# ISDA®

International Swap Dealers Association, Inc.

# INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT

Dated as of July 12, 1988

AIG FINANCIAL PRODUCTS CORP. and SOCIETE GENERALE

have entered and/or anticipate entering into one or more transactions (each a "Swap Transaction"). The parties agree that each Swap Transaction will be governed by the terms and conditions set forth in this document (which includes the schedule (the "Schedule")) and in the documents (each a "Confirmation") exchanged between the parties confirming such Swap Transactions. Each Confirmation constitutes a supplement to and forms part of this document and will be read and construed as one with this document, so that this document and all the Confirmations constitute a single agreement between the parties (collectively referred to as this "Agreement"). The parties acknowledge that all Swap Transactions are entered into in reliance on the fact that this document and all Confirmations will form a single agreement between the parties, it being understood that the parties would not otherwise enter into any Swap Transactions.

Accordingly, the parties agree as follows:–

**1. Interpretation**

(a) ***Definitions.*** The terms defined in Section 14 and in the Schedule will have the meanings therein specified for the purpose of this Agreement.

(b) ***Inconsistency.*** In the event of any inconsistency between the provisions of any Confirmation and this document, such Confirmation will prevail for the purpose of the relevant Swap Transaction.

**2. Payments**

(a) ***Obligations and Conditions.***

(i) Each party will make each payment specified in each Confirmation as being payable by it.

(ii) Payments under this Agreement will be made not later than the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency.

(iii) Each obligation of each party to pay any amount due under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing and (2) each other applicable condition precedent specified in this Agreement.

(b) ***Change of Account.*** Either party may change its account by giving notice to the other party at least five days prior to the due date for payment for which such change applies.

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(c) *Netting.* If on any date amounts would otherwise be payable:–

(i) in the same currency; and

(ii) in respect of the same Swap Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

If the parties specify "Net Payments — Corresponding Payment Dates" in a Confirmation or otherwise in this Agreement, sub-paragraph (ii) above will cease to apply to all Swap Transactions with effect from the date so specified (so that a net amount will be determined in respect of all amounts due on the same date in the same currency, regardless of whether such amounts are payable in respect of the same Swap Transaction); *provided that*, in such case, this Section 2(c) will apply separately to each Office through which a party makes and receives payments as set forth in Section 10.

(d) ***Deduction or Withholding for Tax.***

(i) ***Gross-Up.*** All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:–

(1) promptly notify the other party ("Y") of such requirement;

(2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;

(3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and

(4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:–

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for a Change in Tax Law.

(ii) ***Liability.*** If:–

(1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);

(2) X does not so deduct or withhold; and

(3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i) or (d)).

(e) ***Default Interest.*** A party that defaults in the payment of any amount due will, to the extent permitted by law, be required to pay interest (before as well as after judgment) on such amount to the other party on demand in the same currency as the overdue amount, for the period from (and including)

the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

**3. Representations**

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Swap Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement) that:–

(a) ***Basic Representations.***

(i) ***Status.*** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;

(ii) ***Powers.*** It has the power to execute and deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;

(iii) ***No Violation or Conflict.*** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) ***Consents.*** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) ***Obligations Binding.*** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) ***Absence of Certain Events.*** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) ***Absence of Litigation.*** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that purports to draw into question, or is likely to affect, the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) ***Accuracy of Specified Information.*** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in paragraph 2 of Part 3 of the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) ***Payer Tax Representation.*** Each representation specified in Part 2 of the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) ***Payee Tax Representations.*** Each representation specified in Part 2 of the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

**4. Agreements**

Each party agrees with the other that, so long as it has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:–

(a) *Furnish Specified Information.* It will deliver to the other party:–

(i) any forms, documents or certificates relating to taxation specified in Part 3 of the Schedule or any Confirmation; and

(ii) any other documents specified in Part 3 of the Schedule or any Confirmation,

by the date specified in Part 3 of the Schedule or such Confirmation or, if none is specified, as soon as practicable.

(b) *Maintain Authorisations.* It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) *Comply with Laws.* It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) *Tax Agreement.* It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) *Payment of Stamp Tax.* It will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated, organised, managed and controlled, or considered to have its seat, or in which a branch or office through which it is acting for the purpose of this Agreement is located ("Stamp Tax Jurisdiction") and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

**5. Events of Default and Termination Events**

(a) *Events of Default.* The occurrence at any time with respect to a party or, if applicable, any Specified Entity of such party, of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:–

(i) *Failure to Pay.* Failure by the party to pay, when due, any amount required to be paid by it under this Agreement if such failure is not remedied on or before the third Business Day after notice of such failure to pay is given to the party;

(ii) *Breach of Agreement.* Failure by the party to comply with or perform any agreement or obligation (other than an obligation to pay any amount required to be paid by it under this Agreement or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) *Credit Support Default.*

(1) Failure by the party or any applicable Specified Entity to comply with or perform any agreement or obligation to be complied with or performed by the party or such Specified Entity in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document, or the ceasing of such Credit Support Document to be in full force and effect, prior to the final Scheduled Payment Date of each Swap Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Specified Entity repudiates, or challenges the validity of, such Credit Support Document;

(iv) *Misrepresentation.* A representation (other than a representation under Section 3(e) or (f)) made or repeated or deemed to have been made or repeated by the party or any applicable Specified Entity in this Agreement or any Credit Support Document relating to this Agreement proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) *Default under Specified Swaps.* The occurrence of an event of default in respect of the party or any applicable Specified Entity under a Specified Swap which, following the giving of any

applicable notice or the lapse of any applicable grace period, has resulted in the designation or occurrence of an early termination date in respect of such Specified Swap;

(vi) *Cross Default*. If "Cross Default" is specified in Part 1 of the Schedule as applying to the party, (1) the occurrence or existence of an event or condition in respect of such party or any applicable Specified Entity under one or more agreements or instruments relating to Specified Indebtedness of such party or any such Specified Entity in an aggregate amount of not less than the Threshold Amount (as specified in Part 1 of the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) the failure by such party or any such Specified Entity to make one or more payments at maturity in an aggregate amount of not less than the Threshold Amount under such agreements or instruments (after giving effect to any applicable grace period);

(vii) *Bankruptcy*. The party or any applicable Specified Entity:–

(1) is dissolved; (2) becomes insolvent or fails or is unable or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for the winding-up or liquidation of the party or any such Specified Entity, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for the winding-up or liquidation of the party or such Specified Entity or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up or liquidation; (6) seeks or becomes subject to the appointment of an administrator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (regardless of how brief such appointment may be, or whether any obligations are promptly assumed by another entity or whether any other event described in this clause (6) has occurred and is continuing); (7) any event occurs with respect to the party or any such Specified Entity which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (6) (inclusive); or (8) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

other than in the case of clause (1) or (5) or, to the extent it relates to those clauses, clause (8), for the purpose of a consolidation, amalgamation or merger which would not constitute an event described in (viii) below; or

(viii) *Merger Without Assumption*. The party consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:–

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party under this Agreement by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document relating to this Agreement fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) *Termination Events*. The occurrence at any time with respect to a party or, if applicable, any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, a Tax Event if the event is specified in (ii) below, a Tax Event Upon Merger if the event is specified in (iii) below or a Credit Event Upon Merger if the event is specified in (iv) below:–

(i) *Illegality*. Due to the adoption of, or any change in, any applicable law after the date on which such Swap Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):–

(1) to perform any absolute or contingent obligation to make a payment or to receive a payment in respect of such Swap Transaction or to comply with any other material provision of this Agreement relating to such Swap Transaction; or

(2) to perform, or for any applicable Specified Entity to perform, any contingent or other obligation which the party (or such Specified Entity) has under any Credit Support Document relating to such Swap Transaction;

(ii) ***Tax Event.***

(1) The party (which will be the Affected Party) will be required on the next succeeding Scheduled Payment Date to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e)) as a result of a Change in Tax Law; or

(2) there is a substantial likelihood that the party (which will be the Affected Party) will be required on the next succeeding Scheduled Payment Date to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e)) and such substantial likelihood results from an action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which such Swap Transaction was entered into (regardless of whether such action was taken or brought with respect to a party to this Agreement);

(iii) ***Tax Event Upon Merger.*** The party (the "Burdened Party") on the next succeeding Scheduled Payment Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Indemnifiable Tax in respect of which the other party is not required to pay an additional amount, in either case as a result of a party consolidating or amalgamating with, or merging into, or transferring all or substantially all its assets to, another entity (which will be the Affected Party) where such action does not constitute an event described in Section 5(a)(viii); or

(iv) ***Credit Event Upon Merger.*** If "Credit Event Upon Merger" is specified in Part 1 of the Schedule as applying to the party, such party ("X") consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity (which will be the Affected Party) is materially weaker than that of X immediately prior to such action.

(c) ***Event of Default and Illegality.*** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

**6. Early Termination**

(a) ***Right to Terminate Following Event of Default.*** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Swap Transactions. However, an Early Termination Date will be deemed to have occurred in respect of all Swap Transactions immediately upon the occurrence of any Event of Default specified in Section 5(a)(vii)(1), (2), (3), (5), (6), (7) or (8) and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence of any Event of Default specified in Section 5(a)(vii)(4).

(b) ***Right to Terminate Following Termination Event.***

(i) ***Notice.*** Upon the occurrence of a Termination Event, an Affected Party will, promptly upon becoming aware of the same, notify the other party thereof, specifying the nature of such Termination Event and the Affected Transactions relating thereto. The Affected Party will also give such other information to the other party with regard to such Termination Event as the other party may reasonably require.

(ii) ***Transfer to Avoid Termination Event.*** If either an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will as a condition to its right to designate an Early Termination Date under Section 6(b)(iv) use all reasonable efforts (which

will not require such party to incur a loss, excluding immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its offices, branches or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party's policies in effect at such time would permit it to enter into swap transactions with the transferee on the terms proposed.

(iii) ***Two Affected Parties.*** If an Illegality under Section 5(b)(i)(1) or a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action that would cause such Termination Event to cease to exist.

(iv) ***Right to Terminate.*** If:–

(1) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality under Section 5(b)(i)(2) or a Credit Event Upon Merger occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

either party in the case of an Illegality, the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event, or the party which is not the Affected Party in the case of a Credit Event Upon Merger, may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is continuing on the relevant Early Termination Date.

(ii) Upon the effectiveness of notice designating an Early Termination Date (or the deemed occurrence of an Early Termination Date), the obligations of the parties to make any further payments under Section 2(a)(i) in respect of the Terminated Transactions will terminate, but without prejudice to the other provisions of this Agreement.

(d) ***Calculations.***

(i) ***Statement.*** Following the occurrence of an Early Termination Date, each party will make the calculations (including calculation of applicable interest rates) on its part contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations) and (2) giving details of the relevant account to which any payment due to it under Section 6(e) is to be made. In the absence of written confirmation of a quotation obtained in determining a Market Quotation from the source providing such quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) ***Due Date.*** The amount calculated as being payable under Section 6(e) will be due on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or deemed to occur as a result of an Event of Default) and not later than the day which is two Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon in the Termination Currency from (and including) the relevant Early Termination Date to (but excluding) the relevant due date, calculated as follows:–

(1) if notice is given designating an Early Termination Date or if an Early Termination Date is deemed to occur, in either case as a result of an Event of Default, at the Default Rate; or

(2) if notice is given designating an Early Termination Date as a result of a Termination Event, at the Default Rate minus 1% per annum.

Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) ***Payments on Early Termination.***

(i) ***Defaulting Party or One Affected Party.*** If notice is given designating an Early Termination Date or if an Early Termination Date is deemed to occur and there is a Defaulting Party or only one Affected Party, the other party will determine the Settlement Amount in respect of the Terminated Transactions and:–

(1) if there is a Defaulting Party, the Defaulting Party will pay to the other party the excess, if a positive number, of (A) the sum of such Settlement Amount and the Termination Currency Equivalent of the Unpaid Amounts owing to the other party over (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party; and

(2) if there is an Affected Party, the payment to be made will be equal to (A) the sum of such Settlement Amount and the Termination Currency Equivalent of the Unpaid Amounts owing to the party determining the Settlement Amount ("X") less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the party not determining the Settlement Amount ("Y").

(ii) ***Two Affected Parties.*** If notice is given of an Early Termination Date and there are two Affected Parties, each party will determine a Settlement Amount in respect of the Terminated Transactions and the payment to be made will be equal to (1) the sum of (A) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (B) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (2) the Termination Currency Equivalent of the Unpaid Amounts owing to Y.

(iii) ***Party Owing.*** If the amount calculated under Section 6(e)(i)(2) or (ii) is a positive number, Y will pay such amount to X; if such amount is a negative number, X will pay the absolute value of such amount to Y.

(iv) ***Adjustment for Bankruptcy.*** In circumstances where an Early Termination Date is deemed to occur, the amount determined under Section 6(e)(i) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(v) ***Pre-Estimate of Loss.*** The parties agree that the amounts recoverable under this Section 6(e) are a reasonable pre-estimate of loss and not a penalty. Such amounts are payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

## 7. Transfer

Subject to Section 6(b) and to any exception provided in the Schedule, neither this Agreement nor any interest or obligation in or under this Agreement may be transferred by either party without the prior written consent of the other party (other than pursuant to a consolidation or amalgamation with, or merger into, or transfer of all or substantially all its assets to, another entity) and any purported transfer without such consent will be void.

## 8. Contractual Currency

(a) ***Payment in the Contractual Currency.*** Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the "Contractual Currency"). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in a reasonable manner and in good faith in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts due in respect of this Agreement. If for any reason the amount in the Contractual Currency so received

falls short of the amount in the Contractual Currency due in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency due in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) ***Judgments.*** To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and the rate of exchange at which such party is able, acting in a reasonable manner and in good faith in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party. The term "rate of exchange" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

(c) ***Separate Indemnities.*** To the extent permitted by applicable law, these indemnities constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums due in respect of this Agreement.

(d) ***Evidence of Loss.*** For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

**9. Miscellaneous**

(a) ***Entire Agreement.*** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) ***Amendments.*** No amendment, modification or waiver in respect of this Agreement will be effective unless in writing and executed by each of the parties or confirmed by an exchange of telexes.

(c) ***Survival of Obligations.*** Except as provided in Section 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Swap Transaction.

(d) ***Remedies Cumulative.*** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) ***Counterparts and Confirmations.***

(i) This Agreement may be executed in counterparts, each of which will be deemed an original.

