# ISDA®

International Swap Dealers Association, Inc.

# INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT

Dated as of December 10, 1987

AIG FINANCIAL PRODUCTS CORP. and BANQUE INDOSUEZ

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

Accordingly, the parties agree as follows:–

**1. Interpretation**

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

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

**2. Payments**

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

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

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

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

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

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

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

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

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

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

| AIG FINANCIAL PRODUCTS CORP. | BANQUE INDOSUEZ |
|---|---|
| (Name of party) | (Name of party) |
| By: | By: |
| Name: JOSEPH J. CASSANO | Name: B. de Margerie O. Hubert |
| Title: VICE PRESIDENT | Title: Fondé de Pouvoir Fondé de Pouvoir |

**EXHIBIT 1**

**Sample Form of Letter Agreement or Telex**

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*Heading for Letter*

[Letterhead of Party A]

[Date]

Swap Transaction

[Name and Address of Party B]

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*Heading for Telex*

Date:

To: [Name and Telex Number of Party B]

From: [Party A]

Re: Swap Transaction

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Dear :

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

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

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

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

Notional Amount:

Trade Date:

Effective Date:

Termination Date:

[Business Days for [first currency]:

Business Days for [second currency]:]

Calculation Agent:

[3. agrees to provide the following Credit Support Document [or agrees to provide the following in accordance with [specify Credit Support Document]:]

4. Account Details

Payments to Fixed Rate Payer:

Account for payments in [first currency]:

Account for payments in [second currency]:

Payments to Floating Rate Payer:

Account for payments in [first currency]:

Account for payments in [second currency]:

[5. Offices

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

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

[6. Broker/Arranger:]

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*Closing for Letter Agreement*

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

Yours sincerely,

[Party A]

By: _____

Name:

Title:

Confirmed as of the date first written:

[Party B]

By: _____

Name:

Title:

---

*Closing for Telex*

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

"Re:

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

Yours sincerely,

[Party A]

By: _____

Name:

Title:

SCHEDULE

to the

Interest Rate and Currency Exchange Agreement

dated as of December 10, 1987

between AIG FINANCIAL PRODUCTS CORP. and BANQUE INDOSUEZ
("Party A") ("Party B").

## Part 1

## Termination Provisions

In this Agreement:-

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

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

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

Section 5(a)(iii), (iv), (v), (vi) and (vii) and Section 5(b)(i), in the event of a transfer by Party B to an Affiliate pursuant to paragragh (11)(a) of Part 5 of this Schedule; the Party B Guarantor. Otherwise: not applicable.

(2) **"Specified Swap"** will have the meaning specified in Section 14.

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

If such provisions apply:-

**"Threshold Amount"** means $15,000,000 or its equivalent in any other currency or currencies.

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

(4) **"Termination Currency"** means the currency selected by the non-Defaulting Party or the non-Affected Party, as the case may be, or, in circumstances where there are two Affected Parties, by Party A in agreement with Party B or, failing such agreement, by Party A. However, the Termination Currency shall be one of the currencies in which payments in respect of Swap Transactions are required to be made by the Confirmations provided that if any such currency is not freely available payments will be made in U.S. Dollars.

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

will apply to Party A
will apply to Party B

provided that Section 5(b)(iv) shall be amended by the insertion after "entity" on the fifth line thereof, and after "action" on the sixth line thereof, of the words "after taking account of any applicable Credit Support Document" and the second word in the third line shall be changed from "into" to "with".

## Part 2

## Tax Representations

**Representations of Party A**

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

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

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

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

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

(2) **Payee Tax Representations.** For the purpose of Section 3(f), Party A makes no representations.

**Representations of Party B**

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

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

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

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

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

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

(a) The following representation will apply with respect to Swap 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):-

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

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

(b) The following representations will apply with respect to Swap Transactions as to which Party B is acting through a branch or office of Party B other than a branch or office described in Part 2, clause 2(a) above:-

It is fully eligible for the benefits of the "Business Profits" or "Industrial and Commercial Profits" provision, as the case may be, the "Interest" provision or the "Other

Income" provision (if any) of the Specified Treaty with respect to any payment described in such provisions and received or to be received by it in connection with this Agreement and no such payment is attributable to a trade or business carried on by it through a permanent establishment in the Specified Jurisdiction.

If such representation applies, then:-

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

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

The following representation will also apply:

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

(c) Other representations:- None.

**Part 3**

**Documents to be delivered**

For the purpose of Section 4(a):-

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

(a) With respect to Swap 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) before the first Scheduled Payment Date under the Agreement, (ii) promptly upon reasonable demand by Party A, and (iii) promptly upon learning that any such form previously provided by Party B has become obsolete or incorrect.

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

(A) Party B agrees to complete, accurately and in a manner reasonably satisfactory to Party A, and to execute and deliver to Party A, a United States Internal Revenue Service Form 1001, or any successor form, (i) before the first Scheduled Payment Date under this Agreement, (ii) promptly

upon reasonable demand by Party A, and (iii) promptly upon learning that any such form previously provided by Party B has become obsolete or incorrect.

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

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

As used in this paragraph (1)(c) of Part 3 hereof, Specified Entity has the same meaning as specified in Part 1, paragraph (1) for the purposes of section 5(a)(v).

