(Multicurrency—Cross Border)

# ISDA®

International Swap Dealers Association, Inc.

# MASTER AGREEMENT

dated as of September 13, 1995

Deutsche Bank AG and AIG Financial Products Corp.

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those 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 Master Agreement.

(b) *Inconsistency.* In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) *Single Agreement.* All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

**2. Obligations**

(a) *General Conditions.*

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on 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. 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.

(iii) Each obligation of each party 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, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

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value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the Termination Currency Equivalents of the fair market values reasonably determined by both parties.

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

| | |
|---|---|
| Deutsche Bank AG | AIG Financial Products Corp. |
| (Name of Party) | (Name of Party) |
| By: | By: |
| Name: K. Plumridge | Name: Kathleen M. Furlong |
| Title: Dagmar Schulz | Title: Vice President, Chief Financial Officer and Treasurer |
| Date: 16^ November 1995 | Date: 11 JULY 1996 |



ISDA® 1992

[Form of 1992 Multibranch Schedule]

**SCHEDULE**
**to the**
**ISDA Master Agreement**
**dated as of September 13th 1995**
**between Deutsche Bank AG ("Party A") and**
**AIG Financial Products Corp. ("Party B")**

**Part 1**

**Termination Provisions**

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

Section 5(a)(v): inapplicable
Section 5(a)(vi): inapplicable
Section 5(a)(vii): inapplicable
Section 5(b)(iv): inapplicable

in relation to Party B for the purpose of:

Section 5(a)(v): inapplicable
Section 5(a)(vi): inapplicable
Section 5(a)(vii): inapplicable
Section 5(b)(iv): inapplicable

(b) **"Specified Transaction"** shall have the meaning specified in Section 14 of this Agreement.

(c) The **"Cross-Default"** provisions of Section 5(a)(vi) will not apply to either party.

(d) The **"Credit Event Upon Merger"** provisions of Section 5(b)(iv) will apply to both parties provided that Section 5(b)(iv) shall be amended by inserting after the words "transferee entity" and after the words "than that of X" in the fifth line thereof the words "(after taking account of any applicable Credit Support Document)".

(e) The **"Automatic Early Termination"** provision of Section 6(a) will not apply to either party.

(f) **Payments on Early Termination.** For the purpose of Section 6(e) of this Agreement:
(i) Market Quotation will apply.
(ii) The Second Method will apply.

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

(h) **Additional Termination Event** will not apply to either party.

## Part 2

### Tax Representations

(a) **Payer Tax Representations.** For the purposes of Section 3(e) of this Agreement, Party A and Party B will each make the following representations to the other:

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), 6(d)(ii) or 6 (e) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, each party may rely on:

(i) The accuracy of any representations made by the other party pursuant to Section 3(f) of this Agreement;

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

(iii) The satisfaction of the agreement of the other party contained in Section 4(d) of this Agreement,

provided that it shall not be a breach of this representation where reliance is placed on clause (ii) and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

(b) **Payee Tax Representations.** For the purpose of Section 3(f) of this Agreement, Party B makes the representations specified below:-

(i) The following representations will apply:-

(A) With respect to Transactions as to which it is acting through a branch or office located in the United States of America (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.

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

(B) With respect to Transactions as to which it is acting through a branch or office other than a branch or office described in paragraph (b)(i)(A) above, Party B makes the representations specified below:

(I) 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.

"Specified Treaty" means United States - Germany Income Tax Convention.

"Specified Jurisdiction" means the United States.

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

**Part 3**

**Documents to be delivered**

1. **Agreements**

(a) For the purposes of Section 4(a)(i):

(i) With respect to Transactions as to which Party B is acting through a branch or office located in the United States of America (including only the States and District of Columbia), 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) bcfore the first Scheduled Payment Date with respect to any such Transaction, (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.

(ii) With respect to Transactions as to which Party B is acting through a branch or office other than a branch or office described in Part 3, paragraph (a)(i) 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 United States Internal Revenue Service Form 1001 or any successor form, (i) before the first Scheduled Payment Date with respect to any such Transaction, (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 (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.

(iii) 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 W-8, or any successor form, (i) before the first Scheduled Payment Date with respect to any Transaction (the "Form W-8 Submission Date") and thereafter prior to the end of the calendar year in which the second anniversary of the Form W-8 Submission Date occurs, and thereafter prior to the end of each successive two calendar year period, (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.

(iv) Each party agrees to complete (accurately and in a manner reasonably satisfactory to the other party or any Credit Support Provider of the other party), execute, arrange for any required certification of, and deliver to the other party (or any Credit Support Provider of the other party) or such government or taxing authority as the other party (or any Credit Support Provider of the other party) directs, any

form, certificate or document that may be required or reasonably requested in order to assist or enable the other party (or any Credit Support Provider of the other party) 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 or, if such deduction or withholding has to be made, to reclaim such deduction or withholding, in respect of any payment under this Agreement (or a Credit Support Document of the other party or any Credit Support Provider of the other party) promptly upon the earlier of (i) reasonable demand by the other party (or any Credit Support Provider of the other party); and (ii) learning that the form or document is required.

(b) For the purposes of Section 4(a)(ii), the 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 and Party B and any Credit Support Provider of either of them | Evidence of the authority, incumbency and specimen signature of each person executing any document on its behalf in connection with this Agreement. | As of execution of this Agreement, any Con-firmation and/ or any Credit Support Document | Yes |
| Party A and any Credit Support Provider of Party A or Party B | A copy of its most recent annual report containing consolidated financial statements, certified by independent public accountants, and such other public information respecting its condition or operations, financial or otherwise, as the other party may reasonably request from time to time | Promptly after request by the other party | No |
| Party B | Guaranty of American International Group, Inc., a Delaware corporation, in the form attached as Exhibit I | As of execution of this Agreement | Yes |
| Party B | Legal opinion of counsel to American International Group, Inc. in the form attached as Exhibit II | As of execution of this Agreement | No |

## Part 4

### Miscellaneous

(a) **Addresses for Notices.** Unless otherwise specified in a Confirmation in relation to the relevant Transaction, the addresses for all notices and communications for the purpose of Section 12 (a) of this Agreement shall be as follows:

TO PARTY A:

**FOR EQUITY RELATED TRANSACTIONS (EQUITY OPTIONS, EQUITY INDEX OPTIONS AND EQUITY RELATED FORWARDS AND SWAPS), FX TRANSACTIONS AND CURRENCY OPTIONS:**

**Head Office:** Deutsche Bank AG
Address: Taunusanlage 12
60325 Frankfurt
GERMANY

Attention: RMG-Documentation
Telex No: 411836 or 416731 or 41233
Answerback: DBF-D
Fax No: (49) (69) 910-38406

(for equity derivatives)
**Deutsche Bank AG, New York Branch**
c/o Deutsche Bank Securities Corporation
1290 Ave. of the Americas
New York, New York 10104
USA
Attention: Mr. Rob Wolfson
Telephone No.: (212) 468-5645
Fax No.: (212) 474-7335

(for FX /currency derivatives)
**Deutsche Bank AG, New York Branch**
31 W. 52nd Street
New York, New York 10019
USA
Attention: FX Derivatives
Telephone No.: (212) 474-8060
Fax No.: (212) 474-8560
Telex No.: 429166

(for equity derivatives)
**Deutsche Bank AG, London Branch**
6, Bishopsgate
London EC2P 2AT
UNITED KINGDOM
Attention: Trading and Sales
Telephone No.: (44)(71) 971-7000
Fax No.: (44)(71) 971-7465
Telex No.: 94015555
Answerback: DBLN G

(for FX /currency derivatives)
**Deutsche Bank AG, London Branch**
6, Bishopsgate
London EC2P 2AT
UNITED KINGDOM
Attention: Foreign Exchange
Telephone No.: (44) (71) 971-7000
Fax No.: (44)(71) 971-7945
Telex No.: 94015555
Answerback: DBLN G