(ii) A Confirmation may be executed in counterparts or be created by an exchange of telexes, which in either case will be sufficient for all purposes to evidence a binding supplement to this Agreement. Any such counterpart or telex will specify that it constitutes a Confirmation.

(f) ***No Waiver of Rights.*** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise of that right, power or privilege or the exercise of any other right, power or privilege.

(g) ***Headings.*** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

## 10. Multibranch Parties

If a party is specified as a Multibranch Party in Part 4 of the Schedule, such Multibranch Party may make and receive payments under any Swap Transaction through any of its branches or offices listed in the Schedule (each an "Office"). The Office through which it so makes and receives payments for the purpose of any Swap Transaction will be specified in the relevant Confirmation and any change of Office for such purpose requires the prior written consent of the other party. Each Multibranch Party represents to the other party that, notwithstanding the place of payment, the obligations of each Office are for all purposes under this Agreement the obligations of such Multibranch Party. This representation will be deemed to be repeated by such Multibranch Party on each date on which a Swap Transaction is entered into.

## 11. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or by reason of the early termination of any Swap Transaction, including, but not limited to, costs of collection.

## 12. Notices

(a) ***Effectiveness.*** Any notice or communication in respect of this Agreement will be sufficiently given to a party if in writing and delivered in person, sent by certified or registered mail (airmail, if overseas) or the equivalent (with return receipt requested) or by overnight courier or given by telex (with answerback received) at the address or telex number specified in Part 4 of the Schedule. A notice or communication will be effective:–

(i) if delivered by hand or sent by overnight courier, on the day it is delivered (or if that day is not a day on which commercial banks are open for business in the city specified in the address for notice provided by the recipient (a "Local Banking Day"), or if delivered after the close of business on a Local Banking Day, on the first following day that is a Local Banking Day);

(ii) if sent by telex, on the day the recipient's answerback is received (or if that day is not a Local Banking Day, or if after the close of business on a Local Banking Day, on the first following day that is a Local Banking Day); or

(iii) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), three Local Banking Days after despatch if the recipient's address for notice is in the same country as the place of despatch and otherwise seven Local Banking Days after despatch.

(b) ***Change of Addresses.*** Either party may by notice to the other change the address or telex number at which notices or communications are to be given to it.

## 13. Governing Law and Jurisdiction

(a) ***Governing Law.*** This Agreement will be governed by and construed in accordance with the law specified in Part 4 of the Schedule.

(b) ***Jurisdiction.*** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:–

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) ***Service of Process.*** Each party irrevocably appoints the Process Agent (if any) specified opposite its name in Part 4 of the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any reason any party's Process Agent is unable to act as such, such party will

promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12. Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by law.

(d) ***Waiver of Immunities.*** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similiar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

**14. Definitions**

As used in this Agreement:–

***"Affected Party"*** has the meaning specified in Section 5(b).

***"Affected Transactions"*** means (a) with respect to any Termination Event consisting of an Illegality, Tax Event or Tax Event Upon Merger, all Swap Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Swap Transactions.

***"Affiliate"*** means, subject to Part 4 of the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

***"Burdened Party"*** has the meaning specified in Section 5(b).

***"Business Day"*** means (a) in relation to any payment due under Section 2(a)(i), a day on which commercial banks and foreign exchange markets are open for business in the place(s) specified in the relevant Confirmation and (b) in relation to any other payment, a day on which commercial banks and foreign exchange markets are open for business in the place where the relevant account is located and, if different, in the principal financial centre of the currency of such payment.

***"Change in Tax Law"*** means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs on or after the date on which the relevant Swap Transaction is entered into.

***"consent"*** includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

***"Credit Event Upon Merger"*** has the meaning specified in Section 5(b).

***"Credit Support Document"*** means any agreement or instrument which is specified as such in this Agreement.

***"Default Rate"*** means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) of funding the relevant amount plus 1% per annum.

***"Defaulting Party"*** has the meaning specified in Section 6(a).

***"Early Termination Date"*** means the date specified as such in a notice given under Section 6(a) or 6(b)(iv).

***"Event of Default"*** has the meaning specified in Section 5(a).

***"Illegality"*** has the meaning specified in Section 5(b).

***"Indemnifiable Tax"*** means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment

under, or enforced, this Agreement or a Credit Support Document).

"***law***" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority) and "***lawful***" and "***unlawful***" will be construed accordingly.

"***Loss***" means, with respect to a Terminated Transaction and a party, an amount equal to the total amount (expressed as a positive amount) required, as determined as of the relevant Early Termination Date (or, if an Early Termination Date is deemed to occur, as of a time as soon thereafter as practicable) by the party in good faith, to compensate it for any losses and costs (including loss of bargain and costs of funding but excluding legal fees and other out-of-pocket expenses) that it may incur as a result of the early termination of the obligations of the parties in respect of such Terminated Transaction. If a party determines that it would gain or benefit from such early termination, such party's Loss will be an amount (expressed as a negative amount) equal to the amount of the gain or benefit as determined by such party.

"***Market Quotation***" means, with respect to a Terminated Transaction and a party to such Terminated Transaction making the determination, an amount (which may be negative) determined on the basis of quotations from Reference Market-makers for the amount that would be or would have been payable on the relevant Early Termination Date, either by the party to the Terminated Transaction making the determination (to be expressed as a positive amount) or to such party (to be expressed as a negative amount), in consideration of an agreement between such party and the quoting Reference Market-maker and subject to such documentation as they may in good faith agree, with the relevant Early Termination Date as the date of commencement of such agreement (or, if later, the date specified as the effective date of such Terminated Transaction in the relevant Confirmation), that would have the effect of preserving for such party the economic equivalent of the payment obligations of the parties under Section 2(a)(i) in respect of such Terminated Transaction that would, but for the occurrence of the relevant Early Termination Date, fall due after such Early Termination Date (excluding any Unpaid Amounts in respect of such Terminated Transaction but including, without limitation, any amounts that would, but for the occurrence of the relevant Early Termination Date, have been payable (assuming each applicable condition precedent had been satisfied) after such Early Termination Date by reference to any period in which such Early Termination Date occurs). The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent practicable as of the same time (without regard to different time zones) on the relevant Early Termination Date (or, if an Early Termination Date is deemed to occur, as of a time as soon thereafter as practicable). The time as of which such quotations are to be obtained will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties. If more than three such quotations are provided, the Market Quotation will be the arithmetic mean of the Termination Currency Equivalent of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the quotations having the highest and lowest values. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction cannot be determined.

"***Office***" has the meaning specified in Section 10.

"***Potential Event of Default***" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"***Reference Market-makers***" means four leading dealers in the relevant swap market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"***Relevant Jurisdiction***" means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where a branch or office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

"***Scheduled Payment Date***" means a date on which a payment is due under Section 2(a)(i) with respect to a Swap Transaction.

"***Settlement Amount***" means, with respect to a party and any Early Termination Date, the sum of:-

(a) the Termination Currency Equivalent of the Market Quotations (whether positive or negative) for each Terminated Transaction for which a Market Quotation is determined; and

(b) for each Terminated Transaction for which a Market Quotation is not, or cannot be, determined, the Termination Currency Equivalent of such party's Loss (whether positive or negative);

*provided that* if the parties agree that an amount may be payable under Section 6(e) to a Defaulting Party by the other party, no account shall be taken of a Settlement Amount expressed as a negative number.

"***Specified Entity***" has the meaning specified in Part 1 of the Schedule.

"***Specified Indebtedness***" means, subject to Part 1 of the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"***Specified Swap***" means, subject to Part 1 of the Schedule, any rate swap or currency exchange transaction now existing or hereafter entered into between one party to this Agreement (or any applicable Specified Entity) and the other party to this Agreement (or any applicable Specified Entity).

"***Stamp Tax***" means any stamp, registration, documentation or similar tax.

"***Tax***" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

"***Tax Event***" has the meaning specified in Section 5(b).

"***Tax Event Upon Merger***" has the meaning specified in Section 5(b).

"***Terminated Transactions***" means (a) with respect to any Early Termination Date occurring as a result of a Termination Event, all Affected Transactions and (b) with respect to any Early Termination Date occurring as a result of an Event of Default, all Swap Transactions, which in either case are in effect as of the time immediately preceding the effectiveness of the notice designating such Early Termination Date (or, in the case of an Event of Default specified in Section 5(a)(vii), in effect as of the time immediately preceding such Early Termination Date).

"***Termination Currency***" has the meaning specified in Part 1 of the Schedule.

"***Termination Currency Equivalent***" means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the "Other Currency"), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11.00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value the relevant Early Termination Date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

"***Termination Event***" means an Illegality, a Tax Event, a Tax Event Upon Merger or a Credit Event Upon Merger.

"***Unpaid Amounts***" owing to any party means, with respect to any Early Termination Date, the aggregate of the amounts that became due and payable (or that would have become due and payable but for Section 2(a)(iii) or the designation or occurrence of such Early Termination Date) to such party under Section 2(a)(i) in respect of all Terminated Transactions by reference to all periods ended on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date, together with (to the extent permitted under applicable law and in lieu of any interest calculated under Section 2(e)) interest thereon, in the currency of such amounts, from (and including) the date such amounts became due and payable or would have become due and payable to (but excluding) such Early Termination Date, calculated as follows:-

(a) in the case of notice of an Early Termination Date given as a result of an Event of Default:-

(i) interest on such amounts due and payable by a Defaulting Party will be calculated at the Default Rate; and

(ii) interest on such amounts due and payable by the other party will be calculated at a rate per annum equal to the cost to such other party (as certified by it) if it were to fund such amounts (without proof or evidence of any actual cost); and

(b) in the case of notice of an Early Termination Date given as a result of a Termination Event, interest on such amounts due and payable by either party will be calculated at a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party and regardless of whether due and payable by such party) if it were to fund or of funding such amounts.

Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

IN WITNESS WHEREOF the parties have executed this document as of the date specified on the first page of this document.

| | |
|---|---|
| AIG FINANCIAL PRODUCTS CORP. | SOCIETE GENERALE |
| (Name of party) | (Name of party) |
| By: | By: |
| Name: JOSEPH J. CASSANO | Name: Alain Bataille |
| Title: VICE PRESIDENT | Title: Directeur Adjoint |

**EXHIBIT I**

**Sample Form of Letter Agreement or Telex**

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*Heading for Letter*

[Letterhead of Party A]

[Date

Swap Transaction

[Name and Address of Party B]

---

*Heading for Telex*

Date:

To: [Name and Telex Number of Party B]

From: [Party A]

Re: Swap Transaction

---

Dear :

The purpose of this [letter agreement/telex] is to set forth the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below (the "Swap Transaction"). This [letter agreement/telex] constitutes a "Confirmation" as referred to in the Interest Rate and Currency Exchange Agreement specified below.

The definitions and provisions contained in the 1987 Interest Rate and Currency Exchange Definitions (as published by the International Swap Dealers Association, Inc.) are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

1. This Confirmation supplements, forms part of, and is subject to, the Interest Rate and Currency Exchange Agreement dated as of [date] (the "Agreement") between you and us. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

2. The terms of the particular Swap Transaction to which this Confirmation relates are as follows:–

Notional Amount:

Trade Date:

Effective Date:

Termination Date:

Fixed Amounts:

| | |
|---|---|
| Fixed Rate Payer: | [Party A/B] |
| [Fixed Rate Payer Currency Amount:] | |
| Fixed Rate Payer Payment Dates (or Period End Dates, if Delayed Payment or Early Payment applies): | , subject to adjustment in accordance with the [Following/ Modified Following/ Preceding] Business Day convention |
| Fixed Amount (or Fixed Rate and Fixed Rate Day Count Fraction): | |

Floating Amounts:

| | |
|---|---|
| Floating Rate Payer: | [Party B/A] |
| [Floating Rate Payer Currency Amount:] | |
| Floating Rate Payer Payment Dates (or Period End Dates, if Delayed Payment or Early Payment applies): | , subject to adjustment in accordance with the [Following/ Modified Following/ Preceding] Business Day convention |
| [Floating Rate for initial Calculation Period:] | |
| Floating Rate Option: | |
| Designated Maturity: | |
| Spread: | [Plus/Minus %] [None] |
| Reset Dates: | |
| [Rate Cut-off Dates:] | |
| [Method of Averaging: | Unweighted/Weighted Average Rate] |
| Compounding: | [Applicable/Inapplicable] |
| [Compounding Dates:] | |

[Initial Exchange:

Initial Exchange Date:

Fixed Rate Payer Initial Exchange Amount:

Floating Rate Payer Initial Exchange Amount:

Final Exchange:

Final Exchange Date:

Fixed Rate Payer Final Exchange Amount:

Floating Rate Payer Final Exchange Amount:]

Business Days for first currency}

Business Days for {second currency}

Calculation Agent:

{5. agrees to provide the following Credit Support Document {or agrees to provide the following in accordance with {specify Credit Support Document}.}

1. Account Details

Payments to Fixed Rate Payer:

Account for payments in {first currency}:

Account for payments in {second currency}:

Payments to Floating Rate Payer:

Account for payments in {first currency}:

Account for payments in {second currency}:

{5. Offices

(a) The Office of Fixed Rate Payer for the Swap Transaction is : and

(b) The Office of Floating Rate Payer for the Swap Transaction is .}

{6. Broker/Arranger:}

---

*Closing for Letter Agreement*

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing the copy of this Confirmation enclosed for that purpose and returning it to us.

Yours sincerely,

{Party A}

By: _____

Name:

Title:

Confirmed as of the date first written:

{Party B}

By: _____

Name:

Title:

---

*Closing for Telex*

Please confirm that the foregoing correctly sets forth the terms of our agreement by a return telex to {Party A} substantially-to the following effect:–

"Re

We acknowledge receipt of your telex dated { } with respect to the above-referenced Swap Transaction between {Party A} and {Party B} with an Effective Date of } and a Termination Date of { } and confirm that such telex correctly sets forth the terms of our agreement relating to the Swap Transaction described therein. Very truly yours, {Party B}, by {specify name and title of authorized officer}."

Yours sincerely,

{Party A}

By: _____

Name:

Title:

SCHEDULE

to the

Interest Rate and Currency Exchange Agreement

dated as of July 12, 1988

between AIG FINANCIAL PRODUCTS CORP. and SOCIETE GENERALE
("Party A") ("Party B").