(2) Other documents to be delivered are:-

| **Party required to deliver document** | **Form/Document/ Certificate** | **Date by which to be delivered** | **Covered by Section 3(d) Representation** |
|---|---|---|---|
| Party A: | Guarantee of American International Group, Inc. (the "Party A Guarantor") | At execution | No |

| | | | |
|---|---|---|---|
| | Party A Guarantor Annual Financial Statements | On demand in respect of those which became publicly available prior to the date of this Agreement and in respect of those which are not publicly available at the date hereof, on demand after the end of the Party A Guarantor's financial years | Yes |
| Party B: | Annual Financial Statements | On demand in respect of those which became publicly available prior to the date of this Agreement and in respect of those which are not publicly available at the date hereof, on demand after becoming publicly available after the end of Party B's financial years | No |
| | Guarantee from the Party B Guarantor | Upon delivery of a notice of transfer by Party B pursuant to paragraph (11)(a) of Part 5 of this Schedule | No |
| | Annual Financial Statements of the Party B Guarantor if a transfer has been effected in accordance with paragraph (11)(a) of Part 5 of this Schedule | On demand in respect of those which became publicly available prior to the date of the transfer by Party B pursuant to paragraph (11)(a) of Part 5 of this Schedule and in respect of those which | No |

are not publicly
available at the date
of such transfer, on
demand after the end
of the Party B Guarantor's
financial years

## Part 4

## Miscellaneous

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

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

Party B appoints as its Process Agent in New York:

Bank Indosuez, New York Branch
1230 Avenue of the Americas
Rockefeller Center - 4th Floor
New York, New York 10022

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

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

Party A is not a Multibranch Party.

Party B is a Multibranch Party and, as such, may act through the following Offices:-

| | |
|---|---|
| 9 rue Louis Murat<br>75384 Paris<br>Cedex 08<br>France | 1230 Avenue of the Americas<br>Rockefeller Center - 4th Floor<br>New York, New York 10020<br>USA |
| 52-62 Bishopgate<br>London EC2N 4AR | Banque Indosuez Building<br>1-1-2 Akasaka<br>Minato-ku<br>Tokyo 107, Japan |

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

Address for notices or communications to Party A:-

Address: 667 Madison Avenue - 21st Floor

Attention: Chief Financial Officer

Telex No: 9102409432 Answerback: AIG FPC

Addresses for notices or communications to Party B:-

Address: 9 rue Louis Murat, 75384 Paris, Cedex 08, France

Attention: M. Condomines - Swap Administration Office

Telex No: INSU X 650409 F Answerback: _____

Fax No: 145 612 953

(Only with respect to Swap Transactions through that Office).

Address: 1230 Avenue of the Americas, Rockefeller Center, 4th Floor, New York, New York 10029 USA

Attention: Swap Administration

Telex No: 220898 Answerback: INFNYUO

Fax No: 408 5757

(Only with respect to Swap Transactions through that Office).

Address: Banque Indosuez Building, 1-1-2 Akasaka, Minato-ku, Tokyo 107, Japan

Attention: Swap Administration

Telex No: General-24309 Answerback: INDOCAB J

Fax No: 3582 0270

(Only with respect to Swap Transactions through that Office).

Address: 52-62 Bishopsgate, London EC2N 4AR England

Attention: Swap Administration

Telex No: 887516 or 884041 Answerback: INDO FX

Fax No: 628 4724

(Only with respect to Swap Transactions through that Office).

(6) **Credit Support Documents**. Details of any Credit Support Document:

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

(b) The Guarantee of the Party B Guarantor, substantially in the form of Exhibit B hereto, to be delivered by Party B to Party A in accordance with paragraph (11)(a) of Part 5 hereof.

(7) **Netting of Payments.** If indicated here, "Net Payments - Corresponding Payment Dates" will apply for the purpose of Section 2(c) with effect from the date of this Agreement:- Yes

## Part 5

## Other Provisions

Interpretation

(1) Reference in the Agreement to the parties hereto, Party A and Party B shall (for the avoidance of doubt) include, where appropriate, any permitted successor or assign thereof.

**Definitions**

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

**Commencement Date**

(3) This Agreement is deemed to have come into effect on December 10, 1987.

**Calculation Agent**

(4) The Calculation Agent will be Party A.

(5) Notwithstanding Section 4.12 of the Definitions, whenever the Calculation Agent is required to select Banks or Dealers for the purpose of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in the relevant market or designating a freely convertible currency, as the case may be, the Calculation Agent will make such selection with prior consent of the parties hereto (which consent shall not be unreasonably withheld).

**Annual Financial Statements**

(6) "Annual Financial Statements" means, in respect of the Party A Guarantor, the Party B Guarantor and Party B, a copy of the annual report of the respective party containing audited financial statements (consolidated, if any such statements are produced) for the most recently completed financial year at the time such accounts are delivered certified by or reported upon by the respective party's independent certified public accountants, auditors or other appropriately qualified person and prepared in accordance with accounting principles that are generally accepted in the country in which the party is organized together in any case with any interim financial statements (audited or unaudited) which are generally available when such annual report is delivered.

**Change of Account**

(7) Section 2(b) of this Agreement is hereby amended by the addition of the following at the end thereof:

> "; provided that such new account shall be in the same tax jurisdiction as the original account."

**Gross Up**

(8) The third line of Section 2(d)(i) of this Agreement is hereby amended by the insertion before the phrase "of any relevant governmental revenue authority" of the words ", application or official interpretation" and the insertion of the words "(either generally or with respect to a party to this Agreement)" after such phrase.

**Absence of Litigation**

(9) The third line of Section 3(c) of this Agreement is hereby amended by deletion of the words "purports to draw into question, or" and the comma after the word "affect".

**Early Termination Date**

(10) If an Early Termination Date is designated pursuant to Sections 5(b)(i), (ii) or (iii) of this Agreement, both parties shall be deemed to be Affected Parties for the purpose of determining the Settlement Amount pursuant to Section 6(e) of this Agreement.