**Deutsche Bank AG, Tokyo Branch**
12-1 Deutsche Bank Building,
Toranomon, 3-chome
Minato-ku, Tokyo 105
JAPAN
Attention: Trading and Sales
Telephone No.: (81) (3) 5401-1986
Fax No.: (81) (3) 5401-6900
Telex No.: 34943
Answerback: DBCMT J

(for equity/bond derivatives)
**Deutsche Bank AG, Paris Branch**
3, Avenue de Friedland
75008 Paris
FRANCE
Attention: Treasury
Telephone No.: (33)(1) 4495-6400
Fax No.: (33) (1) 5375-0708
Telex No.: 645514
Answerback: DEUTBANK

(for FX /currency derivatives)
**Deutsche Bank AG, Paris Branch**
3, Avenue de Friedland
75008 Paris
FRANCE
Attention: Foreign Exchange
Telephone No.: (33)(1) 4495-6400
Fax No.: (33) (1) 5375-0701
Telex No.: 644752
Answerback: DEUTBANK

(for equity/bond derivatives)
**Deutsche Bank AG, Singapore Branch**
6, Shenton Way #15-08
DBS Building Tower Two
Singapore 0106
Attention: Treasury
Telephone No.: (65) 224-4677
Fax No.: (65) 224-0897
Telex No.: RS 216121
Answerback: DBFX

(for FX /currency derivatives)
**Deutsche Bank AG, Singapore Branch**
6, Shenton Way #15-08
DBS Building Tower Two
Singapore 0106
Attention: FOREX
Telephone No.: (65) 224-4677
Fax No.: (65) 224-0897
Telex No.: RS 26121
Answerback: DBFX

**Deutsche Bank AG, Hong Kong Branch**
G.P.O. Box 3193
36F New World Tower
16-18 Queen's Road
Central
Hong Kong
Attention: Treasury
Fax No.: (852) 845 9056
Telex No.: 65355
Answerback: DEUTBANK

**FOR ALL OTHER TRANSACTIONS:**

**Head Office:** Deutsche Bank AG
Taunusanlage 12
60325 Frankfurt
GERMANY
Attention: Trading & Sales/Evidenz
Telephone No.: (49)(69) 910-33339
Fax No: (49) (69) 910-38677
Telex No: 41730-701
Answerback: 41730-702 FMD

Notices for **New York Branch** (where Party A is acting through its New York Office):
Deutsche Bank AG, New York Branch
31 W. 52nd St.
New York, New York 10019
USA
Attention: Swap Group
Telephone No.: (212) 474-8000
Fax No: (212) 474-6753
Telex No: 429166
Answerback: DEUTNYK

Notices for **London Branch** (where Party A is acting through its London Office):
Deutsche Bank AG, London Branch
6, Bishopsgate
London EC2P 2AT
UNITED KINGDOM
Attention: Swap Group
Telephone No.: (44)(71) 971-7000
Fax No: (44)(71) 971-7466
Telex No: 889287
Answerback: DEUTBANK

Notices for **Tokyo Branch** (where Party A is acting through its Tokyo Office):
Deutsche Bank AG, Tokyo Branch
12-1 Deutsche Bank Building,
Toranomon, 3-chome
Minato-ku, Tokyo 105
JAPAN
Attention: Swap Group
Telephone No.: (81)(3) 5401-1986
Fax No: (81)(3) 5401-6550
Telex No.: 24814
Answerback: DEUTBKTK J

Notices for **Paris Branch** (where Party A is acting through its Paris Office):
Deutsche Bank AG, Paris Branch
3, Avenue Friedland
75008 Paris
FRANCE
Attention: Swap Group
Telephone No.: (33)(1) 4495-6400
Fax No.: (33)(1) 5375-0701
Telex No.: 644192
Answerback: DEUTBANK

Notices for **Singapore Branch** (where Party A is acting through its Singapore Office):
Deutsche Bank AG, Singapore Branch
6, Shenton Way #15-08
DBS Building Tower Two
Singapore 0106
Attention: Swap Group
Telephone No.: (65) 224-4677
Fax No.: (65) 224-0897
Telex No.: RS 26121
Answerback: DBFX

Notices for **Brussels Branch** (where Party A is acting through its Brussels Office):
Deutsche Bank AG, Brussels Branch
100 Boulevard du Souverain
1170 Brussels
Belgium
Attention: Corporate Department
Telephone No.: (02) 674.37.11
Fax No.: (02) 672.23.71
Telex No.: 63798

Notices for **Hong Kong Branch** (where Party A is acting through its Hong Kong Office):
G.P.O. Box 3193
36F New World Tower
16-18 Queen's Road
Central
Hong Kong
Attention: Treasury
Fax No.: (852) 845 9056
Telex No.: 65355
Answerback: DEUTBANK

Notices for **Sydney Branch** (where Party A is acting through its Sydney Office):
Deutsche Bank AG, Sydney Branch
Level 17, Grosvenor Place
225 George Street
Sydney NSW 2000
Australia
Attention: Swaps Administration
Telephone No.: (61-2) 258-8188
Fax No.: (61-2) 258-3632
Telex No.: AA 122258

Notices for **Cayman Islands Branch** (where Party A is acting through its Cayman Islands Office)
c/o Deutsche Bank AG, New York Branch
31 W. 52nd St.
New York, New York 10019
USA
Attention: Swap Group
Telephone No.: (212) 474-8000
Fax No: (212) 474-6753
Telex No: 429166
Answerback: DEUTNYK

## FX TRANSACTIONS AND CURRENCY OPTIONS ONLY:

Notices for **Berlin Branch** (FX Transactions and Currency options only):
Deutsche Bank AG, Berlin Branch
Otto-Suhr-Allee 6/16
10585 Berlin
Germany
Attention: Forex
Telephone No.: (49) 30 34 07-2788
Fax No.: (49) 30 3407-2011
Telex No.: 181308
Answerback: DBD

Notices for **Head Office Düsseldorf** (FX Transactions and Currency options only):
Deutsche Bank AG, Head Office Düsseldorf
Königsallee 45/47
40189 Düsseldorf
Germany
Attention: Foreign Exchange
Telephone No.: (49) 211 883-0
Fax No.: (49) 211 883-9394
Telex No.: 8581 411
Answerback: DBDD

Notices for **Hamburg Branch** (FX Transactions and Currency options only):
Deutsche Bank AG, Hamburg Branch
Alter Wall 37-53
20457 Hamburg
Germany
Attention: Forex
Telephone No.: (49) 40 3701-1
Fax No.: (49) 40 3701-3624
Telex No.: 2161 050
Answerback: DEUT DE HH

Any notice or communication under this Agreement shall be delivered to Deutsche Bank AG, Risk Management Group, Documentation, Taunusanlage 12, 60325 Frankfurt and not to any of its other offices or departments, save that any notice concerning rate setting shall be sent to the address, set forth above, of the Office through which Party A is acting for the relevant Transaction.

TO PARTY B:

| | |
|---|---|
| Address: | AIG Financial Products Corp.<br>100 Nyala Farm<br>Westport, Conneticut 06880<br>U.S.A. |
| Attention: | Chief Financial Officer (with a copy to the General Counsel) |
| Telex No.: | 910-2409432 |
| Answerback: | AIG FPC |
| Fax No: | (203) 222 4780 |
| Telephone No. | (203) 222 4700 |

(b) **Process Agent**. For the purpose of Section 13(c) of this Agreement:

Party A appoints as its Process Agent:

Deutsche Bank AG, New York Branch
Attn: Legal Division
31 W. 52nd St.
New York, New York 10019
USA

(c) **Offices**. The provisions of Section 10(a) will apply to this Agreement.