## Part 1

## Termination Provisions

In this Agreement:-

(1) **"Specified Entity"** means in relation to Party A for the purpose of:-

Section 5(a)(iii), (iv), (v), (vi), and (vii) and Section 5(b)(i), American International Group, Inc.

and in relation to Party B for the purpose of:-

Section 5(a)(iii), (iv), (v), (vi), and (vii) and Section 5(b)(i), Not Applicable.

(2) **"Specified Swap"** means, in lieu of the meaning specified in Section 14, any currency and/or interest rate swap agreement, asset swap, future rate or forward rate agreement, interest cap, collar and/or floor agreement or any combination thereof or other similar transaction between one party to this Agreement (or any applicable Specified Entity with respect to such party) and the other party to this Agreement (or any applicable Specified Entity with respect to such other party).

(3) The **"Cross Default"** provisions of Section 5(a)(vi)
will apply to Party A
will apply to Party B.

If such provisions apply:-

**"Threshold Amount"** means $25,000,000 or its equivalent in any currency.

**"Specified Indebtedness"** will have the meaning specified in Section 14.

(4) **"Termination Currency"** means United States Dollars.

(5) The **"Credit Event Upon Merger"** provisions of Section 5(b)(iv)

will apply to Party A
will apply to Party B.

(6) Section 5(b)(iv) is hereby amended by inserting after the words "another entity" the phrase "or another entity consolidates or amalgamates with, or merges into or transfers all or substantially all its assets to X".

(7) The following shall be additional Tax Events for the purposes of Section 5(b)(ii):

(1) The party (which will be the Affected Party) on the next succeeding Scheduled Payment Date will receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e)) as a result of a Change in Tax Law and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4), other than for a reason set forth in the last sentence of Section 2(d)(i)(4); or

(2) There is a substantial likelihood that the party (which will be the Affected Party) on the next succeeding Scheduled Payment Date will receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e)), no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4), other than for a reason set forth in the last sentence of Section 2(d)(i)(4), and such substantial likelihood results from an action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which such Swap Transaction was entered into (regardless of whether such action was taken or brought with respect to a party to this Agreement).

## Part 2

## Tax Representations

**Representations of Party A**

(1) **Payer Tax Representation.** For the purpose of Section 3(e), Party A will make the following representation:-

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e) or (6(d)) to be made by it to the other party under this Agreement. In making this representation, it may rely on:-

(i) the accuracy of any representation made by the other party pursuant to Section 3(f);

(ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i); and

(iii) the satisfaction of the agreement of the other party contained in Section 4(d).

(2) **Payee Tax Representations.** For the purpose of Section 3(f), Party A makes the representation(s) specified below:-

(a) The following representation will apply:-

It is fully eligible for the benefits of the "Business Profits" or "Industrial and Commercial Profits" provision, as the case may be, the "Interest" provision or the "Other Income" provision (if any) of the Specified Treaty with respect to any payment described in such provisions and received or to be received by it in connection with this Agreement and no such payment is attributable to a trade or business carried on by it through a permanent establishment in the Specified Jurisdiction.

If such representation applies, then:-

**"Specified Treaty"** means United States - France Income Tax Convention.

**"Specified Jurisdiction"** means France.

(b) The following representation will apply:-

Each payment received or to be received by it in connection with this Agreement relates to the regular business operations of the party (and not to an investment of the party).

(c) The following representation will not apply:-

Each payment received or to be received by it in connection with this Agreement will be effectively connected with its conduct of a trade or business in the Specified Jurisdiction.

If such representation applies, then **"Specified Jurisdiction"** means - Not Applicable.

(d) The following representation will not apply:-

It is a bank recognized by the United Kingdom Inland Revenue as carrying on a bona fide banking business in the United Kingdom, is entering into this Agreement in the ordinary course of such business and will bring into account payments made and received under this Agreement in computing its income for United Kingdom tax purposes.

(e) Other representations:- None.

**Representations of Party B**

(1) **Payer Tax Representation.** For the purpose of Section 3(e), Party B will make the following representation:-

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e) or 6(d)) to be made by it to the other party under this Agreement. In making this representation, it may rely on:-

(i) the accuracy of any representation made by the other party pursuant to Section 3(f);

(ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i); and

(iii) the satisfaction of the agreement of the other party contained in Section 4(d).

(2) **Payee Tax Representations.** For the purpose of Section 3(f), Party B makes the representation(s) specified below:-

(a) The following representation will apply:-

It is fully eligible for the benefits of the "Business Profits" or "Industrial and Commercial Profits" provision, as the case may be, the "Interest" provision or the "Other Income" provision (if any) of the Specified Treaty with respect to any payment described in such provisions and received or to be received by it in connection with this Agreement and no such payment is attributable to a trade or business carried on by it through a permanent establishment in the Specified Jurisdiction.

If such representation applies, then:-

**"Specified Treaty"** means United States - France Income Tax Convention.

**"Specified Jurisdiction"** means United States.

(b) The following representation will apply:-

Each payment received or to be received by it in connection with this Agreement relates to the regular business operations of the party (and not to an investment of the party).

(c) The following representation will not apply:-

Each payment received or to be received by it in connection with this Agreement will be effectively connected with its conduct of a trade or business in the Specified Jurisdiction.

If such representation applies, then **"Specified Jurisdiction"** means - Not Applicable.

(d) The following representation will not apply:-

It is a bank recognized by the United Kingdom Inland Revenue as carrying on a bona fide banking business in the United Kingdom, is entering into this Agreement in the ordinary course of such business and will bring into account payments made and received under this Agreement in computing its income for United Kingdom tax purposes.

(e) Other representations:- None.

**Part 3**

**Documents to be Delivered**

For the purpose of Section 4(a):-

(1) Tax forms, documents or certificates to be delivered are:-

(a) Party B agrees to complete (accurately and in a manner reasonably satisfactory to Party A), execute and deliver to Party A a United States Internal Revenue Service Form 1001, or any successor form, (i) before the first Scheduled Payment Date under this Agreement, (ii) promptly upon reasonable demand by Party A, and (iii) promptly upon learning that any such form previously provided by Party B has become obsolete or incorrect.

(b) Party B agrees to complete (accurately and in a manner reasonably satisfactory to Party A), execute and deliver to Party A a United States Internal Revenue Service Form 4224, or any successor form, in respect of any payments received or to be received by Party B in connection with this Agreement that are effectively connected or otherwise attributable to its conduct of a trade or business in the United States (i) before the first Scheduled Payment Date on which any such payment is or may be so connected or attributable, (ii) promptly upon reasonable demand by Party A, and (iii) promptly upon learning that any such form previously provided has become obsolete or incorrect.

(c) Each party agrees to complete (accurately and in a manner reasonably satisfactory to the other party or any Specified Entity thereof), execute, arrange for any required certification of, and deliver to the other party (or any Specified Entity) or such government or taxing authority as the other party (or any Specified Entity) directs any form or document that may be required or reasonably requested in order to allow the other party (or any Specified Entity) to make a payment under this Agreement (or a Credit Support Document of the other party or a Specified Entity thereof) without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate, promptly upon the earlier of: (i) reasonable demand by the other party (or any Specified Entity); and (ii) learning that the form or document is required. As used in this paragraph (1)(c), Specified Entity has the same meaning as specified in Part I, paragraph (1) for the purposes of Section 5(a)(v).

(2) Other documents to be delivered are:-

| Party required to deliver document | Form/Document/ Certificate | Date by which to be delivered | Covered by Section 3(d) Representation |
|---|---|---|---|
| Party A: | Guarantee of American International Group, Inc. | At execution | No |
| | Annual Financial Statements | Prior to the date of this Agreement and thereafter as soon as possible and in any event within 120 days (or as soon as practicable after becoming publicly available) after the end of American International Group, Inc.'s financial years | Yes |
| Party B: | Annual Financial Statements | Prior to the date of this Agreement and thereafter as soon as possible and in any event within 120 days (or as soon as practicable after becoming publicly available) after the end of Party B's financial years | Yes |

## Part 4

## Miscellaneous

(1) **Transfer.** Section 7 is replaced in its entirety with the following:

(a) Subject to Section 6(b), neither this Agreement nor any interest or obligation in or under this Agreement or any Swap

Transaction may be transferred by Party B without the prior written consent of Party A (other than pursuant to a consolidation or amalgamation with, or merger into, or transfer of all or substantially all of Party B's assets to, another entity) and any purported transfer without such consent will be void.

(b) Subject to Section 6(b), and except as expressly provided herein, neither this Agreement nor any interest or obligation in or under this Agreement or any Swap Transaction may be transferred by Party A without the prior written consent of Party B (other than pursuant to a consolidation or amalgamation with, or merger into, or transfer of all or substantially all of Party A's assets to, another entity) and any purported transfer without such consent will be void. Party A may transfer this Agreement, any of its interests and obligations in and under this Agreement or one or more Swap Transactions to another of Party A's offices, branches or Affiliates upon two Business Days' prior written notice; provided, however, that (i) if such transfer is to an entity other than American International Group, Inc., such notice shall be accompanied by a Guarantee of American International Group, Inc. of such transferee's obligations in substantially the form of the Guarantee of American International Group, Inc. referred to in Part 4(8) of this Schedule and (ii) a Termination Event or Event of Default does not occur as a result of such transfer.

(2) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine.

(3) **Process Agent.** For the purpose of Section 13(c):-

Party B appoints as its Process Agent Societe Generale, New York Branch, 50 Rockefeller Plaza, New York, New York 10020, U.S.A.

(4) **"Affiliate"** will have the meaning specified in Section 14.

(5) **Multibranch Party.** For the purpose of Section 10:-

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

(6) **Addresses for Notices.** For the purpose of Section 12(a):-

Address for notices or communications to Party A:-

Address: 667 Madison Avenue - 21st Floor, New York, New York 10021, U.S.A.

Attention: Chief Financial Officer

Telex No: 9102409432 Answerback: AIG FPC

Address for notices or communications to Party B:-

Address: 3 rue la Fayette, 75009 Paris, France

Attention: Swap Administration

Telex No: 642939 Answerback: SOGFI

(7) **Netting of Payments.** If indicated here, "Net Payments - Corresponding Payment Dates" will apply for the purpose of Section 2(c) with effect from the date of this Agreement:- No

(8) **Credit Support Documents.**

The Guarantee of American International Group, Inc., substantially in the form of Exhibit A hereto, to be delivered by Party A to Party B.

## Part 5

## Other Provisions

**Definitions**

(1) This Agreement, each Confirmation and each Swap Transaction are subject to the 1987 Interest Rate and Currency Exchange Definitions (as published by the International Swap Dealers Association, Inc.) (the "Definitions"), and will be governed in all respects by the provisions set forth in the Definitions, without regard to any amendments to the Definitions subsequent to the date thereof. The provisions of the Definitions are incorporated by reference in, and shall be deemed to be part of, this Agreement and each Confirmation, as if set forth in full in this Agreement or in that Confirmation. In the event of any inconsistency between the provisions of this Agreement and the Definitions, this Agreement will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Agreement, such Confirmation will prevail for the purpose of the relevant Swap Transaction.

**Effective Date**

(2) This Agreement is deemed to have come into effect on July 12, 1988.

**Calculation Agent**

(3) The Calculation Agent will be Party A.

**Annual Financial Statements**

(4) "Annual Financial Statements" means, in respect of both American International Group, Inc. and Party B, a copy of the annual report of such party containing audited consolidated financial statements for such party's fiscal year certified by independent certified public accountants and prepared in accordance with accounting principles that are generally accepted in the country in which the party is organized.

**Multibranch Party**

(5) Without limiting the generality of Section 10, each Multibranch Party represents to the other party and agrees that the obligations of such Multibranch Party are unconditional, irrespective of the validity or enforceability of this Agreement against any of its Offices, whether or not such Office has undergone a change in its status, functions, control or ownership.

**Procedures for Entering into Swap Transactions**

(6) With respect to each Swap Transaction entered into pursuant hereto, Party A shall, on or promptly after the Trade Date thereof, send Party B a Confirmation substantially in the form of Exhibit 1 confirming such Swap Transaction and Party B shall promptly thereafter confirm the accuracy of or request the correction of such Confirmation.

IN WITNESS WHEREOF, the parties have executed this document as of the date specified on the first page hereof.

AIG FINANCIAL PRODUCTS CORP.

By _____
Name: JOSEPH J. CASSANO
Title: VICE PRESIDENT

SOCIETE GENERALE

By _____
Name: Alain Bataille
Title: Directeur Adjoint

EXHIBIT A

GUARANTEE OF AMERICAN INTERNATIONAL GROUP, INC.

Guarantee, dated as of June 30, 1988, by American International Group, Inc., a Delaware corporation (the "Guarantor"), in favor of Societe Generale, a banking corporation organized and existing under the laws of France ("Counterparty").

1. Guarantee. To induce Counterparty to enter into a Swap Agreement dated the date hereof (the "Swap Agreement") with AIG Financial Products Corp., a Delaware corporation ("AIG-FP"), the Guarantor unconditionally guarantees to Counterparty, its successors, endorsers and assigns, the prompt payment when due, subject to any applicable grace period, of all present and future obligations and liabilities of all kinds of AIG-FP to Counterparty arising out of the Swap Agreement (the "Obligations").

2. Absolute Guarantee. The Guarantor's obligations hereunder shall not be affected by the genuineness, validity, regularity or enforcement of the Obligations or any instrument evidencing any Obligations, or by the existence, validity, enforceability, perfection, or extent of any collateral therefor or by any other circumstance relating to the Obligations which might otherwise constitute a defense to this Guarantee. Counterparty makes no representation or warranty in respect of any such circumstance and has no duty or responsibility whatsoever to the Guarantor in respect to the management and maintenance of the Obligations or any collateral therefor. Counterparty shall not be obligated to file any claim relating to the Obligations in the event that AIG-FP becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of Counterparty so to file shall not affect the Guarantor's obligations hereunder. In the event that any payment of AIG-FP in respect of any Obligations is rescinded or must otherwise be returned for any reason whatsoever, the Guarantor shall remain liable hereunder in respect to such Obligations as if such payment had not been made.