**Transfer**

(11) Section 7 is replaced in its entirety with the following:

(a) Subject to Section 6(b) and except as expressly provided below, neither this Agreement nor any interest or obligation in or under this Agreement or any Swap Transaction may be transferred by Party B to another entity or, unless Party B is specified as a Multibranch Party in paragraph (5) of Part 4 of this Schedule, (and in that case, without prejudice to Section 10 of this Agreement, only to an Office of Party B specified in paragraph (4) of Part 4 of this Schedule), to any office, branch or agency of Party B without the prior written consent of Party A (other than pursuant to a consolidation or amalgamation with, or merger into, or transfer of all or substantially all of Party B's assets to, another entity) and any purported transfer without such consent will be void. Party B may transfer the Agreement, any of its interests and obligations in and under the Agreement or one or more Swap Transactions to another of Party B's offices, branches or Affiliates on five Business Days' prior written notice of the transfer to Party A; provided, however, that (i) if such transfer is to an Affiliate, such notice shall be accompanied by a guarantee of Banque Indosuez or another company acceptable to Party A (the "Party B Guarantor") of such transferee's obligations in substantially the form of the guarantee of the Party B Guarantor set out in Exhibit B to this Schedule, (ii) Party A 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 the Agreement (except in respect of default interest) greater than the amount in respect of which Party A would have been required to pay to Party B 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 an Indemnifiable Tax under Section 2(d)(i)(4) of the Agreement (except in respect of default interest) amounts in excess of that which Party B would, on the next succeeding scheduled Payment Date, have been required to so withhold or deduct in the absence of such transfer 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), Party B agrees to cause such transferee to make, and Party A agrees to make, such Payee Tax Representations and Payer Tax Representations as may be reasonably requested by the other party in order to permit such other party to determine that such result will not occur after such transfer.

(b) Subject to Section 6(b) and except as expressly provided herein, neither this Agreement nor any interest or obligation in or under this Agreement or any Swap Transaction may be transferred by Party A without the prior written consent of Party B, such consent not to be unreasonably withheld, (other than pursuant to a consolidation or amalgamation with or merger into, or transfer of all or substantially all of Party A's assets to, another entity) and any purported transfer without such consent will be void. Party A may transfer the Agreement, any of its interests and obligations in and under the Agreement or one or more Swap Transactions to another of Party A's offices, branches or Affiliates on five Business Days' prior written notice of the transfer to Party B; provided, however, that (i) if such transfer is to an entity other than American International Group, Inc., such notice shall be accompanied by a Guarantee of American International Group, Inc. of such transferee's obligations in substantially the form of the Guarantee of American International Group, Inc. set out in Exhibit A to this Schedule or by 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, (ii) Party B 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 Party B would have been required to pay to Party A 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 an Indemnifiable Tax under Section 2(d)(i) (except in respect of default interest) amounts in excess of that which Party A would, on the next succeeding scheduled Payment Date, have been required to so withhold or deduct in the absence of such transfer 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 sub-clauses (ii) and (iii), Party A agrees to cause such transferee to make, and Party B agrees to make, such Payee Tax Representations and Payer Tax Representations as may be reasonably requested by the other party in order to permit such

other party to determine that such result will not occur after such transfer.

(12) If a transfer is permitted pursuant to this Schedule, the non-transferring party shall not be obliged to pay any greater amounts and shall not receive less as a result of such transfer than would have been the case if such transfer had not taken place.

**Section 14 Definitions**

(13) The definition of "law" in Section 14 of this Agreement is hereby amended by the insertion of the words "either generally or with respect to a party to this Agreement" after the phrase "any relevant governmental revenue authority" and the addition of the words "Change in Tax Law" before the word "lawful" in the second line.

**Confirmations**

(14) With reference to the introductory paragraph of this Agreement, the parties anticipate that Swap Transactions will usually be entered into through binding oral agreements concluded over the telephone by their authorized representatives. Party A shall promptly send to Party B a Confirmation of each Swap Transaction between them, and Party B shall promptly acknowledge receipt of the Confirmation to Party A, confirming the accuracy of that Confirmation or stating what it believes to have been agreed as regards any part of the Confirmation which it believes to be inaccurate, by telex or any other means agreed to by the parties. Failure to confirm the accuracy within 10 business days of receipt of notice (whether formal or informal) from Party A that such confirmation of accuracy has not been received will be deemed to be a confirmation of accuracy by Party B. Confirmations shall be substantially in the form of Exhibit I to the Definitions or such other form as may be acceptable to the parties.

At the date specified on the first page of this Agreement the following Confirmations to which this Agreement relates have been exchanged between the parties:

1. The Confirmation relating to a Swap Transaction with Banque Indosuez, New York Branch with a trade date of December 10, 1987 and a notional amount of U.S. $10,000,000.

2. The Confirmation relating to a Swap Transaction with Banque Indosuez, Paris Branch with a trade date of December 18, 1987 and a notional amount of $50,000,000.

3. The Confirmation relating to a Swap Transaction with Banque Indosuez, Tokyo Branch with a trade date of June 30, 1988 and a fixed rate currency amount of JPY 3,000,000,000.

4. The Confirmation relating to a Swap Transaction with Banque Indosuez, Tokyo Branch with a trade date of August 31, 1988 and a notional amount of JPY 1,500,000,000.

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

AIG FINANCIAL PRODUCTS CORP.

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

BANQUE INDOSUEZ

By _____
Name: B. de Maulmin O. Hubert
Title: Fondé de Pouvoir Fondé de Pouvoir

# AMENDMENT

Amendment dated as of September 3, 1993 to the ISDA Interest Rate and Currency Exchange Agreement dated as of December 10, 1987 (as supplemented or otherwise amended or modified) hereinafter called "the Agreement" between AIG Financial Products Corp. as "Party A" and Banque Indosuez as "Party B".

Whereas the parties hereto desire to amend the Agreement as described herein ;

Now therefore the parties hereto agree as follows :

1- the Schedule to Agreement is hereby amended by adding at the end thereof the following Part 6 :

## PART 6
## Option Addendum

(1) As used in this Agreement or in any Confirmation, "Option" means any Swap Transaction that is identified in the related Confirmation as an Option and provides for the grant by Seller to Buyer of (i) the right to cause an underlying Swap Transaction, the terms of which are identified in that Confirmation (an "Underlying Swap Transaction"), to become effective, (ii) the right to cause Seller to pay Buyer pursuant to Section 2 (a) (i) of this Agreement the Cash Settlement Amount, if any, in respect of the Underlying Swap Transaction on the Cash Settlement Payment Date, (iii) the right to cause the Optional Termination Date to become the Termination Date of the related Swap Transaction that is identified in that Confirmation (a "Related Swap Transaction") or (iv) any other right and rights specified in the related Confirmation. An Option may provide for the grant of one or more of the foregoing rights, all of which can be identified in a single Confirmation.