(d) **Multibranch Party**. For the purpose of Section 10(c) of this Agreement:

Party A is a Multibranch Party and may act through the following offices:
New York Branch, London Branch, Tokyo Branch, Paris Branch, Singapore Branch, Brussels Branch, Hong Kong Branch, Sydney Branch, Cayman Island Branch and Head Office, Frankfurt.
The following offices may only deal in FX Transactions and Currency Options: Head Office Düsseldorf, Hamburg Branch and Berlin Branch.

Party B is not a Multibranch Party.

(e) Unless otherwise specified in a Confirmation in relation to the relevant Transaction, both Party A and Party B shall act as Calculation Agent for each Transaction. If, in so acting with respect to a particular Transaction, the two Calculation Agents differ in calculating any rate or price which is

calculated on the basis of either (1) the discretion of the Calculation Agent or (2) rates or prices quoted by third parties required to be selected by the Calculation Agent, then the relevant rate or price used in such Transaction shall be the unweighted arithmetic average of the different rates or prices calculated by the two Calculation Agents. If, in respect of a Transaction, the occurrence or existence of an event or condition is to be determined by the Calculation Agent, the determination of either Calculation Agent shall be sufficient to establish the occurrence or existence of the relevant event or condition for all purposes of such Transaction.

(f) **Credit Support Document.** Details of any Credit Support Document: Guaranty by American International Group, Inc., a Delaware corporation, to be delivered to Party A on or before the date of the execution of this Agreement, as attached as Exhibit I.

(g) **Credit Support Provider.** Credit Support Provider means in relation to Party B: American International Group, Inc., a Delaware corporation.

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

(i) **"Affiliate"** will have the meaning specified in Section 14 of this Agreement.

## Part 5

## Other Provisions

1. **Representations**

Each party represents that:

(a) it is entering into this Agreement and each Transaction as principal (and not as agent or in any other capacity, fiduciary or otherwise);

(b) (i) It is solely responsible for its trading or investment decisions with respect to this Agreement and each Transaction entered into under this Agreement; (ii) it is not relying on the other party in connection with any such decisions and neither party is acting as an adviser to or fiduciary of the other party in connection with this Agreement or any Transaction under this Agreement regardless of whether such other party provides it from time to time with market information or views; and (iii) it has consulted with its own legal, financial and other advisers to the extent it has deemed appropriate in connection with its trading or investment decisions with respect to this Agreement and each Transaction entered into under this Agreement and it has evaluated the potential financial benefits and risks, the tax and accounting implications and the conformity to its policies and objectives of this Agreement and each Transaction entered into under this Agreement.

(c) it constitutes an "eligible swap participant" as such term is defined in Rule 35.1(b)(2) of the Commodity Futures Trading Commission, 17 C.F.R. § 35.1(b)(2)(1993).

2. **Consent to Recording**

Each party (i) consents to the recording of the telephone conversations of trading and marketing personnel of the parties and their Affiliates in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of and give notice of such recording to such personnel of it and its Affiliates and (iii) agrees that such recordings may be submitted in evidence in any Proceedings relating to this Agreement.

3. **Definitions**

(i) Reference is made to the 1991 ISDA Definitions (the "1991 Definitions") and the 1992 ISDA FX and Currency Option Definitions (the "FX Definitions"), each as published by the International Swaps and Derivatives Association, Inc., which are hereby incorporated by reference in this Agreement. Any terms used and not otherwise defined herein which are contained in the 1991 Definitions or the FX Definitions shall have the meaning set forth therein (without regard to any amendments thereto subsequent to the date hereof). Any reference in the 1991 Definitions to a Swap Transaction shall be deemed to include a Transaction hereunder.

(ii) In the event of any inconsistency between the 1991 Definitions and the FX Definitions, the FX Definitions shall prevail with respect to an FX Transaction or a Currency Option. In the event of any inconsistency between the provisions of this Agreement and the 1991 Definitions or the FX Definitions, the provisions of this Agreement shall prevail.

4. **Tax Provisions**

(a) The definition of Tax Event, Section 5(b)(ii), is hereby modified by adding the following provision at the end thereof:

> "provided, however, that the parties acknowledge that the proposal of laws, regulations or guidelines, shall not, prior to the actual adoption or enactment thereof, constitute a Termination Event hereunder; or"

(b) The definition of the term "Indemnifiable Tax" is amended by adding the following provisions at the end thereof:

> "Notwithstanding the foregoing, "Indemnifiable Tax" also means any Tax imposed in respect of a payment under this Agreement by reason of a Change in Tax Law by a government or taxing authority of a Relevant Jurisdiction of the party making such payment, unless the other party is incorporated, organized, managed and controlled or considered to have its seat in such jurisdiction, or is acting for purposes of this Agreement through a branch or office located in such jurisdiction."

5. **Set Off**

Section 6 of this Agreement is amended by the addition of the following Sections 6(f) and (g):

"(f) 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 rights to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(g) Conditions to Certain Payments:

Notwithstanding the provisions of Section 6(e)(i)(3) and (4), as applicable, if the amount referred to therein is a positive number, the Defaulting Party shall pay such amount to the Non-Defaulting Party, and if the amount referred to therein is a negative number, the Non-Defaulting Party shall have no obligation to pay any amount thereunder to the Defaulting Party unless and until the conditions set forth in (i) and (ii) below have been satisfied at which time there shall arise an obligation of the Non-Defaulting Party to pay to the Defaulting Party an amount equal to the absolute value of such negative number less any and all amounts which the Defaulting Party may be obligated to pay under Section 11:

(i) the Non-Defaulting Party shall have received confirmation satisfactory to it in its sole discretion (which may include an unqualified opinion of its counsel) that (x) no further payments or deliveries under Section 2 (a)(i) or 2(e) in respect of Terminated Transactions will be required to be made in accordance with Section 6(c)(ii) and (y) each Specified Transaction shall have been terminated pursuant to its specified termination date or through the exercise by a party of a right to terminate and all obligations owing under each such Specified Transaction shall have been fully and finally performed; and

(ii) all obligations (contingent or absolute, matured or unmatured) of the Defaulting Party and any Affiliate of the Defaulting Party to make any payment or delivery to the Non-Defaulting Party or any Affiliate of the Non-Defaulting Party shall have been fully and finally performed."

6. <u>Confirmations</u>

Each party shall respond promptly to a Confirmation sent by the other party as provided herein, indicating whether the Confirmation contains any error and, if so, how the error should be corrected so that the Confirmation correctly reflects the parties' agreement with respect to the Transaction referred to in the Confirmation. A party's failure to respond within 10 Business Days to a Confirmation sent to it as provided in Section 12 of this Agreement that has become effective as provided therein shall, absent manifest error, constitute its acknowledgment that the Confirmation correctly reflects the parties' agreement on the terms of the Transaction referred to herein. The requirement of Section 9 (e) (ii) and elsewhere in this Agreement that the parties exchange Confirmations shall for all purposes be deemed satisfied by a Confirmation sent and an acknowledgement deemed given as provided herein.