3. Consents, Waivers and Renewals. The Guarantor agrees that Counterparty may at any time and from time to time, either before or after the maturity thereof, without notice to or further consent of the Guarantor, extend the time of payment of, exchange or surrender any collateral for, or renew any of the Obligations, and may also make any agreement with AIG-FP or with any other party to or person liable on any of the Obligations, or interested therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between Counterparty and AIG-FP or any such other party or person, with-

out in any way impairing or affecting this Guarantee. The Guarantor agrees that Counterparty may resort to the Guarantor for payment of any of the Obligations, whether or not Counterparty shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations.

4. Expenses. The Guarantor agrees to pay on demand all out-of-pocket expenses (including the reasonable fees and expenses of Counterparty's counsel) in any way relating to the enforcement or protection of the rights of Counterparty hereunder and further agrees that the aforementioned collateral secures such payment; provided, that the Guarantor shall not be liable for any expenses of Counterparty if no payment under this Guarantee is due.

5. Subrogation. The Guarantor will not exercise any rights which it may acquire by way of subrogation until all of the Obligations to Counterparty shall have been paid in full. If any amount shall be paid to the Guarantor in violation of the preceding sentence, such amount shall be held in trust for the benefit of Counterparty and shall forthwith be paid to Counterparty to be credited and applied to the Obligations, whether matured or unmatured. Subject to the foregoing, upon payment of all of the Obligations, the Guarantor shall be subrogated to the rights of Counterparty against AIG-FP, and Counterparty agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

6. Continuing Guarantee. This Guarantee is absolute and unconditional and shall remain in full force and effect and be binding upon the Guarantor, its successors and assigns until all of the Obligations have been satisfied in full. If any of the present or future Obligations are guaranteed by persons, partnerships or corporations in addition to the Guarantor, the death, release or discharge, in whole or in part, or the bankruptcy, liquidation or dissolution of one or more of them shall not discharge or affect the liabilities of the Guarantor under this Guarantee.

7. No Waiver; Cumulative Rights. No failure on the part of Counterparty to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Counterparty of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Counterparty or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Counterparty from time to time.

8. Waiver of Notice. The undersigned waives notice of the acceptance of this Guarantee, presentment to or demand of payment from anyone whomsoever liable upon any of the Obligations, presentment, demand, notice of dishonor, protest, notice of any sale of collateral security and all other notices whatsoever.

9. Representations and Warranties.

(a) The Guarantor is duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power to execute, deliver and perform this Guarantee.

(b) The execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene any provision of the Guarantor's certificate of incorporation or by-laws, as amended to date, or any law, regulation, rule, decree, order, judgment or contractual restriction binding on the Guarantor or its assets.

(c) All consents, licenses, clearances, authorizations and approvals of, and registrations and declarations with, any governmental authority or regulatory body necessary for the due execution, delivery and performance of this Guarantee have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required in connection with the execution, delivery or performance of this Guarantee.

(d) This Guarantee constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

10. Assignment. Neither the Guarantor nor Counterparty may assign its rights, interests or obligations hereunder to any other person without the prior written consent of the Guarantor or Counterparty, as the case may be; provided, however, that Counterparty may assign its rights, interests and obligations hereunder to an assignee or transferee to which it has transferred its interests and obligations under the Swap Agreement pursuant to Section 6(b) or Section 7 thereof.

11. Governing Law. This Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and to be performed within such State.

IN WITNESS WHEREOF, this Guarantee has been duly executed and delivered by the Guarantor to Counterparty as of the date first above written.

AMERICAN INTERNATIONAL GROUP, INC.

By_____

By_____

GUARANTEE OF AMERICAN INTERNATIONAL GROUP, INC.

Guarantee, dated as of June 30, 1988, by American International Group, Inc., a Delaware corporation (the "Guarantor"), in favor of Societe Generale, a banking corporation organized and existing under the laws of France ("Counterparty").

1. Guarantee. To induce Counterparty to enter into a Swap Agreement dated the date hereof (the "Swap Agreement") with AIG Financial Products Corp., a Delaware corporation ("AIG-FP"), the Guarantor unconditionally guarantees to Counterparty, its successors, endorsers and assigns, the prompt payment when due, subject to any applicable grace period, of all present and future obligations and liabilities of all kinds of AIG-FP to Counterparty arising out of the Swap Agreement (the "Obligations").

2. Absolute Guarantee. The Guarantor's obligations hereunder shall not be affected by the genuineness, validity, regularity or enforcement of the Obligations or any instrument evidencing any Obligations, or by the existence, validity, enforceability, perfection, or extent of any collateral therefor or by any other circumstance relating to the Obligations which might otherwise constitute a defense to this Guarantee. Counterparty makes no representation or warranty in respect of any such circumstance and has no duty or responsibility whatsoever to the Guarantor in respect to the management and maintenance of the Obligations or any collateral therefor. Counterparty shall not be obligated to file any claim relating to the Obligations in the event that AIG-FP becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of Counterparty so to file shall not affect the Guarantor's obligations hereunder. In the event that any payment of AIG-FP in respect of any Obligations is rescinded or must otherwise be returned for any reason whatsoever, the Guarantor shall remain liable hereunder in respect to such Obligations as if such payment had not been made.

3. Consents, Waivers and Renewals. The Guarantor agrees that Counterparty may at any time and from time to time, either before or after the maturity thereof, without notice to or further consent of the Guarantor, extend the time of payment of, exchange or surrender any collateral for, or renew any of the Obligations, and may also make any agreement with AIG-FP or with any other party to or person liable on any of the Obligations, or interested therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between Counterparty and AIG-FP or any such other party or person, with-

out in any way impairing or affecting this Guarantee. The Guarantor agrees that Counterparty may resort to the Guarantor for payment of any of the Obligations, whether or not Counterparty shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations.

4. Expenses. The Guarantor agrees to pay on demand all out-of-pocket expenses (including the reasonable fees and expenses of Counterparty's counsel) in any way relating to the enforcement or protection of the rights of Counterparty hereunder and further agrees that the aforementioned collateral secures such payment; provided, that the Guarantor shall not be liable for any expenses of Counterparty if no payment under this Guarantee is due.

5. Subrogation. The Guarantor will not exercise any rights which it may acquire by way of subrogation until all of the Obligations to Counterparty shall have been paid in full. If any amount shall be paid to the Guarantor in violation of the preceding sentence, such amount shall be held in trust for the benefit of Counterparty and shall forthwith be paid to Counterparty to be credited and applied to the Obligations, whether matured or unmatured. Subject to the foregoing, upon payment of all of the Obligations, the Guarantor shall be subrogated to the rights of Counterparty against AIG-FP, and Counterparty agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

6. Continuing Guarantee. This Guarantee is absolute and unconditional and shall remain in full force and effect and be binding upon the Guarantor, its successors and assigns until all of the Obligations have been satisfied in full. If any of the present or future Obligations are guaranteed by persons, partnerships or corporations in addition to the Guarantor, the death, release or discharge, in whole or in part, or the bankruptcy, liquidation or dissolution of one or more of them shall not discharge or affect the liabilities of the Guarantor under this Guarantee.

7. No Waiver; Cumulative Rights. No failure on the part of Counterparty to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Counterparty of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Counterparty or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Counterparty from time to time.

8. Waiver of Notice. The undersigned waives notice of the acceptance of this Guarantee, presentment to or demand of payment from anyone whomsoever liable upon any of the Obligations, presentment, demand, notice of dishonor, protest, notice of any sale of collateral security and all other notices whatsoever.

9. Representations and Warranties.

(a) The Guarantor is duly organized, validly existing and in good standing under the laws of the State of Delaware and has full corporate power to execute, deliver and perform this Guarantee.

(b) The execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene any provision of the Guarantor's certificate of incorporation or by-laws, as amended to date, or any law, regulation, rule, decree, order, judgment or contractual restriction binding on the Guarantor or its assets.

(c) All consents, licenses, clearances, authorizations and approvals of, and registrations and declarations with, any governmental authority or regulatory body necessary for the due execution, delivery and performance of this Guarantee have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required in connection with the execution, delivery or performance of this Guarantee.

(d) This Guarantee constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

10. Assignment. Neither the Guarantor nor Counterparty may assign its rights, interests or obligations hereunder to any other person without the prior written consent of the Guarantor or Counterparty, as the case may be; provided, however, that Counterparty may assign its rights, interests and obligations hereunder to an assignee or transferee to which it has transferred its interests and obligations under the Swap Agreement pursuant to Section 6(b) or Section 7 thereof.

11. Governing Law. This Guarantee shall be governed by, and construed in accordance with, the laws of the State of New York applicable to contracts made and to be performed within such State.

IN WITNESS WHEREOF, this Guarantee has been duly executed and delivered by the Guarantor to Counterparty as of the date first above written.

AMERICAN INTERNATIONAL GROUP, INC.

By _____

By _____

(Bilateral Form) (ISDA Agreements Subject to New York Law Only)

# ISDA®

International Swaps and Derivatives Association, Inc.

# CREDIT SUPPORT ANNEX

to the Schedule to the

INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT

dated as of JULY 12, 1988

between

AIG FINANCIAL PRODUCTS CORP. and SOCIETE GENERALE

("Party A") ("Party B")

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party.

Accordingly, the parties agree as follows:—

**Paragraph 1. Interpretation**

(a) ***Definitions and Inconsistency.*** Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) ***Secured Party and Pledgor.*** All references in this Annex to the "Secured Party" will be to either party when acting in that capacity and all corresponding references to the "Pledgor" will be to the other party when acting in that capacity; *provided, however,* that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

**Paragraph 2. Security Interest**

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations, and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

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**Paragraph 3 Credit Support Obligations**

(a) ***Delivery Amount.*** Subject to Paragraphs 4 and 5, upon a demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "***Delivery Amount***" applicable to the Pledgor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) ***Return Amount.*** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "***Return Amount***" applicable to the Secured Party for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party

exceeds

(ii) the Credit Support Amount.

"***Credit Support Amount***" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

**Paragraph 4 Conditions Precedent, Transfer Timing, Calculations and Substitutions**

(a) ***Conditions Precedent.*** Each Transfer obligation of the Pledgor under Paragraphs 3 and 5 and of the Secured Party under Paragraphs 3, 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) ***Transfer Timing.*** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) ***Calculations.*** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(d), following the date of calculation).



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(d) ***Substitutions.***

(i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, Transfer to the Secured Party substitute Eligible Credit Support (the "Substitute Credit Support"); and

(ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); *provided* that the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

**Paragraph 5. Dispute Resolution**

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction); and

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support, the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.



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**Paragraph 6. Holding and Using Posted Collateral**

(a) ***Care of Posted Collateral.*** Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) ***Eligibility to Hold Posted Collateral; Custodians.***

(i) ***General.*** Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) ***Failure to Satisfy Conditions.*** If the Secured Party or its Custodian fails to satisfy any conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) ***Liability.*** The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) ***Use of Posted Collateral.*** Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) ***Distributions and Interest Amount.***

(i) ***Distributions.*** Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Local Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).



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(ii) ***Interest Amount.*** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

**Paragraph 7. Events of Default**

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

(i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;

(ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or

(iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

**Paragraph 8. Certain Rights and Remedies**

(a) ***Secured Party's Rights and Remedies.*** If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

(i) all rights and remedies available to a secured party under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;

(iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required under applicable law and cannot be waived.



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(b) ***Pledgor's Rights and Remedies.*** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

(i) the Pledgor may exercise all rights and remedies available to a pledgor under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;

(iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and

(iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:

(A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) ***Deficiencies and Excess Proceeds.*** The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) ***Final Returns.*** When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

**Paragraph 9. Representations**

Each party represents to the other party (which representations will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

(i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;

(ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Secured Party hereunder, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2;

(iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest); and

(iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.



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**Paragraph 10. Expenses**

(a) *General.* Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.

(b) *Posted Credit Support.* The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit Support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c) except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).

(c) *Liquidation/Application of Posted Credit Support.* All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

**Paragraph 11. Miscellaneous**

(a) *Default Interest.* A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obligated to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(b) *Further Assurances.* Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.

(c) *Further Protection.* The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the security interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).

(d) *Good Faith and Commercially Reasonable Manner.* Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(e) *Demands and Notices.* All demands and notices made by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.

(f) *Specifications of Certain Matters.* Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.



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**Paragraph 12. Definitions**

As used in this Annex:—

"***Cash***" means the lawful currency of the United States of America.

"***Credit Support Amount***" has the meaning specified in Paragraph 3.

"***Custodian***" has the meaning specified in Paragraphs 6(b)(i) and 13.

"***Delivery Amount***" has the meaning specified in Paragraph 3(a).

"***Disputing Party***" has the meaning specified in Paragraph 5.

"***Distributions***" means with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

"***Eligible Collateral***" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"***Eligible Credit Support***" means Eligible Collateral and Other Eligible Support.

"***Exposure***" means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; *provided* that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

"***Independent Amount***" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"***Interest Amount***" means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

(x) the amount of that Cash on that day; multiplied by

(y) the Interest Rate in effect for that day; divided by

(z) 360.

"***Interest Period***" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"***Interest Rate***" means the rate specified in Paragraph 13.

"***Local Business Day***", unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.



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"***Minimum Transfer Amount***" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"***Notification Time***" has the meaning specified in Paragraph 13.

"***Obligations***" means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

"***Other Eligible Support***" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"***Other Posted Support***" means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

"***Pledgor***" means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

"***Posted Collateral***" means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

"***Posted Credit Support***" means Posted Collateral and Other Posted Support.

"***Recalculation Date***" means the Valuation Date that gives rise to the dispute under Paragraph 5; *provided, however*, that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the "Recalculation Date" means the most recent Valuation Date under Paragraph 3.

"***Resolution Time***" has the meaning specified in Paragraph 13.

"***Return Amount***" has the meaning specified in Paragraph 3(b).

"***Secured Party***" means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

"***Specified Condition***" means, with respect to a party, any event specified as such for that party in Paragraph 13.

"***Substitute Credit Support***" has the meaning specified in Paragraph 4(d)(i).

"***Substitution Date***" has the meaning specified in Paragraph 4(d)(ii).

"***Threshold***" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"***Transfer***" means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

(i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(iii) in the case of securities that can be paid or delivered by book-entry, the giving of written instructions to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and

(iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.



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"***Valuation Agent***" has the meaning specified in Paragraph 13.

"***Valuation Date***" means each date specified in or otherwise determined pursuant to Paragraph 13.

"***Valuation Percentage***" means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

"***Valuation Time***" has the meaning specified in Paragraph 13.