(2) The following capitalized terms, if used in relation to an Option, have the respective meanings specified in or pursuant to the related Confirmation (or elsewhere in this Agreement) : "Buyer", "Seller", "Option Premium", "Option Premium Payment Date", "Cash Settlement Payment Date", "Cash Settlement Amount", "Optional Termination Date", "Exercice Terms" and "Option Exercice Period".

(3) The following provisions will apply with respect to an Option:

(a) Buyer will pay Seller pursuant to Section 2 (a) (i) of this Agreement the Option Premium, if any, on the Option Premium Date or Dates.

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(b) On the terms set forth in this Agreement (including the related Confirmation), Seller grants to Buyer pursuant to the Option, (i) if "Physical Settlement" is specified to be applicable to the Option, the right to cause the Underlying Swap Transaction to become effective, (ii) if "Cash Settlement" is specified to be applicable to the Option, the right to cause Seller to pay Buyer pursuant to Section 2(a) (i) of this Agreement the Cash Settlement Amount, if any, in respect of that underlying Swap Transaction on the Cash Settlement Payment Date or (iii) if "Optional Termination" is specified to be applicable to the Option, the right to cause the Optional Termination Date to become the Termination Date and, if so specified in the related Confirmation, the Final Exchange Date of the Related Swap Transaction. The Underlying Swap Transaction, if any, shall not become effective unless (i) "Physical Settlement" is specified to be applicable to the Option and (ii) the right to cause that Underlying Swap Transaction to become effective has been exercised.

(c) Buyer may exercise the right or rights granted pursuant to the Option only by delivering irrevocable notice (a "Notice of Exercise") to Seller (which, notwithstanding any other provision of this Agreement, may be delivered orally (including by telephone). The Notice of Exercice must become effective during the Option Exercice Period and must include the Exercise Terms, if any.

(d) Buyer will, if "Written Confirmation" is specified to be applicable to the Option or upon demand from Seller (which, notwithstanding any other provision of this Agreement, may be delivered orally (including by telephone), (i) execute a written confirmation confirming the substance of the Notice of Exercise and deliver the same to Seller or (ii) issue a telex to Seller setting forth the substance of the Notice of Exercise. Buyer shall cause such executed written confirmation or telex to be received by Seller within one Local Banking Day following the date that the Notice of Exercise or Seller's demand, as the case may be, becomes effective. If not received within such time, Buyer will be deemed to have satisfied its obligations under the immediately preceding sentence at the time that such executed written confirmation or telex becomes effective.

(e) Any notice or communication given, and permitted to be given orally (including by telephone) in connection with the Option will be effective when actually received by the recipient.

(4) For purposes of the determination of a Market Quotation for a Terminated Transaction that is identified as an Option, the quotations obtained from Reference Market-makers shall take into account, as of the relevant Early Termination Date, the economic equivalent of the right or rights granted pursuant to that Option which are or may become exercisable.

(5) Notwithstanding the terms of Section 5 and 6 of this Agreement, if at any time and so long as one of the parties to this Agreement ("X") shall have satisfied in full all its payment obligations under Section 2(a) (i) of this Agreement and shall at the time have no future payment obligations, whether absolute or contingent, under such Section, then unless the other party ("Y") is required pursuant to appropriate proceedings to return to X or otherwise returns to X upon demand of X any portion of any such payment, (a) the occurence of an event described in Section 5(a) of this Agreement with respect to X or any Specified Entity of X shall not constitute an Event of Default or Potential Event of Default with respect to X as the Defaulting Party and (b) Y shall be entitled to designate an Early Termination Date pursuant to Section 6 of this Agreement only as a result of the occurrence of a Termination Event set forth in (i) either Section 5 (b) (i) or 5(b) (ii) of this Agreement with respect to Y as the Affected Party or (ii) Section 5(b) (iii) of this Agreement with respect to Y as the Burdened Party.

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2- Except as modified herein, the Agreement is ratified and confirmed in all respects.

In witness whereof, the parties hereto have executed this Amendment as of the date first above written.

**BANQUE INDOSUEZ**

**Name :** Elisabeth Blake

**Title :** Elisabeth BLAKE

Bertrand ARNAUD
Vice Président

**AIG FINANCIAL PRODUCTS CORP.**

**Name :** Joseph J. Cassano

**Title :** Managing Director and Chief Financial Officer

EXHIBIT A

GUARANTEE OF AMERICAN INTERNATIONAL GROUP, INC.

Guarantee, dated as of December 10, 1987, by American International Group, Inc., a Delaware corporation (the "Guarantor"), in favor of Banque Indosuez, a company incorporated with limited liability in France ("Counterparty").

1. Guarantee. To induce Counterparty to enter into an Interest Rate and Currency Exchange Agreement dated the date hereof (the "Swap Agreement") with AIG Financial Products Corp., a Delaware corporation ("AIG-FP"), the Guarantor unconditionally guarantees to Counterparty, its successors, endorsers and assigns, the prompt payment when due, subject to any applicable grace period, of all present and future obligations and liabilities of all kinds of AIG-FP to Counterparty arising out of the Swap Agreement and all subsequent interest rate and currency exchanges between AIG-FP and Counterparty made pursuant thereto by the exchange of confirmations as therein described (the "Obligations") in accordance with the terms of the Swap Agreement and such confirmations.

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

3. Consents, Waivers and Renewals. The Guarantor agrees that Counterparty may at any time and from time to time, either before or after the maturity thereof, without notice to or further consent of the Guarantor, extend the time of payment of,

exchange or surrender any collateral for, or renew any of the Obligations, and may also make any agreement with AIG-FP or with any other party to or person liable on any of the Obligations, or interested therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between Counterparty and AIG-FP or any such other party or person, without in any way impairing or affecting this Guarantee. The Guarantor agrees that Counterparty may resort to the Guarantor for payment of any of the Obligations, whether or not Counterparty shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations.

