT A

AMERICAN EXPRESS
KEY EMPLOYEES CHARITABLE AWARD PROGRAM FOR EDUCATION

To determine your Charitable Award Amount under the Program, find your age group as of the date you enroll. If you are married as of the enrollment date, use the younger of your age or your spouse's age as of such date. If you are not married as of the enrollment date, use your age, unless your Joint Party is more than ten years older than you, in which case you must use the age of the Joint Party as of such date. Then find the dollar figure under the appropriate column on the right (depending on whether you want to make a \$1,000, \$1,500, \$2,000 or \$2,500 annual contribution for each of five consecutive years to your recommended qualified educational institution).

CHARITABLE AWARD AMOUNT

<u>Applicable Age At Enrollment</u>	<u>\$1,000 Annually For 5 Years</u>	<u>\$1,500 Annually For 5 Years</u>	<u>\$2,000 Annually For 5 Years</u>	<u>\$2,500 Annually For 5 Years</u>
Less than age 40	\$200,000	\$300,000	\$400,000	\$500,000
40-44	160,000	240,000	320,000	400,000
45-49	120,000	180,000	240,000	300,000
50-54	100,000	150,000	200,000	250,000
55-59	70,000	105,000	140,000	175,000
60 years and over	50,000	75,000	100,000	125,000