7. <u>Transfers</u>

Section 7 of this Agreement is replaced in its entirety with the following:

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 Transaction 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 with or into, or transfer of all or substantially all of a party's assets to, another entity in the same jurisdiction as that party and any purported transfer without such consent will be void. Either party may transfer this Agreement, any of its interests and obligations in and under this Agreement or one or more Transactions to another of that party's offices, branches or Affiliates, on two Business Days' prior written notice; **provided, however,** that (i) with respect to Party B: 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. set out in Exhibit I to this Agreement or by a written confirmation from American International Group, Inc. that the original guarantee given in connection with this Agreement will apply to the obligations of such transferee under this Agreement, and with respect of Party A: if such transfer is to an Affiliate of Party A, such notice shall be accompanied by a guarantee of Party A of such transferee's obligations in form and substance acceptable to Party B or by Party A's declaration of backing (ii) the party not making such transfer ("X") will not, as a result of such transfer, be required on the next succeeding Scheduled Payment Date to pay to the transferee an amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) of this Agreement (except in respect of default interest) greater than the amount in respect of which the party making the transfer ("Y") would have been required to pay to X in the absence of such transfer, (iii) the transferee will not, as a result of such transfer, be required on the next succeeding Scheduled Payment Date to withhold or deduct on account of Indemnifiable Tax under Section 2(d)(i) (except in respect of default interest) amounts in excess of that which Y would, on the next succeeding Scheduled Payment Date, have been required to so withhold or deduct unless the transferee would be required to make additional payments pursuant to Section 2(d)(i)(4) corresponding to such excess and (iv) a Termination Event or Event of Default does not occur as a result of such Transfer. With respect to the result described in subclauses (ii) and (iii), Y agrees to cause such transferee to make, and X agrees to make, such Payee Representations and Payer Representations as may reasonably be requested by the other party in order to permit such other party to determine that such result will not occur after such transfer.

## Part 6

### Interest Rate Caps, Collars, Floors and Options

The condition precedent in Section 2 (a)(iii)(1) of the Master Agreement does not apply to a payment or delivery owing by a party if the other party shall have satisfied in full all its payment or delivery obligations under Section 2(a)(i) of this Agreement and shall at the relevant time have no future payment or delivery obligations, whether absolute or contingent, under Section 2(a)(i).

## Part 7

### Amendment to the Interest Rate and Currency Exchange Agreement

This Agreement constitutes an amendment and restatement of the Interest Rate and Currency Exchange Agreement dated as of November 4, 1987 between Deutsche Bank AG and AIG Financial Products Corp. (the "Old Agreement"). With effect from the date of this Agreement:

**(a)** this Agreement shall govern the rights and obligations of the parties hereto in connection with all Transactions (howsoever defined) entered into under the Old Agreement; and

**(b)** the Old Agreement shall be deemed to be superseded and of no further force or effect.

Without prejudice to the provisions of Part 8 (b) (i), all confirmations referring to and forming a part of the Old Agreement shall, with effect from the date of this Agreement, be deemed to refer to and form an integral part of this Agreement and each will constitute a Confirmation hereunder and evidence a Transaction as defined by this Agreement. The terms "Interest Rate and Currency Exchange Agreement", "Swap Agreement", "this Agreement", "Agreement", "herein", "hereinafter", "hereof", "hereto", and other words of similar import shall mean this Agreement, unless the context otherwise specifically requires.

## Part 8

## Foreign Exchange and Currency Option Transactions

**(a) Payments**

All payments to be made hereunder in respect of FX Transactions and Currency Options shall be made in accordance with standing payment instructions provided by the parties from time to time in writing, or as otherwise specified in a Confirmation.

**(b) Confirmations**

(i) With effect from the date hereof, any FX Transaction or Currency Option into which the parties may enter or may have entered into prior to the date hereof, in respect of which the Confirmation fails by its terms expressly to exclude the application of this Agreement shall (to the extent not otherwise provided for in this Agreement) be deemed to incorporate the terms of and shall be governed by and be subject to this Agreement (in substitution for any existing terms, if any, whether express or implied) and, for the purposes thereof, shall be deemed to be a Transaction.

(ii) Where an FX Transaction or Currency Option is confirmed by means of exchange of electronic messages on an electronic messaging system or other document or other confirming evidence exchanged between the parties confirming such Transaction such messages, document or evidence will constitute a Confirmation for the purposes of this Agreement even where not so specified therein.

**(c) Terms Relating to Payment of Premium**

(i) Unless otherwise agreed in writing by the parties, the Premium related to a Currency Option shall be paid on its Premium Payment Date.

(ii) If any Premium is not received on the Premium Payment Date, the Seller may elect: (1) to accept a late payment of such Premium; (2) to give written notice of such non-payment and, if such payment shall not be received within two (2) Local Business Days of such notice, treat the related Currency Option as void; or (3) to give written notice of such non-payment and, if such payment shall not be received within two (2) Local Business Days of such notice, treat such non-payment as an Event of Default under Section 5 (a) (i). If the Seller elects to act under either clause (1) or (2) of the preceding sentence, the Buyer shall pay all out-of-pocket costs and actual damages incurred in connection with such unpaid or late Premium or void Currency Option, including, without limitation, interest on such Premium in the same currency as such Premium at the then prevailing market rate and any other costs or expenses incurred by the Seller in covering its obligations (including, without limitation, any hedge) with respect to such Currency Option.

**(d) Exercise of Currency Options**

The Buyer may exercise a Currency Option by delivery to the Seller of a Notice of Exercise. Subject to Article 2 Section 2.3 (b) of the FX Definitions, if a Currency Option has not been exercised prior to or at the Expiration Time, it shall expire and become void and of no effect.

**DEUTSCHE BANK AG**

By: _____
Name: K. Plumridge
Title:

By: _____
Name:
Title: Dagmar Schulz

16th November 1995

**AIG FINANCIAL PRODUCTS CORP.**

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

## EXHIBIT I

## FORM OF GUARANTEE OF AMERICAN INTERNATIONAL GROUP, INC.

Guarantee, dated as of _____ _____ _____, by American International Group, Inc., a Delaware corporation (the "Guarantor"), in favor of Deutsche Bank AG, a company incorporated in Germany (the "Guaranteed Party").

### 1. Guarantee

To induce the Guaranteed Party to enter into a Master Agreement, dated as of _____ _____ _____, pursuant to which the Guaranteed Party and AIG Financial Products Corp., a Delaware corporation (the "Company"), have entered and/or anticipate entering into one or more Transactions (as defined therein), the confirmation of each of which supplements, forms a part of, and will be read and construed as one with, such Master Agreement (as amended or modified from time to time, such Master Agreement together with such confirmations are collectively referred to herein as the "Agreement"), the Guarantor absolutely, unconditionally and irrevocably guarantees to the Guaranteed Party and its successors, endorsees and assigns the prompt payment when due, subject to any applicable grace period, of all present and future payment obligations of the Company to the Guaranteed Party arising out of Transactions governed by the Agreement (the "Obligations"). This Guarantee is a Credit Support Document as contemplated in the Agreement.

### 2. Nature of Guarantee

Subject to the final sentence of this Section 2, the Guarantor's obligations hereunder shall not be affected by the existence, validity, enforceability, perfection or extent of the Obligations or of any collateral therefor or by any other circumstance relating to the Obligations that might otherwise constitute a legal or equitable discharge of or defense to the Guarantor not available to the Company. The Guarantor agrees that the Guaranteed Party may resort to the Guarantor for payment of any of the Obligations whether or not the Guaranteed Party shall have resorted to any collateral therefor or shall have proceeded against the Company or any other obligor principally or secondarily obligated with respect to any of the Obligations. The Guaranteed Party shall not be obligated to file any claim relating to the Obligations in the event that the Company becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Guaranteed Party to so file shall not affect the Guarantor's obligations hereunder. In the event that any payment to the Guaranteed Party in respect of any Obligations is rescinded or must otherwise be returned for any reason whatsoever, the Guarantor shall remain liable hereunder with respect to such Obligations as if such payment had not been made. The Guarantor reserves the right to (a) set off against any payment owing hereunder any amounts owing by the Guaranteed Party to the Company and (b) assert defenses

which the Company may have to payment of any Obligations other than defenses arising from the bankruptcy or insolvency of the Company and other defenses expressly waived hereby.