"***Value***" means for any Valuation Date or other date for which Value is calculated and subject to Paragraph 5 in the case of a dispute, with respect to:

(i) Eligible Collateral or Posted Collateral that is:

(A) Cash, the amount thereof; and

(B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;

(ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and

(iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.



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**Paragraph 13. Elections and Variables.**

**(a)** ***Security Interest for "Obligations".*** The term ***"Obligations"*** as used in this Annex shall not include any additional obligations beyond those arising under the Agreement.

**(b)** ***Credit Support Obligations.***

(i) ***Delivery Amount, Return Amount and Credit Support Amount.***

(A) ***"Delivery Amount"*** has the meaning specified in Paragraph 3(a) subject to the proviso below;

(B) ***"Return Amount"*** has the meaning specified in Paragraph 3(b) subject to the proviso below;

*provided that* in the event that the Rating (as defined below) of AIG Inc., where Party A is the Transferor, or Party B, where Party B is the Transferor, falls to:

(i) either A- (or the equivalent successor rating) by Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ("S&P") or A3 (or the equivalent successor rating) by Moody's Investors Service, Inc. ("Moody's"), then 105% of the Credit Support Amount will be used to calculate the relevant Delivery Amount or the relevant Delivery Amount or the relevant Return Amount as applicable; or

(ii) below either BBB+ (or the equivalent successor rating) by S&P or Baa1 (or the equivalent successor rating) by Moody's, then 110% of the Credit Support Amount will be used to calculate the relevant Delivery Amount or the relevant Return Amount, as applicable.

(C) ***"Credit Support Amount"*** has the meaning specified in Paragraph 3.

(ii) ***Eligible Collateral.*** The following items will qualify as **"Eligible Collateral"** for the party specified:

| | | Party A | Party B | Valuation Percentage |
|---|---|---|---|---|
| (A) | negotiable debt obligations issued by the U.S. Treasury Department and U.S. Government Agencies (as defined below), each with a remaining maturity of not more than one year | X | X | 100% |



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| | | Party A | Party B | Valuation Percentage |
|---|---|---|---|---|
| (B) | negotiable debt obligations issued by the U.S. Treasury Department and U.S. Government Agencies, each with a remaining maturity of more than one year but not more than 5 years | X | X | 98% |
| (C) | negotiable debt obligations issued by the U.S. Treasury Department and U.S. Government Agencies, each with a remaining maturity of more than 5 years but not more than 10 years | X | X | 95% |
| (D) | negotiable debt obligations issued by the U.S. Treasury Department and U.S. Government Agencies, each with a remaining maturity of more than 10 years | X | X | 90% |

**U.S. Government Agencies** means: (i) Fully modified pass-through certificates in book entry form, the full and timely payment of principal and interest of which are guaranteed by the Governmental National Mortgage Association (excluding multi-class REMIC pass-through certificates and pass-through certificates backed by adjustable rate mortgages and excluding securities paying interest or principal only), (ii) Mortgage participation certificates in book-entry form, the timely payment of interest at the applicable certificate rate and the ultimate collection of principal of which are guaranteed by the Federal Home Loan Mortgage Corporation (excluding multi-class REMIC pass-through certificates and pass-through certificates backed by adjustable rate mortgages and excluding securities paying interest or principal only) and (iii) Mortgage pass-through certificates in book-entry form, the full and timely payment of interest at the applicable certificate rate and the ultimate collection of principal of which are guaranteed by the Federal National Mortgage Association (excluding multi-class REMIC pass-through certificates and pass-through certificates backed by adjustable rate mortgages and excluding securities paying interest or principal only).

(iii) ***Other Eligible Support.*** None.

(iv) ***Thresholds***

(A) ***"Independent Amount"*** means with respect to Party A: $0.
***"Independent Amount"*** means with respect to Party B: $0.

(B) ***"Threshold"*** means with respect to Party A: The amount set forth below under the caption "Threshold" opposite the Rating as of the applicable Valuation Date.

***"Threshold"*** means with respect to Party B: The amount set forth below under the caption "Threshold" opposite the Rating as of the applicable Valuation Date.



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| Ratings by S&P | Ratings by Moody's | Threshold |
|---|---|---|
| AAA | Aaa | US$150,000,000 |
| AA+ | Aa1 | US$125,000,000 |
| AA | Aa2 | US$100,000,000 |
| AA- | Aa3 | US$ 75,000,000 |
| A+ | A1 | US$ 50,000,000 |
| A | A2 | US$ 25,000,000 |
| A- or below | A3 or below | Zero |

(C) ***"Minimum Transfer Amount"*** means with respect to Party A: US$1,000,000 *provided that* the Rating is at or above A/A2 by S&P or Moody's, respectively, *provided, further, however* (i) if the Rating is A-/A3 by S&P or Moody's, respectively, the ***Minimum Transfer Amount*** shall be $100,000 and (2) if the Rating is BBB+/Baa1 by S&P or Moody's, respectively or below, the ***Minimum Transfer Amount*** shall be zero.

***"Minimum Transfer Amount"*** means with respect to Party B: US$1,000,000 *provided that* the Rating is at or above A/A2 by S&P or Moody's, respectively, *provided, further, however* (i) if the Rating is A-/A3 by S&P or Moody's, respectively, the ***Minimum Transfer Amount*** shall be $100,000 and (2) if the Rating is BBB+/Baa1by S&P or Moody's, respectively, or below, the ***Minimum Transfer Amount*** shall be zero.

(D) ***Rounding*** The Delivery Amount and the Return Amount will be rounded up and down to the nearest integral multiple of $10,000, respectively.

(E) ***"Rating"*** means in the case of Party A, the rating issued by either Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. (or any successor thereto) ("S&P") or Moody's Investors Service Inc. (or any successor thereto)("Moody's") in respect of the long-term unsecured, unsubordinated debt obligations of American International Group, Inc. and in the case of Party B, the rating issued by either S&P or Moody's in respect of the long-term unsecured, unsubordinated debt obligations of Party B.

In the event of a split Rating, the Rating opposite the lower of the two Ratings shall apply for the purposes of the *Delivery Amount*, the *Return Amount*, *Threshold Amount* and the *Minimum Transfer Amount*.

(c) ***Valuation and Timing.***

(i) ***"Valuation Agent"*** means: For purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3, and, for purposes of Paragraph 6(d), the Secured Party. In addition, the Valuation Agent will be the Secured Party for purposes of calculating Value in connection with substitutions pursuant to Paragraph 4(d).

(ii) ***"Valuation Date"*** means: Each Local Business Day, commencing on the first such date following the date hereof.



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(iii) ***"Valuation Time"*** means the close of business on the Local Business Day before the Valuation Date or date of calculation, as applicable; *provided*, that the calculations of Value and Exposure will be made as of approximately the same time on the same date.

(iv) ***"Notification Time"*** means: 11:00 a.m., New York time, on a Local Business Day.

(d) ***Conditions Precedent and Secured Party's Rights and Remedies.*** For the purposes of Paragraph 8(a) and (b) each Termination Event shall constitute a Specified Condition with respect to the Pledgor or Secured Party, as applicable. For all other purposes of this Annex, the following Termination Event(s) will be a ***"Specified Condition"*** for the party specified (that party being the Affected Party if the Termination Event occurs with respect to that party):

| | Party A | Party B |
|---|---|---|
| Illegality | X | X |
| Tax Event | | |
| Tax Event Upon Merger | | |
| Credit Event Upon Merger | X | X |
| Additional Termination Event(s) | X | X |

(e) ***Substitution.***

(i) ***"Substitution Date"*** has the meaning specified in Paragraph 4(d)(ii).

(ii) ***Consent.*** If specified here as applicable, then the Pledgor must obtain the Secured Party's consent for any substitution pursuant to Paragraph 4(d): Not applicable

(f) ***Dispute Resolution.***

(i) ***"Resolution Time"*** means 1:00 p.m., New York time, on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 5.

(ii) ***Value.*** For the purpose of Paragraphs 5(i)(C) and 5(ii), the Value of Posted Credit Support will be calculated as follows: With respect to each security, the arithmetic mean of the bid prices for the security obtained by the Valuation Agent from Reference Dealers selected by it in accordance with the final sentence of Section 4.14 of the 1991 Definitions multiplied by the applicable Valuation Percentage. For these purposes, "Reference Dealers" means three leading dealers in the principal market for the relevant kind of security.

(iii) ***Alternative.*** The provisions of Paragraph 5 will apply except to the following extent: Paragraph 5 (2) shall be amended in its entirety to read as follows: "(2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business (X) (i) on the Local Business Day on which such demand is made if such demand is made by the Notification Time or (ii) on the next Local Business Day if such demand is made after the Notification Time, in the case of (I) above or (Y) the date of Transfer in the case of (II) above."



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(g) ***Holding and Using Posted Collateral.***

(i) ***Eligibility to Hold Posted Collateral; Custodians.*** Party A and Party B and their respective Custodians will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); *provided* that the following conditions are satisfied:

(1) Such party is not a Defaulting Party or an Affected Party in connection with a Specified Condition.

(2) Posted Collateral may be held only in the following jurisdiction: New York.

(3) The long-term unsubordinated, unsecured debt of such Custodian is rated at least in the "A" category by S&P or Moody's.

Initially, the Custodian for Party A is The Bank of New York.

Initially, the Custodian for Party B is Bankers Trust Company.

(ii) ***Use of Posted Collateral.*** The provisions of Paragraph 6(c) will apply; *provided* the Rating of AIG Inc./Party B is at or above AA-/Aa3 by S&P or Moody's, respectively.

(h) ***Distributions and Interest Amount.***

(i) ***Interest Rate.*** Not Applicable.

(ii) ***Transfer of Interest Amount.*** Not Applicable.

(iii) ***Alternative to Interest Amount.*** Not Applicable.

(i) ***Additional Representation.***

Each party represents to the other party (which representation will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that its representations set forth in Section 3 of this Agreement are true and correct.

(j) ***Other Eligible Support and Other Posted Support.***

(i) ***"Value"*** with respect to Other Eligible Support and Other Posted Support means: Not Applicable.

(ii) ***"Transfer"*** with respect to Other Eligible Support and Other Posted Support means: Not Applicable.

(k) ***Demands and Notices.***

All demands, specifications and notices under this Annex will be made as specified here:

Party A: As set forth in Annex 1.

Party B: As set forth in Annex 2.

Any communication by a party ("X") to the other party ("Y") requesting Credit Support to be delivered pursuant to Paragraph 3 or 4 of this Annex, as the case may be, or requesting Credit Support to be returned pursuant to Paragraph 3 or 4 of this Annex, as the case may be, may be given orally (including telephonically to the telephone number of Y set forth in Paragraph 13(l) of this Annex to the Agreement or any other telephone number Y may notify X of in writing) during normal business hours in the city in which Y is located on any Local Business Day to any officer of Y or any employee or agent of Y, which employee or agent of Y identifies himself or herself as being permitted to receive oral communications with respect to this Annex. Any such oral communication will be deemed received and effective when actually received by any such officer or employee or agent. X shall deliver to Y, within one (1) Local Business Day following receipt of an oral or written request by Y, a written confirmation of any such oral communication.

(l) ***Addresses for Transfers.***

Party A: As set forth in Annex 1.

Party B: As set forth in Annex 2.

(m) ***Other Provisions.***

(i) ***"Local Business Day"*** means, unless otherwise designated herein, any day other than Saturday or Sunday on which banks in New York City are not required or permitted to be closed. All references to "Local Business Day" in this Annex shall have the meaning specified for the term "Business Day" in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

(ii) In calculating Exposure, any Transaction entered into with Party B's branches other than its New York Branch, London Branch and its Paris head office shall be excluded. In addition, the definition of "Exposure" in this Annex (A) shall be amended by (i) deleting the parenthetical "(or Swap Transactions)" and inserting in lieu thereof the words "which are rate swap transactions, basis swap transactions, forward rate transactions, interest rate options, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions (including Options with respect to any of these transactions) and other types of transactions, as may be agreed to by the parties hereto in writing" and (B) modified to change the reference to Section 6(e)(ii)(2)(A) to be a reference to Section 6(e)(ii), with the determination of "Settlement Amount" to be made on the basis of paragraph (a) thereof.

(iii) Paragraph 4(b) shall be amended as follows: (a) by deleting from the third line the words "next Local Business Day" and inserting in lieu thereof the words "applicable Valuation Date" and (b) by deleting from the fifth line the word "second" and inserting in lieu thereof the word "following."

(iv) Paragraph 4(c) shall be amended as follows: by deleting from the third and fourth lines the words "the Local Business Day following."

(n) **Sharing of Information.** The parties hereto agree that they shall, on a monthly basis, exchange (i) lists identifying all Transactions included in the calculation of Exposure hereunder and (ii) a statement of Posted Credit Support.



Recieved Time Jan.21. 5:16AM

**AIG FINANCIAL PRODUCTS CORP.**
**(Party A)**

By: Kathleen M. Furlong
Name:
Title:

Kathleen M. Furlong
Vice President, Chief Financial Officer
and Treasurer

**SOCIETE GENERALE**
**(Party B)**

By:
Name:
Title: Sébastien CAHEN
Global interest rate derivatives director



Recieved Time Jan.21. 5:16AM

# ANNEX 1

**Demands and Notices for Party A:**

AIG Financial Products Corp.
100 Nyala Farm
Westport, Connecticut 06880
Attention: Chief Financial Officer (with a copy to the General Counsel)
Telex: 910240 9432
Answerback: AIGFPC
Facsimile No: (203) 222-4780
Telephone No: (203) 222-4700

**Transfer Instructions for Party A:**

US Government Securities:

Chase NYC/AFPC
ABA NO: 021 000021

# ANNEX 2

**Demands and Notices for Party B:**

Societe Generale, New York Branch
1221 Avenue of the Americas
New York, New York 10020
Attention: Craig Beem
Telephone: (212) 278-7310
Facsimile: (212) 278-6888

**Transfer Instructions for Party B:**

Posted Collateral in the form of Cash:

Federal Reserve Bank of New York
For the Account of Societe Generale, New York
ABA No. 026004216, for further credit to Societe
Generale, Grand Cayman Branch, Account Number 0150584

Posted Collateral in the form of securities:

Eligible U.S. Government Issues:

Bankers Trust Company
ABA No. 012001013
Bankers NYC/CUST/092296
Societe Generale Cust MARG PLG ACC

Eligible GNMA Issues:

Bankers Trust Company
ABA No. 021001013
BTRST/CUST/092296
Societe Generale Cust MARG PLG ACC



Recieved Time Jan.21. 5:16AM

**AMENDMENT**
**OF**
**INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT**

**AMENDMENT OF INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT,** dated as of November 29, 1989, between AIG Financial Products Corp. ("Party A") and Societe Generale, acting through its specified offices ("Party B").