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

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

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

7. No Waiver; Cumulative Rights. No failure on the part of Counterparty to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Counterparty of

any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Counterparty or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Counterparty from time to time.

8. Waiver of Notice. The Guarantor waives notice of the acceptance of this Guarantee and of the making of any loans or extensions of credit to AIG-FP, presentment to or demand of payment from anyone whomsoever liable upon any of the Obligations, presentment, demand, notice of dishonor, protest, notice of any sale of collateral security and all other notices whatsoever.

9. Contractual Currency. Any payment to be made by the Guarantor shall be made in the currency in which the Obligations 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 Counterparty 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 Counterparty 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, Counterparty will refund promptly the amount of such excess.

10. Representations and Warranties.

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

(b) The execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene any provision of the Guarantor's certificate of incorporation or by-laws, as amended

to date, or any law, regulation, rule, decree, order, judgment or contractual restriction binding on the Guarantor or its assets.

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

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

11. (a) Deduction or Withholding for Tax. All payments hereunder will be made without any deduction or withholding for or on account of any Tax (as such term is defined in Section 14 of the 1987 Interest Rate and Currency Exchange Agreement published by the International Swap Dealers Association, Inc. (the "ISDA Currency Form"), except that the reference in such definition to the phrase "this Agreement" shall be deemed to be a reference to the phrase "this Guarantee") unless such deduction or withholding is required by any applicable law, as modified by the practice, application or official interpretation of any relevant governmental revenue authority, then in effect. If Guarantor is so required to deduct or withhold, then Guarantor will:

(i) promptly notify Counterparty of such requirement;

(ii) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by it to Counterparty pursuant to clause (iv) below) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Counterparty;

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

(iv) if such Tax is an Indemnifiable Tax (as such term is defined in Section 14 of the ISDA Currency Form, as modified

by the definition thereof contained in Section 14 of the 1987 Interest Rate Swap Agreement published by the International Swap Dealers Association, Inc. (the "ISDA Rate Swap Form"), except that (1) the references to the term "Tax" in such definition shall have the meaning set forth herein for such term, (2) the references to the phrase "this Agreement" shall be deemed to be references to the phrase "this Guarantee" and (3) any reference to the phrase "or a Credit Support Document" shall be deemed to be deleted) pay to Counterparty, in addition to the payment to which Counterparty is otherwise entitled under this Guarantee, such additional amount as is necessary to ensure that the net amount actually received by Counterparty (free and clear of Indemnifiable Taxes, whether assessed against AIG-FP, the Guarantor or Counterparty) will equal the net amount Counterparty would have received had no such deduction or withholding been required. However, the Guarantor will not be required to pay any additional amount to Counterparty to the extent that it would not be required to be paid but for:-

(A) the failure of a Counterparty Tax Representation (as set forth in Section 11(d) of this Guarantee) made by Counterparty to be accurate and true unless such failure would not have occurred but for a Change in Tax Law (as defined in the ISDA Currency Form except that the definition of "law" in the ISDA Currency Form shall be amended by the insertion of the words "either generally or with respect to a party to the Swap Agreement" after the phrase "any relevant governmental revenue authority" and the addition of the words "change in Tax Law," before the word "lawful" in the second line); or

(B) the failure by Counterparty to comply with or perform any Tax Covenant (as set forth in Section 11(e) of this Guarantee) made by Counterparty.

(b) <u>Liability</u>. If:-

(i) the Guarantor is required by any applicable law, as modified by the practice, application or official interpretation of any relevant governmental revenue authority (either generally or with respect to the Guarantor), to make any deduction or withholding in respect of which the Guarantor would not be required to pay an additional amount to pay to Counterparty under clause (iv) above;

(ii) the Guarantor does not so deduct or withhold; and

(iii) a liability resulting from such Tax is assessed directly against the Guarantor

then, except to the extent Counterparty has satisfied or then satisfies the liability resulting from such Tax, Counterparty

will promptly pay the Guarantor the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Counterparty has failed to comply with or perform any agreement contained in Section 11(e) of this Guarantee.

(c) Tax Termination Events. The occurrence with respect to the Guarantor of any of the following events constitutes a Termination Event for purposes of the Swap Agreement:

(i) As a result of the failure by AIG-FP to have made payment of an amount due under the Swap Agreement, subject to any applicable grace period, the Guarantor will be required on the next succeeding date in which a payment is due by AIG-FP under Section 2(a) of the Swap Agreement to make such payment to Counterparty and the Guarantor will be required on such date to pay to Counterparty an additional amount in respect of an Indemnifiable Tax (as defined below) under Section 11(a) of this Guarantee (except in respect of default interest) as a result of a Change in Tax Law (as defined above); or

(ii) As a result of the failure by AIG-FP to have made payment of an amount due under the Swap Agreement, subject to any applicable grace period, the Guarantor will be required on the next succeeding date on which payment is due by AIG-FP under Section 2(a) of the Swap Agreement to make such payment to Counterparty and there is a substantial likelihood that the Guarantor will be required on such date to pay to Counterparty an additional amount in respect of an Indemnifiable Tax under Section 11(a) of this Guarantee (except in respect of default interest) and such substantial likelihood results from an action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which the Swap Transaction to which such payment relates was entered into (regardless of whether such action was taken or brought with respect to the Guarantor or a party to the Swap Agreement).

Upon the occurrence of a Termination Event described above, the Guarantor shall be entitled to designate an Early Termination Date (as defined in the ISDA Currency Form) in respect of the Swap Agreement and AIG-FP shall be deemed to be the Affected Party that made such designation for purposes of the Swap Agreement.

(d) Counterparty Tax Representations.

Counterparty makes the following Counterparty Tax Representation to the Guarantor at all times during the term of this Guarantee:

(i) With respect to Swap Transactions as to which it is acting through a branch or office located in the United States, Counterparty makes the representation(s) specified below:

(x) Each payment received or to be received by it in connection with such Swap Transaction will be effectively connected with its conduct of a trade or business in the United States.