## 3. Changes in Obligations, Collateral therefor and Agreements Relating thereto; Waiver of Certain Notices

The Guarantor agrees that the Guaranteed Party 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 the Company 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 the Agreement or any other agreement between the Guaranteed Party and the Company or any such other party or person, without in any way impairing or affecting this Guarantee. The Guarantor waives notice of the acceptance of this Guarantee and of the Obligations, presentment, demand for payment, notice of dishonor and protest.

## 4. Expenses

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

## 5. Subrogation

Upon payment of any of the Obligations, the Guarantor shall be subrogated to the rights of the Guaranteed Party against the Company with respect to such Obligations, and the Guaranteed Party agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation; provided, however, that the Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Company under the Agreement shall have been paid in full.

## 6. No Waiver; Cumulative Rights

No failure on the part of the Guaranteed Party 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 the Guaranteed Party 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 the Guaranteed Party or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by the Guaranteed Party at any time or from time to time.

## 7. Representations and Warranties

The Guarantor hereby represents and warrants that:

(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; and

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

## 8. Contractual Currency

Any payment to be made by the Guarantor hereunder shall be made in the currency in which the Obligation in respect of which such payment is owing is denominated (the "Contractual Currency") and the designation of the Contractual Currency as the currency of payment is of the essence; provided, however that if such Contractual Currency is not freely available, such payment shall be in U.S. dollars. The obligation of the Guarantor in respect of any amount due under this Guarantee shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the Contractual Currency that the Guaranteed Party may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and cost of

exchange) on the business day immediately following the day on which the Guaranteed Party receives such payment. If the amount in the Contractual Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay such additional amounts in the Contractual Currency that may be necessary to compensate for such shortfall, and any obligations of the Guarantor not so discharged shall be due as a separate and independent obligation. If the amount in the Contractual Currency that may be so purchased for any reason exceeds the amount originally due, the Guaranteed Party will refund promptly the amount of such excess.

## 9. Assignment

Neither the Guarantor nor the Guaranteed Party may assign or transfer its rights, interests or obligations hereunder to any other person (except by operation of law) without the prior written consent of the Guarantor or the Guaranteed Party, as the case may be, **provided, however,** that the Guaranteed Party may assign its rights, interests and obligations hereunder to an assignee or transferee to which it has transferred its interests and obligations under the Agreement(s) pursuant to Section 6(b) or 7 thereof or pursuant to the Schedule thereto.

## 10. Notices

All notices or demands on the Guarantor shall be deemed effective when received, shall be in writing and shall be delivered by hand or by registered mail, or by facsimile transmission promptly confirmed by registered mail, addressed to the Guarantor at:

American International Group, Inc.
70 Pine Street, New York, NY 10270
Attention: Secretary
Fax: (212) 514-6894

or to such other address or fax number as the Guarantor shall have notified the Guaranteed Party in a written notice delivered to the Guaranteed Party in accordance with the Agreement.

## 11. Continuing Guarantee

Subject to the provisions of Section 12 hereof and having regard to the fourth sentence of Section 2 hereof, this Guarantee shall remain in full force and effect and shall be binding on the Guarantor, its successors and assigns until all of the Obligations as well as any expenses due under Section 4 have been satisfied in full.

## 12. Termination

This Guarantee may be terminated by the Guarantor upon ten days' written notice to the Guaranteed Party, **provided that** this Guarantee shall remain in

full force and effect with respect to Obligations incurred by the Company as a result of Transactions entered into prior to the effective date of such termination.

## 13. Governing Law

**This Guarantee shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflicts of laws.**

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

**AMERICAN INTERNATIONAL GROUP, INC.**

By_____

By_____

## EXHIBIT II

**[Letterhead of
American International Group, Inc.]**

[_____]

Deutsche Bank AG
Taunusanlage 12
60262 Frankfurt
Germany

Ladies and Gentlemen:

I am Vice President and Senior Counsel of American International Group, Inc., a Delaware corporation ("AIG"), and, as such, I am fully familiar with the corporate affairs of AIG.

In connection with that certain Master Agreement (the "Agreement") dated as of [_____] between AIG Financial Products Corp., a Delaware corporation ("AIGFP"), and Deutsche Bank AG, and the execution and delivery by AIG of the Guarantee of AIG (the "Guarantee") dated as of [_____] made by AIG in favour of Deutsche Bank AG, whereby AIG unconditionally guarantees to Deutsche Bank AG the obligations of AIGFP under the Agreement, I have examined such corporate records, certificates and other documents and reviewed such questions of law as I have deemed necessary or appropriate for the purpose of this opinion, and on the basis of such knowledge, examination and review, you are advised that in my opinion:

1. AIG has been duly incorporated and is an existing corporation in good standing under the laws of the State of Delaware, and has corporate power and authority to execute, deliver and perform its obligations under the Guarantee.

2. The Guarantee has been duly authorized, executed and delivered by AIG and constitutes the valid and legally binding obligation of AIG enforceable in accordance with its terms, except as such enforcement may be limited by laws relating to bankruptcy, reorganization, moratorium, fraudulent transfer or similar laws affecting creditors' rights generally, and subject, as to enforceability, to general equity principles (regardless of whether said enforceability is considered in a proceeding in equity or at law).

Very truly yours,

Kathleen E. Shannon

(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

ISDA MASTER AGREEMENT

dated as of 13 SEPTEMBER 1995

between

DEUTSCHE BANK AG and AIG FINANCIAL PRODUCTS CORP.

("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).

(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).

(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.

(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.

**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.

"***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.



ISDA® 1994

# CREDIT SUPPORT ANNEX

**to the Schedule to the**
**ISDA Master Agreement**
**dated as of 13 September 1995**

**between**

| | | |
|---|---|---|
| **DEUTSCHE BANK AG ("Party A")** | **and** | **AIG FINANCIAL PRODUCTS CORP. ("Party B")** |

## Paragraph 13. Elections and Variables

(a) ***Security Interest for Obligations*** The term ***Obligations*** as used in this Annex includes the following additional obligations:

With respect to Party A: None.

With respect to Party B: None.

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

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

(A) ***Delivery Amount*** has the meaning specified in paragraph 3(a) except that in the event that the rating (as defined below) of AIG Inc., where Party B is the Pledgor, or Party A, where Party A is the Pledgor, falls below A- (or the equivalent successor rating) by S&P and A3 (or the equivalent successor rating) by Moody's then 105 per cent of the Credit Support Amount will be used to calculate the relevant Delivery Amount.

(B) ***Return Amount*** has the meaning specified in paragraph 3(b).

(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 |
|---|---|---|---|
| Securities issued by the US Government including securities issued by US Government agencies (***Agency Securities***): | | | |
| (A) with a remaining maturity of not more than one year | [X] | [X] | 100% |
| (B) with a remaining maturity of more than one year but not more than five years | [X] | [X] | 98% |
| (C) with a remaining maturity of more than five years but not more than ten years | [X] | [X] | 95% |
| (D) with a remaining maturity of more than ten years | [X] | [X] | 90% |
| Cash | [X] | [X] | 100% |

(iii) ***Other Eligible Support.*** The following items will qualify as ***Other Eligible Support*** for the party specified: Not Applicable.

(iv) ***Thresholds***

(A) ***Independent Amount*** means with respect to Party A: Not applicable.