**WHEREAS,** Party A and Party B have previously executed an Interest Rate and Currency Exchange Agreement dated as of July 12, 1988 ("the Agreement");

**WHEREAS,** subsequent to the execution of the Agreement, Party A and Party B have concluded Swap Transactions in which Party B is acting through offices not specified in the Agreement; and

**WHEREAS,** Party A and Party B now desire to amend the Agreement in connection with those Swap Transactions;

**NOW, THEREFORE,** Party A and Party B agree as follows:

1. Capitalized terms not defined herein shall have the meanings specified in the Agreement.

2. References to Party B in the Agreement are hereby amended to mean "Societe Generale acting through its specified offices".

3. Part 2, Section 2 of the Schedule to the Agreement (relating to Payee Tax Representations of Party B) is hereby amended by deleting the same in its entirety and inserting in lieu thereof the following:

> Payee Tax Representations. For the purpose of Section 3(f), Party B makes the representations specified below:-
>
> (i) With respect to Swap Transactions as to which it is acting through a branch or office located in the United States (including only the States and District of Columbia), Party B makes the representation specified below:
>
> Each payment received or to be received by it in connection with this Agreement

will be effectively connected with its conduct of a trade or business in the Specified Jurisdiction.

If such representation applies, then "Specified Jurisdiction" means the United States.

(ii) With respect to Swap Transactions as to which it is acting through a branch or office other than a branch or office described in Part 2 clause 2(i) above, Party B makes the representations specified below:

(a) It is fully eligible for the benefits of the "Business Profits" or "Industrial and Commercial Profits" provision, as the case may be, the "Interest" provision or the "Other Income" provision (if any) of the Specified Treaty with respect to any payment described in such provisions and received or to be received by it in connection with this Agreement and no such payment is attributable to a trade or business carried on by it through a permanent establishment in the Specified Jurisdiction.

If such representation applies, then "Specified Treaty" means the United States-France Income Tax Convention.

"Specified Jurisdiction" means the United States.

(b) Each payment received or to be received by it in connection with this Agreement relates to the regular business operations of the party (and not to an investment of the party).

4. Part 3, Section 1 of the Schedule to the Agreement is hereby amended by deleting the same in its entirety and inserting in lieu thereof the following:

(1) Tax forms, documents or certificates to be delivered are:

(a) With respect to Swap Transactions as to which Party B is acting through a branch or office located in the United States, Party B agrees to complete, accurately and in a manner reasonably satisfactory to Party A, and to execute and deliver to Party A, a United States Internal

Revenue Service Form 4224, or any successor form, (i) before the first Scheduled Payment Date under the Agreement, (ii) promptly upon reasonable demand by Party A, and (iii) promptly upon learning that any such form previously provided by Party B has become obsolete or incorrect.

(b) With respect to Swap Transactions as to which Party B is acting through a branch or office other than a branch or office described in Part 3, paragraph (1)(a) above,

(A) Party B agrees to complete, accurately and in a manner reasonably satisfactory to Party A, and to execute and deliver to Party A, a United States Internal Revenue Service Form 1001, or any successor form, (i) before the first Scheduled Payment Date under the Agreement, (ii) promptly upon reasonable demand by Party A, and (iii) promptly upon learning that any such form previously provided by Party B has become obsolete or incorrect.

(B) Party B agrees to complete, accurately and in a manner reasonably satisfactory to Party A, and to execute and deliver to Party A, a United States Internal Revenue Service Form 4224, or any successor form, in respect of any payments received or to be received by Party B in connection with this Agreement that are effectively connected or otherwise attributable to its conduct of a trade or business in the United States (including, but not limited to, Swap Transactions conducted through Party B's New York Branch, New York I.B.F. Branch and Grand Cayman Branch) (i) before the first Scheduled Payment Date on which any such payment is or may be so connected or attributable, (ii) promptly upon reasonable demand by Party A, and (iii) promptly upon learning that any such form

previously provided has become obsolete or incorrect.

(c) Each party agrees to complete (accurately and in a manner reasonably satisfactory to the other party or any Specified Entity thereof), execute, arrange for any required certification of, and deliver to the other party (or any Specified Entity) or such government or taxing authority as the other party (or any Specified Entity) directs, any form or document that may be required or reasonably requested in order to assist or enable the other party (or any Specified Entity) to secure the benefit of any available exemption or relief from any deduction or withholding for or on account of Tax or, if there is no available exemption or relief as aforesaid, to secure the benefit of any reduced rate of deduction or withholding, in respect of any payment under this Agreement (or a Credit Support Document of the other party or a Specified Entity thereof) promptly upon the earlier of: (i) reasonably demand by the other party (or any Specified Entity); and (ii) learning that the form or document is required.

As used in the paragraph (1)(c), Specified Entity has the same meaning as specified in Part I, paragraph (1) for the purposes of Section 5(a)(v)

5. Part 4, Section 5 of the Schedule to the Agreement is hereby amended to provide that Party B is a Multibranch Party and may act through the following Offices:-

Societe Generale
Paris Head Office
3 rue la Fayette
75009 Paris, France

Societe Generale
London Branch
60 Gracechurch Street
London EC3V OHD

Societe Generale
Tokyo Branch
2-9 Nishi-Shinbashi
1-chome
Minato-ku
Tokyo 105

Societe Generale
New York Branch
50 Rockefeller Plaza
New York, New York 10020

Societe Generale
New York I.B.F. Branch
50 Rockefeller Plaza
New York, New York 10020

Societe Generale
Grand Cayman Branch
c/o 50 Rockefeller Plaza
New York, New York 10020

6. Part 4 Section 6 of the Schedule to the Agreement is hereby amended by deleting the information following the words "Address for notices or communications to Party B:-" and inserting in lieu thereof the following phrase:

> Notices or communications to Party B should be addressed to the office set forth in Section 5 hereof to which such notice or communication relates.

7. The Agreement, as amended hereby, shall continue to be in full force and effect and is hereby ratified and confirmed by the parties in all respects.

**IN WITNESS WHEREOF,** each of the undersigned has caused this Amendment of Interest Rate and Currency Exchange Agreement to be duly executed and delivered to the other as of the date first written above.

**AIG FINANCIAL PRODUCTS CORP.**

By: _____
Title: JOSEPH J. CASSANO
VICE PRESIDENT

**SOCIETE GENERALE**
**acting through its specified offices**

By: _____
Title: Alain Bataille
Directeur Adjoint

**AMENDMENT NO. 2**
**OF**
**INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT**

**AMENDMENT NO. 2 OF INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT**, dated as of July 21, 1992, between AIG Financial Products Corp. ("Party A") and Societe Generale, acting through its specified offices ("Party B").

**WHEREAS**, Party A and Party B have previously executed an Interest Rate and Currency Exchange Agreement dated as of July 12, 1988 (the "Original Agreement"), as amended by Amendment of Interest Rate and Currency Exchange Agreement, dated as of November 29, 1989 ("Amendment No. 1"), (the Original Agreement, as amended by Amendment No. 1, referred to herein as the "Agreement");

**WHEREAS**, subsequent to the execution of the Agreement, Party A and Party B have concluded Swap Transactions in which Party B is acting through an office not specified in the Agreement; and

**WHEREAS**, Party A and Party B now desire to amend the Agreement in connection with those Swap Transactions;

**NOW, THEREFORE**, Party A and Party B agree as follows:

1. Capitalized terms not defined herein shall have the meanings specified in the Agreement.

2. Part 4, Section 5 of the Schedule to the Agreement is hereby amended to provide that, in addition to the offices set forth in such Section 5, Party B may act through the following Office:

Societe Generale
Madrid Office
Genova, 26
28004 Madrid
Spain

3. The Agreement, as amended hereby, shall continue to be in full force and effect and is hereby ratified and confirmed by the parties in all respects.

**IN WITNESS WHEREOF,** each of the undersigned has caused this Amendment No. 2 of Interest Rate and Currency Exchange Agreement to be duly executed and delivered to the other as of the date first written above.

**AIG FINANCIAL PRODUCTS CORP.**

By: _____
Name:
Title: JOSEPH J. CASSANO
VICE PRESIDENT

**SOCIETE GENERALE**
**acting through its specified offices**

By: _____
Name: Jean Dominson
Title: Head of Swaps.

**AMENDMENT NO. 3**
**OF**
**INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT**

**AMENDMENT NO. 3 OF INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT**, dated as of November 12, 1992, between AIG Financial Products Corp. ("Party A") and Societe Generale, acting through its specified offices ("Party B").

**WHEREAS,** Party A and Party B have previously executed an Interest Rate and Currency Exchange Agreement dated as of July 12, 1988 (the "Original Agreement"), as amended by Amendment of Interest Rate and Currency Exchange Agreement, dated as of November 29, 1989 ("Amendment No. 1"), and as further amended by Amendment No. 2 of Interest Rate and Currency Exchange Agreement, dated as of July 21, 1992 ("Amendment No. 2") (the Original Agreement, as amended by Amendment No. 1 and Amendment No. 2, referred to herein as the "Agreement");

**WHEREAS,** subsequent to the execution of the Agreement, Party A and Party B have concluded Swap Transactions involving cap, collar and/or floor transactions; and

**WHEREAS,** Party A and Party B now desire to amend the Agreement in connection with those Swap Transactions and future Swap Transactions;

**NOW, THEREFORE,** Party A and Party B agree as follows:

1. Capitalized terms not defined herein shall have the meanings specified in the Agreement.

2. Part 5 of the Schedule to the Agreement is hereby amended by inserting at the end thereof a new Section 7 as follows:

**"Caps and Options**

(7) The May 1989 Addendum to Schedule to Interest Rate and Currency Exchange Agreement (the "Cap Addendum") and the July 1990 Addendum to Schedule to Interest Rate and Currency Exchange Agreement (the "Swaption Addendum"), both as published by ISDA are hereby incorporated herein by this reference and made a part of this Agreement to the same extent as if such Addenda were set forth in full herein."

3. The Agreement, as amended hereby, shall continue to be in full force and effect and is hereby ratified and confirmed by the parties in all respects.

**IN WITNESS WHEREOF,** each of the undersigned has caused this Amendment No. 3 of Interest Rate and Currency Exchange Agreement to be duly executed and delivered to the other as of the date first written above.

**AIG FINANCIAL PRODUCTS CORP.**

By: _____
Name:
Title: **JOSEPH J. CASSANO**
**VICE PRESIDENT**

**SOCIETE GENERALE**
**acting through its specified offices**

By: _____
Name: JOAN DOMINSON
Title: Head of Swaps

**EXECUTION COPY**

# AMENDMENT NO. 2
# TO ISDA INTERST RATE AND CURRENCY EXCHANGE AGREEMENT

THIS AMENDMENT NO. 2, dated as of December 1, 1998 (the "Amendment"), to the ISDA Interest Rate and Currency Exchange Agreement, dated as of July 12, 1988 (the "Agreement"), between **AIG FINANCIAL PRODUCTS CORP.** and **SOCIETE GENERALE** which Agreement includes the Schedule and all Confirmations exchanged between the parties confirming the Transactions (or Swap Transactions) thereunder. In consideration of the agreements, and provisions herein contained and in reliance on the representations contained herein, the parties have now agreed to amend the Agreement by this Amendment.

Accordingly, the parties agree as follows:

**1. Amendment of the Agreement**. Upon execution of this Amendment by both parties, the Agreement shall and hereby is amended as set forth below:

(a) Part 4 of the Schedule is hereby amended by deleting subsection (8) thereof in its entirety and inserting the following in lieu thereof:

> "(8) **Credit Support Documents.** The Guarantee of American International Group, Inc., substantially in the form of Exhibit A, delivered by Party A to Party B and the Credit Support Annex forming a part of this Agreement, the terms of which are incorporated by reference herein."

(b) Part 5 of the Schedule is hereby amended by inserting the following subsections (7), (8), (9) and 10 immediately after subsection (6):

> "(7) **Section 3(a) - Basic Representations** - is amended to add the following new subsections:
>
> > (vi) **No Reliance.** It has, in connection with the negotiation, execution and delivery of this Agreement and any Transaction (or Swap Transaction) (i) the knowledge and sophistication to independently appraise and understand the financial and legal terms and conditions of each Transaction (or Swap Transaction) and to assume the economic consequences and risks thereof and has, in fact, done so as a result of arm's length dealings with the other party; (ii) to the extent necessary, consulted with its own independent financial, legal or other advisors and has made its own investment, hedging and trading decisions in connection with any Transaction (or Swap Transaction) based upon its own judgment and the advice of such advisors and not upon any view expressed by the other party; (iii) not relied upon any representations (whether written or oral) of the other party, other than the

representations expressly set forth hereunder and in any Credit Support Document and is not in any fiduciary relationship with the other party; (iv) not obtained from the other party (directly or indirectly through any other person) any advice, counsel or assurances as to the expected or projected success, profitability, performance, results or benefits of any Transaction (or Swap Transaction); and (v) determined to its satisfaction whether or not the rates, prices or amounts and other economic terms of any Transaction (or Swap Transaction) and the indicative quotations (if any) provided by the other party reflect those in the relevant market for similar transactions.

(vii) **Eligible Swap Participant.** It is an "eligible swap participant" as such term is defined in Section 35.1(b)(2) of 17 CFR Part 35."

"(8) Notwithstanding the provisions of Section 6(e)(i)(1) of this Agreement, for the purposes of calculating payments due in respect of an Early Termination Date (including any payments under Section 6(d) and any Unpaid Amounts) an Event of Default specified in Section 5(a) of this Agreement shall be treated as if it were a Termination Event with the Defaulting Party as the Affected Party (and for such purposes the proviso to the definition of "Settlement Amount" shall be deemed to be of no force and effect)."