(ii) With respect to Swap Transactions as to which it is acting through a branch or office other than a branch or office described in Section 11(d)(i) above, Party B makes the representations specified below:

(x) 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, and any "Other Income" provision (if any) of the Specified Treaty with respect to any payment received or to be received by it in connection with the Swap Agreement or this Guarantee 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 the United States - France Income Tax Treaty.

"Specified Jurisdiction" means the United States.

(y) Each payment received or to be received by it in connection with the Swap Agreement or this Guarantee (other than default interest) relates to the regular business operations of Counterparty (and not to an investment of Counterparty).

(iii) For the purpose of the above representations, the term "United States" includes only the States and the District of Columbia.

(e) Counterparty Tax Covenants.

(i) With respect to Swap Transactions as to which it is acting through a branch or office located in the United States, Counterparty agrees to complete (accurately and in a manner reasonably satisfactory to the Guarantor), and to execute and deliver to the Guarantor, a United States Internal Revenue Service Form 4224 or any successor form, (i) promptly upon reasonable demand by the Guarantor, and (ii) promptly upon learning that any such form previously provided has become obsolete or incorrect.

(ii) With respect to Swap Transactions to which it is acting through a branch or office other than a branch office described in Section 11(e)(i) above,

(A) Counterparty agrees to complete, accurately and in a manner reasonably satisfactory to the Guarantor and to execute and deliver to the Guarantor, a United States Internal Revenue Service Form 1001, or any successor form, (i) promptly upon reasonable demand by the Guarantor, and (ii) promptly upon learning that any such form previously provided has become obsolete or incorrect.

(B) Counterparty agrees to complete, accurrately and in a manner reasonably satisfactory to the Guarantor, and to execute and deliver to the Guarantor, a United States Internal Revenue Service Form 4224, or any successor form, in respect of any payments received or to be received by Counterparty in connection with the Swap Agreement or this Guarantee 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 the Guarantor, and (iii) promptly upon learning that any such form previously provided has become obsolete or incorrect.

(iii) Counterparty agrees to complete (accurately and in a manner reasonably satisfactory to the Guarantor), execute, arrange for any required certification of, and deliver to the Guarantor or such government or taxing authority as the Guarantor directs, any form or document that may be required or reasonably requested in order to allow the Guarantor to make a payment under this Guarantee without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate, promptly upon the earlier of: (i) reasonable demand by the Guarantor; and (ii) learning that the form or document is required.

(iv) For the purposes of the above representations, the term "United States" includes only the States and the District of Columbia.

(f) <u>Events of Default</u>

Notwithstanding Section 5(a)(iv) of the ISDA Currency Form, the following events shall not constitute an Event of Default with respect to a party under Section 5 of the ISDA Currency Form:

(i) A representation under Section 11(d) of this Guarantee proves to have been incorrect or misleading in any

material respect when made or repeated or deemed to have been made or repeated.

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

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

14. Notices. Any notice or communications to the Guarantor hereunder shall be sufficiently given if in writing and delivered in person, sent by certified or registered mail or the equivalent or by overnight courier and given by telex (with answerback received) at the following address: American International Group, Inc., 70 Pine Street, New York, N.Y. 10270, Attention: General Counsel; or at such other address as the Guarantor may notify Counterparty in writing.

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

AMERICAN INTERNATIONAL GROUP, INC.

By_____

By_____

EXHIBIT B

GUARANTEE OF [PARTY B GUARANTOR]

This Guarantee is dated as of December 10, 1987 and is given by [Party B Guarantor] (the "Guarantor"), in favor of AIG Financial Products Corp. ("AIG-FP"), a corporation organized and existing under the laws of Delaware ("Counterparty").

1. Guarantee. In consideration of AIG-FP consenting to the transfer by [the Guarantor] [Banque Indosuez] to [_____] (the "Transferee") of certain of its rights and obligations pursuant to an Interest Rate and Currency Exchange Agreement dated as of December 10, 1987, between AIG-FP and [the Guarantor] [Banque Indosuez] (the "Swap Agreement", which expression shall where appropriate include all subsequent interest rate and currency exchanges between AIG-FP and [the Guarantor] [Banque Indosuez] or the Transferee made pursuant thereto by the exchange of Confirmations as therein described), subject to the terms and conditions set forth herein, the Guarantor unconditionally guarantees to AIG-FP, its successors, endorsers and assigns, the prompt payment or performance when due of all present and future obligations and liabilities of all kinds by the Transferee to AIG-FP under the Swap Agreement in accordance with the terms of the Swap Agreement (including such Confirmations) (the "Obligations").

2. Absolute Guarantee. The Guarantor's obligations hereunder shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any instrument evidencing any Obligations or by any other circumstance relating to the Obligations which might otherwise constitute a defense to this Guarantee. AIG-FP makes no representation or warranty in respect of any such circumstance and has no duty or responsibility whatsoever to the Guarantor in respect of the management and maintenance of the Obligations. AIG-FP shall not be obligated to proceed against the Transferee before claiming under this Guarantee nor, in the event that the Transferee becomes subject to a bankruptcy, reorganization or similar proceeding, to file any claim relating to the Obligations, and the failure of AIG-FP so to proceed or so to file shall not affect the Guarantor's obligations hereunder. In the event that any payment by the Transferee in respect of any Obligations is rescinded or must otherwise be returned for any reason whatsoever, the Guarantor shall remain liable hereunder in respect to such Obligations as if such payment had not been made.

3. (a) Deduction or Withholding for Tax. All payments under this Guarantee will be made without any deduction or withholding for or on account of any Tax (as defined in the Swap Agreement) unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority then in effect. If the Guarantor is so required to deduct or withhold, then the Guarantor will perform the obligations set out in Section 2(d)(i)(1) to (4) of the Swap Agreement and references to X shall be construed as references to the Guarantor and references to Y shall be construed as references to AIG-FP and the words, phrases and terms contained in such section shall have the meanings ascribed to them in the Swap Agreement.