***Independent Amount*** means with respect to Party B: Not applicable.

(B) ***Threshold*** means with respect to Party A and Party B as set forth in the table below, provided, however, that if an Event of Default, Potential Event of Default, Termination Event, Additional Termination Event or Specified Condition has occurred and is continuing with respect to (i) Party A or (ii) Party B or the Credit Support Provider of Party B, then the Threshold of the applicable party shall be zero.

| S&P Ratings[1] | Moody's Ratings[1] | Party A Threshold USD | Party B Threshold USD |
|---|---|---|---|
| AAA[2] | Aaa[2] | $150 million | $150 million |
| AA+ | Aa1 | $125 million | $125 million |
| AA | Aa2 | $75 million | $75 million |
| AA- | Aa3 | $50 million | $50 million |
| A+ | A1 | $25 million | $25 million |
| A | A2 | $10 million | $10 million |
| A- | A3 | $5 million | $5 million |
| BBB+ | Baa1 | $0 | $0 |
| BBB | Baa2 | Termination | Termination |

(C) ***Minimum Transfer Amount*** means with respect to Party A and with respect to Party B:

(i) US$1,000,000 provided that the rating of the party obliged to transfer Eligible Credit Support or Equivalent Credit Support under this Annex is at or above both A- (or the equivalent successor rating) by S&P and A3 (or the equivalent successor rating) by Moody's,

provided, however, that if an Event of Default, Potential Event of Default, Termination Event, Additional Termination Event or Specified Condition has occurred and is continuing with respect to (i) Party A or (ii) Party B or the Credit Support Provider of Party B, then the Minimum Transfer Amount of the applicable party shall be zero; or

(ii) US$100,000 if the rating of such party is below either A- (or the equivalent successor rating) by S&P and A3 (or the equivalent successor rating) by Moody's,

---

1 The ratings referred to are the ratings assigned by S&P and Moody's respectively to the unsecured and unsubordinated long term debt securities of American International Group, Inc., in the case of Party B, and of Party A, in the case of Party A.

2 In the case of AAA/Aaa only, either party will be treated as AAA/Aaa, if issued a Rating of either (i) AAA by S&P and not lower than Aa1 by Moody's, or (ii) Aaa by Moody's and not lower than AA+ by S&P.

provided, however, that if an Event of Default, Potential Event of Default, Termination Event, Additional Termination Event or Specified Condition has occurred and is continuing with respect to (i) Party A or (ii) Party B or the Credit Support Provider of Party B, then the Minimum Transfer Amount of the applicable party shall be zero.

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

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

(i) ***Valuation Agent*** means, for the purposes of paragraphs 3 and 5, the party making the demand under paragraph 3, and, for the purposes of paragraph 6(d), the Secured Party receiving or deemed to receive the Distributions or the Interest Amount, as applicable.

(ii) ***Valuation Date*** means any day which is a business day in New York.

(iii) ***Valuation Time*** means the close of business on the day immediately preceding the Valuation Date or date of calculation, as applicable.

(iv) ***Notification Time*** means 1:00 p.m., New York time, on a Local Business Day.

(d) ***Conditions Precedent and Secured Party's Rights and Remedies.*** 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 | [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): 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:

For securities,

(x) the closing bid prices quoted on the relevant date which appears on the display of Bloomberg Financial Markets Commodities News (or its successor) published by Bloomberg L.P. or such other financial information provider reasonably chosen by the Valuation Agent; or

(y) if no quotations are available pursuant to (x) above, the arithmetic mean of the closing bid prices quoted on the relevant date of three recognised principal market makers for such security chosen by the Valuation Agent (plus accrued interest if not reflected in such closing bid prices) multiplied by the applicable Valuation Percentage, or

(z) if no quotations are available from such principal market makers on the relevant date, the arithmetic mean of the closing bid prices on the next preceding date (plus accrued interest if not reflected in such closing bid prices) multiplied by the applicable Valuation Percentage.

(iii) ***Alternative.*** The provisions of paragraph 5 will apply.

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

(i) ***Eligibility to Hold Posted Collateral.*** Party B and its Custodian will be entitled to hold Posted Collateral pursuant to paragraph 6(b); **provided** that the following conditions applicable to it are satisfied:

(A) Party B is not a Defaulting Party.

(B) Posted Collateral may be held only in the following jurisdictions: The State of New York.

Initially, the Custodian for Party B is: Party B

Party B may replace its Custodian, or appoint an additional Custodian, for purposes of this agreement without the prior written approval of Party A **provided** that the rating of the new Custodian is at or above either AA- (or the equivalent successor rating) by S&P or Aa3 (or the equivalent successor rating) by Moody's.

Party A and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); **provided** that the following conditions applicable to it are satisfied:

(A) Party A is not a Defaulting Party.

(B) Posted Collateral may be held only in the following jurisdictions: The State of New York.

Initially, the Custodian for Party A is Deutsche Bank AG, New York Branch.

Party A may replace its Custodian, or appoint an additional Custodian, for purposes of this agreement without the prior written approval of Party B **provided** that the rating of the new Custodian is at or above either AA- (or the equivalent successor rating) by S&P or Aa3 (or the equivalent successor rating) by Moody's.

(ii) ***Use of Posted Collateral.***

(A) The provisions of paragraph 6(c) will apply to Party A **provided** that Party A is rated at or above both AA- (or the equivalent successor rating) by S&P and Aa3 (or the equivalent successor rating) by Moody's. If the rating of Party A shall fall below either AA- (or the equivalent successor rating) by S&P or Aa3 (or the equivalent successor rating) by Moody's, then the provisions of paragraph 6(c) will not apply.

(B) The provisions of paragraph 6(c) will apply to Party B **provided** that AIG, Inc. is rated at or above both AA- (or the equivalent successor rating) by S&P and Aa3 (or the equivalent successor rating) by Moody's. If the rating of AIG, Inc. shall fall below either AA- (or the equivalent successor rating) by S&P or Aa3 (or the equivalent successor rating) by Moody's, then the provisions of paragraph 6(c) will not apply.

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

(i) ***Interest Rate.*** The "Interest Rate" will be with respect to Eligible Collateral in the form of Cash, for any day, the rate opposite the caption "Federal Funds (Effective)" for such day as published for such day in Federal Reserve Publication H.15(519) or any successor publication as published by the Board of Governors of the Federal Reserve System less 25 basis points.

(ii) ***Transfer of Interest Amount.*** The transfer of the Interest Amount will be made on the last Local Business Day of each calendar month.

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

(i) ***Additional Representation(s).*** Not applicable.

(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 pursuant to the Notices provision of this Agreement, unless otherwise specified here:

Party A:

Deutsche Bank AG
31 West 52nd Street
New York, NY 10019

Attn: Global Margin Management

Party B:

AIG-Financial Products Corp.
100 Nyala Farm
Westport, CT 06880,
USA

Tel: 1 203 222 4700
Fax: 1 203 222 4780

Attn: Bill English, Credit
Steve Homscheid, Operations

cc Banque AIG
46 rue de Bassano
75008 Paris
France

Tel: 33 1 49 52 36 40
Fax: 33 1 47 20 43 05
Attn: Janet Tarneaud, Credit

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

| | | |
|---|---|---|
| Party A: | For Cash: | DBAG NY,<br>ABA No. 026003780<br>Ref: To be provided |
| | For Eligible Collateral: | Bank of NYC/DBNYC,<br>ABA No. 021000018<br>Ref: GMM/AIG Financial Products Corp. |
| Party B: | For Cash: | UBS AG Stamford<br>ABA No. 0260-07993<br>Ref: AIG Financial Products Corp. A/C #101WA-657-328-000 |
| | For Eligible Collateral: | Chase NYC/AFPC<br>ABA No. 021 000 021 |

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

(i) For the purposes of this Annex, and only with respect to either party's obligation to deliver or return collateral, Local Business Day shall mean, any day which is a business day in New York and Paris.

(ii) Paragraph 12 is amended by adding the following Definitions:

"Moody's" means Moody's Investors Service Inc. or its successor,

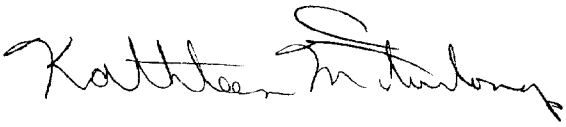
"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

(n) ***Governing Law.***

This Annex will be governed by and construed in accordance with the laws of the state of New York (without reference to choice of law doctrine).