"(9) **Section 6 - Early Termination** - is amended as follows :

A new subsection (f) is added at the end thereof:

**"(f) Set Off:** Any amount (the "Early Termination Amount") payable to one party (the "Payee") by the other party (the "Payer") under Section 6(e), in circumstances where there is a Defaulting Party or one Affected Party in the case where a Termination Event under Section 5(b)(iv) has occurred, will, at the option of the party ("X") other than the Defaulting Party or the Affected Party (and without prior notice to the Defaulting Party or the Affected Party), be reduced by its set-off against any amount(s) (the "Other Agreement Amount") payable (whether at such time or in the future or upon the occurrence of a contingency) by the Payee to the Payer (irrespective of the currency, place of payment or booking office of the obligation) under any other agreement(s) between the Payee and the Payer or instrument(s) or undertaking(s) issued or executed by one party to, or in favor of, the other party (and the Other Agreement Amount will be discharged promptly and in all respects to the extent it is so set-off). X will give notice to the other party of any set-off effected under this Section 6(f).

For this purpose, either the Early Termination Amount or the Other Agreement Amount (or the relevant portion of such amounts) may be converted by X into the currency in which the other is denominated at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency.

If an obligation is unascertained, X may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained.

Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."

"(10) **Credit Event.** Section 5(b) of this Agreement is amended as follows:

A new subsection (v) is added at the end thereof:

**Credit Event.** The long term, unsecured, unsubordinated debt securities ("Debt Securities") of the Specified Entity of Party A or Party B (which party shall be the Affected Party) shall at any time be rated below "BBB+" in the case of Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ("S&P") or below "Baa1" in the case of Moody's Investors Service, Inc. ("Moody's") or a successor to either of them, or not be rated by either S&P or Moody's. If a Credit Event occurs, it shall be treated as if a Credit Event Upon Merger has occurred."

**2. Representations.** Each party represents to the other party that all representations contained in the Agreement are true and accurate as of the date of this Amendment and that such representations are deemed to be given or repeated by each party, as the case may be, on the date of this Amendment.

**3. Ratification of and References to the Agreement.** (a) This Amendment shall be an amendment to the Agreement, and the Agreement as amended hereby, is and shall remain in full force and effect and is hereby ratified, approved and confirmed in each and every respect.

(b) As used in the Agreement (including any Confirmation relating thereto), as amended by this Amendment the terms "ISDA Interest Rate and Currency Exchange Agreement," "this Agreement," "herein, "hereinafter," "hereof," "hereto" and other words of similar import shall mean the Agreement as amended hereby, unless the context otherwise specifically requires.

**4. Effectiveness.** (a) This Amendment shall become effective on the date when this Amendment shall have been signed by the parties hereto.

(b) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of the Agreement.

**5. Miscellaneous.** (a) **Definitions.** Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement.

(b) **Entire Agreement.** This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

(c) **Counterparts.** This Amendment may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(d) **Heading.** The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

(e) **Governing Law.** This Amendment will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

(f) **Waiver of Jury Trial.** The parties hereby waive the right to trial by jury in any judicial proceedings to which they are both parties involving any matter in any way arising out of, related to, or connected with this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have caused their duly authorized officers to execute and deliver this Amendment as of the date first above written.

**AIG FINANCIAL PRODUCTS CORP.**
**(Party A)**

By: _____
Name:
Title:

Kathleen M. Furlong
Vice President, Chief Financial Officer
and Treasurer

**SOCIETE GENERALE**
**(Party B)**

By: _____
Name:
Title:

Sébastien CAHEN
*Global interest rate derivatives director*

MID 11,983
CAID 251

**EXECUTION COPY**

# AMENDMENT
# TO ISDA INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT

THIS AMENDMENT, dated as of August 12, 1999 (the "Amendment"), to the ISDA Interest Rate and Currency Exchange Agreement, dated as of July 12, 1988 (the "Agreement"), between **AIG FINANCIAL PRODUCTS CORP.** and **SOCIETE GENERALE** which Agreement includes the Schedule and all Confirmations exchanged between the parties confirming the Transactions (or Swap Transactions) thereunder. In consideration of the agreements, and provisions herein contained and in reliance on the representations contained herein, the parties have now agreed to amend the Agreement by this Amendment.

Accordingly, the parties agree as follows:

1. **Amendment of the Agreement**. Upon execution of this Amendment by both parties, the Agreement shall and hereby is amended as set forth below:

(a) In all instances throughout the Agreement wherever the words "pay," "pays," "payment," or "payments" appear, the words "or deliver," "or delivers," "or delivery," or "or deliveries," respectively, shall be inserted immediately thereafter.

(b) Section 2(a)(ii) of the Agreement is hereby amended by inserting the following at the end thereof:

"Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement."

(c) Section 2(e) of the Agreement is hereby amended by inserting the following at the end thereof:

"If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant confirmation or elsewhere in this Agreement."

(d) Part 5 of the Schedule is hereby amended by deleting subsection (1) thereof in its entirety and inserting the following in lieu thereof:

"The terms 'Transaction' and 'Swap Transaction' in this Agreement or any Confirmation in connection with this Agreement shall be deemed to have the same meaning."

(e) Section 14 of the Agreement is hereby amended by deleting the definitions of "Loss," "Market Quotation," and "Unpaid Amounts" thereof in their entirety and inserting the definitions of "Loss," "Market Quotation," and "Unpaid Amounts" contained in the

(Multicurrency-Cross Border) 1992 ISDA Master Agreement. All defined terms contained in such definitions, shall have the meaning set forth in the 1992 ISDA Master Agreement.

(f) Section 14 of the Agreement is hereby amended by deleting the definition of "Specified Swap" thereof in its entirety and inserting the following in lieu thereof:

"Specified Swap" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Specified Entity of such party) and the other party to this Agreement (or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index options, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Swap in this Agreement or any other transaction identified as a Specified Swap or Specified Transaction in the relevant Confirmation.

2. **Representations.** Each party represents to the other party that all representations contained in the Agreement are true and accurate as of the date of this Amendment and that such representations are deemed to be given or repeated by each party, as the case may be, on the date of this Amendment.

3. **Ratification of and References to the Agreement.** (a) This Amendment shall be an amendment to the Agreement, and the Agreement as amended hereby, is and shall remain in full force and effect and is hereby ratified, approved and confirmed in each and every respect.

(b) As used in the Agreement (including any Confirmation relating thereto), as amended by this Amendment the terms "ISDA Interest Rate and Currency Exchange Agreement," "this Agreement," "herein, "hereinafter," "hereof," "hereto" and other words of similar import shall mean the Agreement as amended hereby, unless the context otherwise specifically requires.

4. **Effectiveness.** (a) This Amendment shall become effective on the date when this Amendment shall have been signed by the parties hereto.

(b) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of the Agreement.

5. **Miscellaneous**. (a) **Definitions**. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement.

(b) **Entire Agreement**. This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

(c) **Counterparts**. This Amendment may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(d) **Heading**. The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

(e) **Governing Law**. This Amendment will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

(f) **Waiver of Jury Trial**. The parties hereby waive the right to trial by jury in any judicial proceedings to which they are both parties involving any matter in any way arising out of, related to, or connected with this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have caused their duly authorized officers to execute and deliver this Amendment as of the date first above written.

**AIG FINANCIAL PRODUCTS CORP.**
**(Party A)**

By: Kathleen Furlong
Name: Kathleen M. Furlong
Title: Vice President and
Chief Financial Officer

**SOCIETE GENERALE**
**(Party B)**

By:
Name:
**Gilles BARRET**
*Global interest rate derivatives director*

**EXECUTION COPY**

# AMENDMENT TO THE 1987 INTEREST RATE AND CURRENCY EXCHANGE AGREEMENTAND THE 1994 ISDA CREDIT SUPPORT ANNEX

THIS AMENDMENT, dated as of August 1, 2000 (the "Amendment"), to the ISDA Interest Rate and Currency Exchange Agreement, dated as of July 12, 1988, as amended on (i) November 29, 1989, (ii) July 21, 1992, (iii) November 12, 1992, (iv) December 1, 1998, and (v) August 12, 1999 (the "Agreement") and to the ISDA Credit Support Annex to the Schedule, dated as of July 12, 1988 (the "Annex") between AIG FINANCIAL PRODUCTS CORP. ("Party A") and SOCIETE GENERALE ("Party B"). The Agreement includes the Schedule, the Annex and all Confirmations exchanged between the parties confirming the Transactions (or Swap Transactions) thereunder. In consideration of the agreements, and provisions herein contained and in reliance on the representations contained herein, the parties have now agreed to amend the Agreement and the Annex by this Amendment.

Accordingly, the parties agree as follows:

**1. Amendment of the Agreement.** Upon execution of this Amendment by both parties, the Agreement shall be and hereby is amended as set forth below:

(a) Part 1(2) of the Schedule is hereby deleted in its entirety and replaced with the following in lieu thereof:

"(2) **"Specified Swap"** has the meaning specified in Section 14, as amended in the amendment dated as of August 12, 1999."

**2. Amendment of the Annex**. Upon execution of this Amendment by both parties, the Annex shall be and hereby is amended as set forth below:

(a) Paragraph 13(b)(ii) is hereby deleted in its entirety and replaced with the following in lieu thereof:

"(ii) ***Eligible Collateral.*** The following items will qualify as **"Eligible Collateral"** for the party specified:

| | | Party A | Party B | Valuation Percentage |
|---|---|---|---|---|
| (A) | Cash | X | X | 100% |
| (B) | negotiable debt obligations issued by the U.S. Treasury Department and U.S. Government Agencies (as defined below), each with a remaining maturity of not more than one year | X | X | 100% |

| | | Party A | Party B | Valuation Percentage |
|---|---|---|---|---|
| (C) | negotiable debt obligations issued by the U.S. Treasury Department and U.S. Government Agencies, each with a remaining maturity of more than one year but not more than 5 years | X | X | 98% |
| (D) | negotiable debt obligations issued by the U.S. Treasury Department and U.S. Government Agencies, each with a remaining maturity of more than 5 years but not more than 10 years | X | X | 95% |
| (E) | negotiable debt obligations issued by the U.S. Treasury Department and U.S. Government Agencies, each with a remaining maturity of more than 10 years | X | X | 90% |

**U.S. Government Agencies** means: (i) Fully modified pass-through certificates in book entry form, the full and timely payment of principal and interest of which are guaranteed by the Governmental National Mortgage Association (excluding multi-class REMIC pass-through certificates and pass-through certificates backed by adjustable rate mortgages and excluding securities paying interest or principal only), (ii) Mortgage participation certificates in book-entry form, the timely payment of interest at the applicable certificate rate and the ultimate collection of principal of which are guaranteed by the Federal Home Loan Mortgage Corporation (excluding multi-class REMIC pass-through certificates and pass-through certificates backed by adjustable rate mortgages and excluding securities paying interest or principal only) and (iii) Mortgage pass-through certificates in book-entry form, the full and timely payment of interest at the applicable certificate rate and the ultimate collection of principal of which are guaranteed by the Federal National Mortgage Association (excluding multi-class REMIC pass-through certificates and pass-through certificates backed by adjustable rate mortgages and excluding securities paying interest or principal only)."

(b) Paragraph 13(f)(ii) is hereby deleted in its entirety and replaced with the following in lieu thereof:

"(ii) ***Value.*** For the purpose of Paragraphs 5(i)(C) and 5(ii), the Value of Posted Credit Support will be calculated as follows: With respect to cash, the face value thereof multiplied by the applicable Valuation Percentage and, with respect to each security, the arithmetic mean of the bid prices for the security obtained by the Valuation Agent from Reference Dealers selected by it in accordance with the final sentence of Section 4.14 of the 1991 Definitions multiplied by the applicable Valuation Percentage. For these purposes, "Reference Dealers" means three leading dealers in the principal market for the relevant kind of security."

(c) Paragraph 13(h) is hereby deleted in its entirety and replaced with the following in lieu thereof:

"(h) ***Distributions and Interest Amount.***

(i) ***Interest Rate.*** The ***"Interest Rate"*** will be, for any day, the "Federal Funds (Effective)" rate in effect for such day, as published in the most recent weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System, minus an interest rate spread of 1/16% per annum.

(ii) ***Transfer of Interest Amount.*** The Transfer of the Interest Amount will be made on the 15th day, or if such day is not a Local Business Day, on the next succeeding Local Business Day, of each calendar month.

(iii) ***Alternative to Interest Amount.*** The provisions of Paragraph 6(d)(ii) will apply. For the purposes of calculating the Interest Amount the amount of interest calculated for each day of the Interest Period shall be compounded daily.

(d) Paragraph 13(m)(i) is hereby deleted in its entirety and replaced with the following in lieu thereof:

"(i) **"Local Business Day"** means, unless otherwise designated herein, any day other than Saturday or Sunday on which banks in New York City are not required or permitted to be closed."

3. **Representations.** Each party represents to the other party that all representations contained in the Agreement and in the Annex are true and accurate as of the date of this Amendment and that such representations are deemed to be given or repeated by each party, as the case may be, on the date of this Amendment.

4. **Ratification of and References to the Agreement and the Annex.** (a) This Amendment shall be an amendment to the Agreement and to the Annex, and the Agreement and the Annex as amended hereby, are and shall remain in full force and effect and are hereby ratified, approved and confirmed in each and every respect.

(b) As used in the Agreement (including any Confirmation relating thereto) or the Annex, as applicable, as amended by this Amendment the terms "ISDA Interest Rate and Currency Exchange Agreement", "Agreement", "this Agreement", "this Annex", "herein", "hereinafter", "hereof", "hereto" and other words of similar import shall mean the Agreement and the Annex as amended hereby, unless the context otherwise specifically requires.

5. **Effectiveness.** (a) This Amendment shall become effective on the date when this Amendment shall have been signed by the parties hereto.

(b) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of the Agreement or the Annex.

6. **Miscellaneous**. (a) **Definitions**. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement and in the Annex.

(b) **Entire Agreement**. This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

(c) **Counterparts**. This Amendment may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(d) **Heading**. The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

(e) **Governing Law**. This Amendment will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

(f) **Waiver of Jury Trial**. The parties hereby waive the right to trial by jury in any judicial proceedings to which they are both parties involving any matter in any way arising out of, related to, or connected with this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have caused their duly authorized officers to execute and deliver this Amendment as of the date first above written.