(b) Tax Termination Events. The occurrence with respect to the Guarantor of any of the following events constitutes a Termination Event for purposes of the Swap Agreement:

(i) As a result of the failure by the Transferee to have made payment of an amount due under the Swap Agreement, subject to any applicable grace period, the Guarantor will be required on the next succeeding date on which a payment is due by the Transferee under Section 2(a) of the Swap Agreement to make such payment to AIG-FP and the Guarantor will be required on such date to pay to AIG-FP an additional amount in respect of an Indemnifiable Tax (as defined in Section 14 of the 1987 Interest Rate and Currency Exchange Agreement published by the International Swap Dealers Association, Inc. (the "ISDA Currency Form") except that the reference in such definition to the phrase "this Agreement" shall be deemed to be a reference to the phase "this Guarantee") under Section 3(a) of this Guarantee (except in respect of default interest) as a result of a Change in Tax Law (as defined in the ISDA Currency Form except that the definition of "law" in the ISDA Currency Form shall be amended by the insertion of the words "either generally or with respect to a party to the Swap Agreement" after the phase "any relevant governmental revenue authority" and the addition of the words "Change in Tax Law," before the word "lawful" in the second line); or

(ii) As a result of the failure by the Transferee to have made payment of an amount due under the Swap Agreement, subject to any applicable grace period, the Guarantor will be required on the next succeeding date on which payment is due by the Transferee under Section 2(a) of the Swap Agreement to make such payment to AIG-FP and there is a substantial likelihood that the Guarantor will be required on such date to pay to AIG-FP an additional amount in respect of an Indemnifiable Tax under Section 11(a) of this Guarantee (except in respect of default interest) and such substantial likelihood results from an action

taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which the Swap Transaction to which such payment relates was entered into (regardless of whether such action was taken or brought with respect to the Guarantor or a party to the Swap Agreement).

Upon the occurrence of a Termination Event described above, the Guarantor shall be entitled to designate an Early Termination Date (as defined in the ISDA Currency Form) in respect of the Swap Agreement and the Transferee shall be deemed to be the Affected Party that made such designation for purposes of the Swap Agreement.

4. Payments. Payment of the amount in respect of which default has been made shall be made promptly on demand in writing without set-off or counterclaim (other than in connection with matters connected with the Swap Agreement). Each payment made pursuant to this Guarantee will be made in the "Contractual Currency" (as defined in Section 8 of the Swap Agreement) applicable to the Obligations of the Transferee to which such payment relates. Section 8 of the Swap Agreement shall apply, mutatis mutandis, to the Guarantor's obligations under this Guarantee provided that references therein to "this Agreement" shall be construed as references to "this Guarantee".

5. Consents, Waivers and Renewals. The Guarantor agrees that, without notice to or further consent of the Guarantor, AIG-FP and the Transferee may at any time and from time to time, either before or after the maturity thereof, agree to extend the time of payment of or renew any of the Obligations under the Swap Agreement, and may also make any agreement with any other party to or person liable on any of the Obligations under the said Swap Agreement, or interested therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between AIG-FP and the Transferee or any such other party or person, without in any way impairing or affecting this Guarantee. The Guarantor agrees that AIG-FP may resort to the Guarantor for payment of any of the Obligations, whether or not AIG-FP shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations.

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

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

8. No Waiver; Cumulative Rights. No failure on the part of AIG-FP 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 AIG-FP 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 AIG-FP or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by AIG-FP from time to time.

9. Waiver of Notice. The Guarantor waives notice of the acceptance of this Guarantee and the making of any loans or extensions of credit to the Transferee, presentment to or demand of payment from anyone whomsoever liable upon any of the Obligations, presentment, demand, notice of dishonor, protest and all other notices whatsoever.

10. Representations and Warranties.

(a) The Guarantor is duly organized, validly existing and in good standing under the laws of [_____].

(b) The Guarantor has full corporate power to and is duly authorized by all necessary corporate action to execute, deliver and perform this Guarantee.

(c) The execution, delivery and performance of this Guarantee does not conflict with or contravene any provision of the Guarantor's charter 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.

(d) No consents, licenses, clearances, authorizations and approvals of, registrations or filings with, or declarations or notices to, or actions by, any governmental authority or regulatory body are required in connection with the execution, delivery or performance of this Guarantee.

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

11. Assignment. Neither the Guarantor nor AIG-FP may assign its respective rights, interest or obligations hereunder to any other person without the prior written consent of the Guarantor or AIG-FP, as the case may be, which consent shall not be unreasonably withheld; provided, however, that AIG-FP may assign its rights, interests and obligations hereunder to an assignee or transferee to which it has transferred its interests and obligations under the Swap Agreement pursuant to Section 6(b) or Section 7 thereof or pursuant to the Schedule thereto.

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

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

14. Submission to Jurisdiction. For the exclusive benefit of AIG-FP and its successors, endorsers and assigns, the Guarantor hereby agrees that the New York courts are to have jurisdiction, and unconditionally and irrevocably submits to the jurisdiction of such courts for all purposes in connection with this Guarantee and waives any objection on the grounds of forum non conveniens or on similar grounds. The Guarantor hereby irrevocably appoints [_____] to accept on its behalf service of process in any action arising out of this Guarantee. This clause 14 does not limit the right of AIG-FP to bring proceedings in any other court of competent jurisdiction.

15. Notices. Any notice or communication to the Guarantor hereunder shall be sufficiently given if in writing and delivered in person, sent by certified or registered mail or the equivalent or by overnight courier and given by telex (with answerback received) at the following address: [_____], Attention: [_____],

telex [_____], or at such other address as the Guarantor may notify AIG-FP in writing.

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

[PARTY B GUARANTOR]

By_____

By_____

**AMENDMENT NO. 2**
**dated 15 septembre 1995**
**to the**
**Interest Rate and Currency**
**Exchange Agreement**
**dated 10 December 1987**

**BETWEEN:**

(1) **AIG FINANCIAL PRODUCTS CORP.** of 100 Nyala Farm, Westport, CT 06880, U.S.A. ("Party A"); and

(2) **BANQUE INDOSUEZ** of 46, rue de Courcelles, 75008 Paris, France ("Party B").