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

**AIG FINANCIAL PRODUCTS CORP.**

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

**DEUTSCHE BANK AG**

By:
Name:
Title: K. Ewert B. McCheane

**AMENDMENT**
**to the**
**Master Agreement**

**dated as of 13 September 1995**

**Dated** ....9 November 1998

| | | |
|---|---|---|
| **Deutsche Bank AG** | **and** | **AIG Financial Products Corp.** |
| **("Party A")** | | **("Party B")** |

have entered into a Master Agreement dated as of 13 September 1995 (the ***Agreement***). The parties have now agreed to amend the Agreement by this Amendment (this ***Amendment***).

Accordingly, in consideration of the mutual agreements herein contained, the parties agree as follows:

***Amendment of the Agreement***

Upon execution of this Amendment by both parties, the Agreement shall be and hereby is amended to add the following:

1. Additional Termination Event

Part 1(h) of the Schedule to the Agreement is hereby amended to read as follows:

"(h) "***Additional Termination Event***" will apply. The following shall constitute an Additional Termination Event:

"(1) The rating issued or maintained by either Standard & Poor's Ratings Services and its successors ("S&P") or Moody's Investors Service, Inc. and its successors ("Moody's") or any rating agency substituted for either of them by agreement between Party A and Party B (a "Substitute Agency") with respect to the long-term, unsecured, unsubordinated debt securities ("Debt Securities"), or, in the case of more than one rating by the same rating agency, any rating of such Debt Securities, of American International Group, Inc. (in which case Party B will be the Affected Party) or Party A (in which case Party A will be the Affected Party) is at

or below or revised downward to or below BBB in the case of S&P or Baa2 in the case of Moody's or their respective equivalent ratings issued by a Substitute Agency or (2) both of S&P and Moody's (or a Substitute Agency) have ceased to rate any of the Debt Securities of American International Group, Inc. (in which case Party B will be the Affected Party) or Party A (in which case Party A will be the Affected Party)."

2. Part 4(f) is hereby amended by adding "(i)" before the word "Guaranty" on the first line thereof and by adding a new subsection "(ii) the ISDA Credit Support Annex between Party A and Party B attached hereto as Exhibit II" at the end thereof.

3. Part 5 of the Schedule to the Agreement is hereby amended to add the following new provisions as sections (8), (9) and (10):

"8. **Securities Act 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 Transaction is entered into) that:

(i) it acknowledges that certain Transactions under the Agreement may involve the purchase or sale of "securities" as defined under the U.S. Securities Act of 1933, as amended (the ***Securities Act***) and undertakes that any such purchase or sale of securities will not be registered under the Securities Act and that any such securities may not be reoffered, resold, pledged or otherwise transferred except (1) pursuant to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and (2) in accordance with any applicable securities laws of any state of the United States.

(ii) it is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act, or an "accredited investor" as defined under the Securities Act; and

(iii) unless otherwise expressly provided in a Confirmation for a Transaction, any securities it is required to deliver under this Agreement and any Transaction will not at the time of such delivery constitute "restricted securities" or be subject to restrictions on transfer (including so-called "control securities") under the Securities Act (as defined below) or otherwise. This representation will be deemed repeated at the time of such delivery.

9. **Additional Acknowledgement and Agreement of the Parties**

(i) ***Deutsche Bank Securities Inc.*** Each party acknowledges and agrees that (a) Deutsche Bank Securities Inc. or another designated Affiliate of Party A (the "Designated Agent") may act from time to time as agent for Party A in connection with certain Transactions with Party A being liable as principal for such Transactions when so identified at the time of trade and specified in the Transaction Confirmation; and (b) the Designated Agent is acting solely as agent and shall have no liability for the performance of either party's obligations under this Agreement or any Transaction, or for costs, expenses, damages or claims arising out of the failure of either party to perform any such obligation.

(ii) ***Bankruptcy Code.*** Without limiting the applicability if any, of any other provision of the U.S. Bankruptcy Code as amended (the "Bankruptcy Code") (including without limitation Sections 362, 546, 556 and 560 thereof and the applicable definitions in Section 101 thereof), the parties acknowledge and agree that all Transactions entered into hereunder will constitute "forward contracts" or "swap agreements" as defined in Section 101 of the Bankruptcy Code or "commodity contracts" as defined in Section 761 of the Bankruptcy Code, that the rights of the parties under Section 6 of this Agreement will constitute contractual rights to liquidate Transactions, that any margin or collateral provided under any margin, collateral, security, pledge, or similar agreement related hereto will constitute a "margin payment" as defined in Section 101 of the Bankruptcy Code, and that the parties are entitled to the rights under, and protections afforded by, Sections 362, 546, 556 and 560 of the Bankruptcy Code.

10. **Waiver of Right to Trial by Jury**

Each of the parties hereby irrevocably waives any and all right to a trial by jury with respect to any legal proceeding arising out of or relating to this Agreement or any Transaction."

4. Miscellaneous

(a) ***Entire Agreement.*** This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and

supersedes all oral communications and prior writings with respect thereto.

(b) ***Definitions.*** All capitalised terms in this Amendment shall have the same meaning ascribed to them in the Agreement.

(c) ***Agreement Continuation.*** The Agreement, as modified herein, shall continue in full force and effect.

(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 laws of the State of New York (without reference to the choice of law doctrine). The provisions of Sections 13(b), (c) and (d) of the Agreement shall apply to this Amendment *mutatis mutandis* as if set out in full herein.

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

| **Deutsche Bank AG** | **AIG Financial Products Corp.** |
|---|---|
| By: ..... | By: ..... |
| Name: K. Ewert B. McCheane | Name: |
| Title: | Title: Kathleen M. Furlong Vice President, Chief Financial Officer and Treasurer |

**Amendment**
**Dated as of 2 June 1999**
**to the ISDA Credit Support Annex**
**to the Schedule**
**to the ISDA MASTER AGREEMENT**
**dated as of 13 September 1995**
**between**
**Deutsche Bank AG (Party A) and AIG Financial Products Corp. (Party B)**

Whereas, Party A and Party B have entered into a Credit Support Annex to the Schedule to the ISDA Master Agreement dated as of 13 September 1995, and

Whereas, Party A and Party B have now agreed to amend the Credit Support Annex by this Amendment (the "Amendment"),

Accordingly, in consideration of the mutual agreements herein contained, the parties agree as follows:

1. Paragraph 13 ((b)(iv)(B) is hereby amended (including all footnotes thereto) to read as follows:

"(B) **Threshold** means with respect to Party A and Party B as set forth in the table below, provided, however, that if the S&P and Moody's ratings of a party are not in the same category (i.e. the Threshold in the table is not the same for each rating), then the applicable Threshold shall be the arithmetic average of the Thresholds set forth in the table below for each rating, and provided, further, that if an Event of Default, Potential Event of Default, Termination Event, Additional Termination Event or Specified Condition has occurred and is continuing with respect to (I) Party A or (ii) Party B or the Credit Support Provider of Party B, then the Threshold of the applicable party shall be zero.

| S&P Ratings[1] | Moody's Ratings | Party A Threshold USD | Party B Threshold USD |
|---|---|---|---|
| AAA | Aaa | $150 million | $150 million |
| AA+ | Aa1 | $125 million | $125 million |
| AA | Aa2 | $75 million | $75 million |
| AA- | Aa3 | $50 million | $50 million |
| A+ | A1 | $25 million | $25 million |
| A | A2 | $10 million | $10 million |
| A- | A3 | $5 million | $5 million |
| BBB+ | Baa1 | $0 | $0 |
| BBB | Baa2 | Termination | Termination |

[1] *The ratings referred to are the ratings assigned by S&P and Moody's respectively to the unsecured and unsubordinated long term debt securities of American International Group, Inc., in case of the Party B, and of Party A, in the case of Party A.*

2. Miscellaneous

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

(b) **Definitions.** All capitalised terms in this Amendment shall have the same meaning ascribed to them in the Agreement.