AIG FINANCIAL PRODUCTS CORP.
(Party A)

By: _____
Name:
Title: Kathleen M. Furlong
Vice President, Chief Financial Officer
and Treasurer

SOCIETE GENERALE
(Party B)

By: _____
Name:
Title: Jean-François PAQUEREAU
Chief Operating Officer
Debt, Currencies, Commodities
and Derivatives

**AMENDMENT TO**

**1987 ISDA MASTER AGREEMENT**

**dated as of 12 July 1988**

**AIG FINANCIAL PRODUCTS CORP. ("AIG-FP")** **and** **SOCIETE GENERALE ("SG")**

have previously entered into that certain 1987 ISDA Master Agreement dated as of 12 July, 1988 (as amended from time to time)(the ***Agreement***), which Agreement includes the Schedule and all Confirmations exchanged between the parties confirming the Transactions (or Swap Transactions) thereunder.

In consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, the parties agree as follows on and with effect from 1 January 2004:

**A. Transfer of financial markets transactions to Société Générale**

The parties hereby agree that all Transactions arising under the 1992 ISDA Master Agreement dated 23 September 1997 (as amended from time to time) between SG Australia Limited (formerly Société Générale Australia Limited) and AIG-FP shall henceforth be governed by the terms of the Agreement and any reference to a "Transaction" in the confirmation relating to each such Transaction shall be treated as if they were references to a Transaction under the Agreement. In the event of any conflict between the provisions of the Agreement and any confirmation relating to any such Transaction, the relevant confirmation will prevail.

**B. Amendment of the Agreement**

The Agreement shall be and hereby is amended as follows:

**1. Office**

Subsection 5 of Part 4 of the schedule to the Agreement is hereby amended to provide that, in addition to the offices set forth in Subsection 5, Party B may act through the following office:

"Société Générale
Australia Branch
Level 21 400 George Street
Sydney NSW 2000
Australia"

**2. Representations**

Each party represents to the other party that all representations contained in the Agreement (including all representations set forth in the Annex) are true and accurate



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as of the date of this Amendment and that such representations are deemed to be given or repeated by each party, as the case may be, on the date of this Amendment.

**C. Miscellaneous**

(a) **Definitions.** Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement.

(b) **Entire Agreement.** This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

(c) **Agreement Continuation.** The Agreement, as modified herein shall continue in full force and effect and is hereby ratified and confirmed in all respects. From and after the execution of this Amendment, all references in the Agreement or in any Confirmation to "this Agreement" (or words or phrases of similar meaning) shall be deemed to be references to the Agreement, as amended hereby.

(d) **Counterparts.** This Amendment may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(e) **Headings.** The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

(f) **Governing Law.** This Amendment will be governed by and construed in accordance with the English law.

**IN WITNESS WHEREOF** the parties have executed this Amendment on the respective dates specified below with effect from the date specified on the first page of this Amendment.

| **AIG FINANCIAL PRODUCTS CORP.** | **SOCIETE GENERALE** |
|---|---|
| By: | By: |
| Name: Kathleen M. Furlong | Name: R S RAHILLY |
| Title: Vice President, Chief Financial Officer and Treasurer | Title: AUTH. SIGNATORY. |
| Date: | By: |
| | Name: BRIAN TAYLOR |
| | Title: AUTH SIGNATORY |
| | Date: 21/1/04 |



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**AMENDMENT TO THE 1987 INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT AND THE 1994 ISDA CREDIT SUPPORT ANNEX**

THIS AMENDMENT, dated as of October 18, 2006 (the "Amendment"), to the ISDA Interest Rate and Currency Exchange Agreement, dated as of July 12, 1988, as amended from time to time (the "Agreement") and to the ISDA Credit Support Annex to the Schedule, dated as of July 12, 1988, as amended from time to time (the "Annex") between AIG FINANCIAL PRODUCTS CORP. ("Party A") and SOCIETE GENERALE ("Party B"). The Agreement includes the Schedule, the Annex and all Confirmations exchanged between the parties confirming the Transactions (or Swap Transactions) thereunder.

In consideration of the agreements, and provisions herein contained and in reliance on the representations contained herein, Party A and Party B have now agreed to amend (A) the Agreement by this Amendment with respect to (i) **Payee Tax Representations,** (ii) **Tax forms to be delivered,** (iii) **Process Agent,** (iv) **Multibranch Party,** (v) **Addresses for notices** and (vi) **Waiver of Jury Trial** and (B) the Annex by this Amendment with respect to (i) **Interest Rate,** so that the spread in connection with the "Interest Rate" no longer applies and (ii) **Alternative Rate,** so that compounding of the interest in connection with "Alternative to Interest Amount" no longer applies, with such agreements, provisions and amendments taking effect as of 31 May 2006 (the "Transfer Date").

Accordingly, the parties agree as follows:

**1. Amendment of the Agreement.**

Upon execution of this Amendment by the parties, the Agreement shall be and hereby is amended as set forth below:

(A) Part 2, Section 2 of the Schedule (relating to Payee Tax Representations of Party A) is hereby deleted in its entirety and replaced with the following in lieu thereof:

"(2) Payee Tax Representations: For the purpose of Section 3(f) of this Agreement, Party A makes the following representations:

Each payment received or to be received by it in connection with this Agreement will be effectively connected with its conduct of a trade or business in the Specified Jurisdiction.

If such representation applies, then:

"Specified Jurisdiction" means the United States of America."

(B) Part 2, Section 2 of the Schedule (relating to Payee Tax Representations of Party B) is hereby deleted in its entirety and replaced with the following in lieu thereof:

"(2) **Payee Tax Representations.** For the purpose of Section 3(f) of this Agreement, Party B makes the following representations:-

(i) (A) Party B will identify by prior written notice or in the relevant Confirmation each Transaction as to which Party B is acting through an Office or agent located in the United States (including only the States thereof and the District of Columbia).

(B) With respect to such Transactions, each payment received or to be received by Party B in connection with this Agreement will be effectively connected with its conduct of a trade or business in the United States.

(ii) With respect to Transactions that Party B has not identified pursuant to clause (b)(i)(A) of Part 2 hereof-

(A) It is fully eligible for the benefits of the "Business Profits" or "Industrial and Commercial Profits" provision (as the case may be), the "Interest" provision, or the "Other Income" provision (if any) of the Specified Treaty with respect to any payment described in such provisions and received or to be received by it in connection with this Agreement, and no such payment is attributable to a trade or business carried on by it through a permanent establishment in the United States. If such representation applies, then:

**"Specified Treaty"** means the income tax treaty between the United States and France.

(iii) It is a "non-U.S. branch of a foreign person" for purposes of sections 1.1441-4(a)(3)(ii) and 1.6041-4(a)(4) of the United States Treasury Regulations.

(iv) Party B is not (i) a bank that has entered into this Agreement in the ordinary course of its trade or business of making loans, as described in section 881(c)(3)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) a 10-percent shareholder of Party B within the meaning of Code section 871(h)(3)(B), or (iii) a controlled foreign corporation with respect to Party B within the meaning of Code section 881(c)(3)(C)."

(B) Part 3 of the Schedule is hereby amended by deleting subsection (1) in its entirety and inserting the following in lieu thereof:

"(1) Tax forms, documents or certificates to be delivered are:

| **Party required to deliver document** | **Form/Document/ Certificate** | **Date by which to be delivered** |
|---|---|---|
| (i) Party A | A correct, complete and executed U.S. Internal Revenue Service Form W-9, or any successor form, accurately completed and in a manner reasonably satisfactory to Party B. | (A) Upon execution of this Agreement and (B) promptly upon reasonable demand by Party B |
| (ii) Party B | With respect to payments made to an address outside the United States or made by a transfer of funds to an account outside the United States, a correct, complete and executed U.S. Internal Revenue Service Form W-8BEN, or any successor forms, (with Part II completed and a Taxpayer Identification Number provided) | (A) Upon execution of this Agreement; (B) promptly upon reasonable demand by Party A; and (C) promptly upon learning that any Form W-8BEN previously provided by Party B to Party A has (or is about to) become obsolete, incorrect or ineffective. |

| | | |
|---|---|---|
| | accurately completed and in a manner reasonably satisfactory to Party A. | |
| (iii) Party B | With respect to payments made to an address within the United States or made by a transfer of funds to an account within the United States, a correct, complete and executed U.S. Internal Revenue Service Form W-8ECI, or any successor form, accurately completed and in a manner reasonably satisfactory to Party A. | (A) Before the first Payment Date under the Agreement; (B) promptly upon reasonable demand by Party A; and (C) promptly upon learning that any Form W-8ECI previously provided by Party B to Party A has (or is about to) become obsolete, incorrect or ineffective." |

(C) Part 4 of the Schedule is hereby amended by deleting subsection (3) in its entirety and inserting the following in lieu thereof:

"(3) **Process Agent.** For the purpose of Section 13(c): Party B appoints as its Process Agent: SOCIETE GENERALE, New York Branch, 1221 Avenue of the Americas, 10020, New York, NY - Attention: General Counsel's Office."

(D) Part 4 of the Schedule is hereby amended by deleting subsection (5) in its entirety and inserting the following in lieu thereof:

"(5) **Multibranch Party.** For the purpose of Section 10:

Party A is not a Multibranch Party.
Party B is a Multibranch Party and may act through its Head Office and any of its branch offices worldwide."

(E) Part 4 of the Schedule is hereby amended by deleting subsection (6) in its entirety and inserting the following in lieu thereof:

"(6) **Addresses for notices.**

- Addresses for notices or communications to Party A:

Address: AIG Financial Products Corp.
50 Danbury Road
Wilton, Connecticut 06897-4444
USA

Attention: Chief Financial Officer (with a copy to the General Counsel)
Facsimile No.: +1(203) 222-4780
Telephone No: +1(203) 222-4700.

- Addresses for notices or communications to Party B:

(i) With respect to notices pursuant to Section 5 (other than notices under Section 5(a)(i)) and Section 6 of the Agreement:

*Attention : Head of Credit Risk Department (RISQ/CMC)*
- Tour Société Générale, 92987 PARIS LA DEFENSE CEDEX
- SWIFT : SOGEFRPPHCM
- Telex n°:280730 Answerback : SGMAR
- Telephone n°: 33 (0)1 58 98 86 36

(ii) With respect to notices pursuant to Section 13(c) of the Agreement:
*Attention: the Structured Investment and Finance Legal Department (SEGL/JUR/OMF)*
- Tour Société Générale, 92987 PARIS LA DEFENSE CEDEX

(iii) With respect to all other notices or communications: as specified in the Confirmation of each Transaction."

(F) The following is added as a new paragraph at the end of Part 5 of the Schedule:

**"Waiver of Jury Trial Right**

**EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY PROCEEDING.** Each party hereby (i) certifies that no representative, agent or attorney of the other has represented, expressly or otherwise, that the other would not, in the event of a Proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this paragraph."

**2. Amendment of the Annex.**

Upon execution of this Amendment by the parties, the Annex shall be and hereby is amended as set forth below:

(A) Paragraph 13, subsection (h)(i) of the Credit Support Annex is hereby deleted in its entirety and replaced with the following:

"(i) ***Interest Rate.*** The ***"Interest Rate"*** will be, for any day, the "Federal Funds (Effective)" rate in effect for such day, as published in the most recent weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System."

(B) Paragraph 13, subsection (h)(iii) of the Credit Support Annex is hereby deleted in its entirety and replaced with the following:

"(iii) ***Alternative to Interest Amount.*** The provisions of Paragraph 6(d)(ii) will apply."

**4. Prevailing master agreement**

Notwithstanding anything contained in the Agreement or the Interest Rate and Currency Exchange Agreement dated as of 8 June 1990 between AIG Financial Products (U.K.) Limited and Party B (which

was transferred by AIG Financial Products (U.K.) Limited on 30 May 1997 to Banque AIG, London Branch (with the name of Banque AIG, London Branch being changed to Banque AIG pursuant to an amendment agreement dated as of 11 February 2000) and then transferred to Party A by Banque AIG on the Transfer Date) (the "Transferred Master Agreement") to the contrary (including without limitation any provision stating that in the event of any inconsistency between either such agreement and any confirmation, the confirmation shall prevail), if the parties have entered into or in future enter into any transaction which (but for this provision) is a "Transaction" or a "Swap Transaction" (as the case may be) (including the transactions originally entered into between Banque AIG and Party B) for the purposes of the Transferred Master Agreement (each a "Transferred Master Transaction"), such Transferred Master Transaction shall be subject to, governed by and construed in accordance with the terms of the Agreement. Each such Transferred Master Transaction shall be a "Transaction" or "Swap Transaction" for the purpose of the Agreement, and the Transferred Master Agreement shall cease with immediate effect to have any further force or effect between the parties.

**5. Representations.**

Each party represents to the other parties, as applicable, that all representations contained in the Agreement and in the Annex are true and accurate as of the date of this Amendment and that such representations are deemed to be given or repeated by each party, as the case may be, on the date of this Amendment.

**6. Ratification of and references to the Agreement and the Annex.**

(a) This Amendment shall be an amendment to the Agreement and to the Annex, and the Agreement and the Annex as amended hereby, are and shall remain in full force and effect and are hereby ratified, approved and confirmed in each and every respect.

(b) As used in the Agreement (including any Confirmation relating thereto) or the Annex, as applicable, as amended by this Amendment the terms "ISDA Interest Rate and Currency Exchange Agreement", "Agreement", "this Agreement", "this Annex", "herein", "hereinafter", "hereof", "hereto" and other words of similar import shall mean the Agreement and the Annex as amended hereby, unless the context otherwise specifically requires.

**7. Effectiveness.**

(a) This Amendment shall be effective as of the Transfer Date.

(b) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, constitute a waiver of any provision of the Agreement or the Annex.

**8. Miscellaneous.**

(a) **Definitions.** Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement and in the Annex.

(b) **Entire agreement.** This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

(c) **Counterparts.** This Amendment may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(d) **Heading.** The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

(e) **Governing law.** This Amendment will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

(f) **Waiver of jury trial.** The parties hereby waive the right to trial by jury in any judicial proceedings to which they are both parties involving any matter in any way arising out of, related to, or connected with this Amendment.

IN WITNESS WHEREOF, each of the parties hereto have caused their duly authorized officers to execute and deliver this Amendment as of the date first above written.

**AIG FINANCIAL PRODUCTS CORP.**
(Party A)

By: _____
Name: Jonathan Liebergall
Title: Managing Director

**SOCIETE GENERALE**
(Party B)

By: _____
Name: William Ashton
Title: Vice President
October 18, 2006