(c) **Agreement Continuation.** The Agreement, as modified herein, shall continue in full force and effect.

(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 laws of the State of New York (without reference to the choice of law doctrine). The provisions of Sections 13(b), (c) and (d) of the Agreement shall apply to this Amendment *mutatis mutandis* as if set out in full herein.

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

**Deutsche Bank AG**

By:_____
Name:
Title:

By:_____
Name:
Title:

**AIG Financial Products Corp.**

By: Kathleen M. Furlong
Name:
Title:

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

# AMENDMENT AGREEMENT

AMENDMENT AGREEMENT (this "Amendment Agreement"), dated as of February 20, 2004 between Deutsche Bank AG ("Party A") and AIG Financial Products Corp. ("Party B"). All capitalized terms used herein and not otherwise defined shall have the respective meanings provided in the ISDA Master Agreement referred to below.

W I T N E S S E T H:

WHEREAS, Party A and Party B are parties to an ISDA Master Agreement and Credit Support Annex, dated as of September 13, 1995 (as amended, supplemented or modified from time to time, the "Master Agreement");

WHEREAS, Party A and Party B wish to amend the Master Agreement as herein provided;

NOW, THEREFORE, it is agreed:

1. The Master Agreement is amended by adding the following:

**Part 9**

**Provisions Relating to Commodity Transactions**

(a) The following "Market Disruption Events" specified in Section 7.4(c) of the Commodity Definitions shall apply, in the following order, except as otherwise specified in the relevant Confirmation:

(i) Price Source Disruption;

(ii) Trading Suspension;

(iii) Disappearance of Commodity Reference Price;

(iv) Material Change in Formula;

(v) Material Change in Content;

(vi) Trading Limitation; provided, however, that the definition of Trading Limitation in Section 7.4(c)(viii) shall be amended by the addition of the following at the end thereof: "For these purposes, a limitation of trading on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the Futures Contract may fluctuate and the closing or settlement price of such Futures Contract on such day is at the upper or lower limit of that range."

(b) The following "Disruption Fallbacks" specified in Section 7.5(c) of the Commodity Definitions shall apply, in the following order, except as otherwise specified in the relevant Confirmation:

(i) "Postponement", with three (3) Commodity Business Days as the Maximum Days of Disruption;

(ii) "Fallback Reference Price" (if the relevant parties have specified an alternate Commodity Reference Price in the Confirmation);

(iii) "Negotiated Fallback";

(iv) "Fallback Reference Dealers";

(v) "No Fault Termination".

(c) **Definitions.** This Agreement and each Transaction are subject to the 2000 ISDA Definitions (the "2000 Definitions"), and the 1993 ISDA Commodity Derivatives Definitions as modified and updated by the 2000 Supplement to the 1993 ISDA Commodity Derivatives Definitions (the "Commodity Definitions"), (collectively, the "Definitions"), each as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), and will be governed in all respects by the Definitions, but without regard to any further amendments, supplements, updates or restatements made to the Definitions after the effective date of this Agreement unless specifically agreed to in writing by the parties (except that any references to "Swap Transactions" in the Definitions will be deemed to be references to "Transactions"). The Definitions are incorporated by reference in, and made part of, this Agreement and each relevant Confirmation as if set forth in full in this Agreement and such Confirmation. In the event of any inconsistency between the 2000 Definitions and the Commodity Definitions, the Commodity Definitions will govern. 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 or the Definitions, such Confirmation will prevail for the purpose of the relevant Transaction.

2. This Amendment Agreement is limited as specified and shall not constitute a modification, acceptance or waiver of any other provision of the Master Agreement.

3. This Amendment Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A complete set of executed counterparts shall be lodged with Party A and Party B.

4. This Amendment Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the law of the State of New York (without reference to choice of law doctrine).

5. This Amendment Agreement shall become effective on the date when Party A and Party B shall have signed a copy hereof (whether the same or different copies) and delivered (including by way of telecopier) the same to each other.

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment Agreement to be duly executed and delivered as of the date first above written.

DEUTSCHE BANK AG

By: _____
Name: Kathleen Kane
Title: Vice President

By: _____
Name: Gregory Gallell
Title: Vice President & Counsel

AIG FINANCIAL PRODUCTS CORP.

By: _____
Name: Erik Andersen
Title: V.P.

**Dated 23 July 2003**

**AIG FINANCIAL PRODUCTS CORP.**

**DEUTSCHE BANK AG**

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# AMENDMENT AGREEMENT

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**THIS AMENDMENT AGREEMENT** is made on 23 July 2003

**BETWEEN**

(1) **AIG FINANCIAL PRODUCTS CORP.** of 50 Danbury Road, Wilton, CT 06897-4444 (***Party A***); and

(2) **DEUTSCHE BANK AG** of Taunusanlage 12, 60325 Frankfurt, Germany (***Party B***).

**WHEREAS**

(A) Party A and Party B entered into an ISDA Master Agreement, dated 13 September 1995 (the ***Agreement***).

(B) Party A and Party B entered into a Credit Support Annex to the Schedule to the ISDA Master Agreement dated 13 September 1995 (the ***Annex***).

(C) Party A and Party B entered into an amendment agreement to the Annex dated 2 June 1999.

(D) Party A and Party B have now agreed to further amend the Agreement by this Amendment Agreement (the ***Amendment Agreement***)

**IT IS AGREED** as follows:

**DEFINITIONS**

1. Words and phrases defined in the Agreement shall have the same meanings where used in this Amendment Agreement, save where otherwise indicated.

2. It is agreed as follows

(a) Paragraph 13(h)(i) of the Annex is deleted and replaced in its entirety with the following:

(i) **Interest Rate.** The "Interest Rate" in relation to Eligible Collateral in the from of Cash, for any day will be, the rate opposite the caption "Federal Funds (Effective Rate)" for such day as published by the Federal Reserve Publication H.15(519) or any successor publication as published by the Board of Governors of the Federal Reserve System.

(b) Paragraph 13(k) of the Annex is ameded as follows:

(k) **Demands and Notices.**

Party B:

cc AIG Financial Products Corp.
50 Danbury Road

Wilton, CT 06897-4444
USA

(c) Paragraph 13(l) of the Annex is amended as follows:

(l) **Adresses for Transfers.**

Party B: As notified by Party B from time to time.

**MISCELLANEOUS**

3.1 ***Entire Agreement*** This Amendment Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communications and prior writings with respect thereto.

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

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

3.4 ***Governing Law*** This Amendment Agreement will be governed by and construed in accordance with laws of the State of New York.

3.5 Each of the parties hereto shall deliver to the other, upon execution of this Amendment Agreement, evidence of the authority and true signatures of each official or representative signing this Amendment Agreement on its behalf.

3.6 All capitalised terms used herein which are not defined herein shall have the meaning set forth therefor in the Agreement unless the contrary intent appears.

3.7 Except as specifically amended hereby the Agreement shall continue in full force and effect in accordance with the provisions thereof and nothing contained herein shall be construed as a waiver or modification of any existing rights under the Agreement except as such rights are expressly modified hereby.

3.8 From and after the effectiveness of this Amendment Agreement, all references in the Agreement to "this Agreement" (or words or phrases of similar meaning) shall be deemed to be references to the Agreement as amended by the Amendment Agreement.

3.9 This Amendment Agreement is deemed effective as of and from the date first above written.

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

| **AIG FINANCIAL PRODUCTS CORP.** | **DEUTSCHE BANK AG** |
|---|---|
| By: | By: |
| Name: Kathleen M. Furlong | Name: |
| Title: Vice President, Chief Financial Officer and Treasurer | Title: |
| Date: | Date: |