**WHEREAS:**

(A) Party A and Party B are parties to an Interest Rate and Currency Exchange Agreement dated 10 December 1987 as amended by an Amendment Agreement dated 3 September 1993 (as so amended, the "Agreement").

(B) Party A and Party B wish to amend the Agreement as hereinafter set forth.

**DEFINITIONS**

1. Words and expressions used but not defined herein shall have the meaning assigned thereto in the Agreement.

**TERMINATION EVENT**

2. Part 1 of the Schedule to the Agreement is hereby amended by adding at the end thereof the following paragraph (6):

"Termination Event

(6) A Termination Event shall be deemed to have occurred if (A) the rating issued or maintained by either Standard & Poor's Corporation ("S&P") or Moody's Investors Service, Inc. ("Moody's") with respect to any of the long term unsecured and unsubordinated debt securities ("Debt Securities") of American International Group, Inc. is at or below BBB, in the case of S&P, or Baa2, in the case of Moody's, or American International Group, Inc. does not at any time have at least one such rating (in which case Party A will be the Affected Party); or (B) the rating issued or maintained by either S&P or Moody's with respect to any of the Debt Securities of Party B is at or below BBB, in the case of S&P, or Baa2, in the case of Moody's, or Party B does not at any time have at

least one such rating (in which case Party B will be the Affected Party). For all purposes of this Agreement such Termination Event shall be treated like a Credit Event Upon Merger and the amount payable in respect of an Early Termination Date resulting from such Termination Event shall be determined pursuant to Section 6(e)(ii)(2) as if there were two Affected Parties."

## CREDIT SUPPORT DOCUMENT

3. In addition to the Credit Support Documents referred to in paragraph (6) of Part 4 of the Schedule to the Agreement, the ISDA Credit Support Annex in the form attached hereto as Appendix A (the "Annex") will be a Credit Support Document under the Agreement and the Annex will supplement, form part of, and be subject to, the Agreement.

## FULL TWO-WAY PAYMENTS AND SET OFF

4. Part 5 of the Schedule to the Agreement is hereby amended by adding at the end thereof the following paragraphs (15), (16) and (17):

"Full Two-Way Payments

(15) Section 6 of this Agreement is hereby amended by:

(i) deleting Section 6(e)(i)(1);

(ii) deleting the words "(2) if there is an Affected Party", in Section 6(e)(i)(2);

(iii) revising Section 6(e)(iii) by deleting the reference to Section 6(e)(i)(2) and substituting "Section 6(e)(i)"; and

(iv) revising Section 6(d)(ii)(1) by adding the following phrase at the end thereof: "where a payment is required to be made by a Defaulting Party to a non-Defaulting Party and at the Default Rate minus 1 per cent. per annum where an amount is required to be paid by a non-Defaulting Party to a Defaulting Party"

In addition, the proviso to the definition of Settlement Amount shall be deleted.

Set Off

(16) 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 favour 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 Part 5(16).

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 Part 5(16) shall be effective to create a charge or other security interest. This Part 5(16) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Conditions to Certain Payments

(17) Any obligation of the Non-Defaulting Party to make any payment to a Defaulting Party shall in any event be conditioned upon and shall arise only upon the date of payment (by set off, by cash payment or otherwise) in full by the Defaulting Party of all obligations then due and owing by the Defaulting Party to the Non-Defaulting Party (including any of its offices or branches) and/or its Affiliates."

## THE AGREEMENT

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

## GOVERNING LAW AND JURISDICTION

6. This Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine.

The provisions of Sections 13(b), (c) and (d) of the Agreement shall apply to this Agreement *mutatis mutandis* as if set out in full herein.

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

| **AIG FINANCIAL PRODUCTS CORP.** | **BANQUE INDOSUEZ** |
|---|---|
| By: | By: |
| Name: Joseph J. Cassano | Name: |
| Title: Chief Operating Officer | Title: |

Patrice HARMEL
Senior Manager

François BARTHALON
Senior Vice President

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

# ISDA®

International Swaps and Derivatives Association, Inc

# CREDIT SUPPORT ANNEX

to the Schedule to the

INTEREST RATE AND CURRENCY EXCHANGE AGREEMENT

dated as of 10 DECEMBER 1987

between

AIG FINANCIAL PRODUCTS CORP. and BANQUE INDOSUEZ

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

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

Accordingly, the parties agree as follows:—

**Paragraph 1. Interpretation**

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

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

**Paragraph 2. Security Interest**

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

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**Paragraph 3. Credit Support Obligations**

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

(i) the Credit Support Amount

exceeds

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

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

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

exceeds

(ii) the Credit Support Amount.

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

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

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

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

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

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

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



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(d) ***Substitutions.***

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

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

**Paragraph 5. Dispute Resolution**

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

**Paragraph 7. Events of Default**

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

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

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

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

**Paragraph 8. Certain Rights and Remedies**

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

**Paragraph 9. Representations**

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

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

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

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

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



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**Paragraph 10. Expenses**

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

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

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

**Paragraph 11. Miscellaneous**

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

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

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

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

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

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



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**Paragraph 12. Definitions**

As used in this Annex:—

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

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

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

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

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

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

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

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

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

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

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

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

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

(z) 360.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) Eligible Collateral or Posted Collateral that is:

(A) Cash, the amount thereof; and

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

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

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



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**Paragraph 13. Elections and Variables**

(a) **Security Interest for "Obligations".** The term **"Obligations"** as used in this Annex 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).

(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 both parties:

| | | **Valuation Percentage** |
|---|---|---|
| (A) | Cash | 100% |
| (B) | negotiable debt obligations issued by the U.S. Treasury Department having remaining maturity from the Valuation Date of not more than more than one year | 99% |
| (C) | negotiable debt obligations issued by the U.S. Treasury Department having remaining maturity from the Valuation Date of more than one year but not more than five years | 98% |
| (D) | negotiable debt obligations issued by the U.S. Treasury Department having remaining maturity from the Valuation Date of more than five years but not more than ten years | 97% |
| (E) | negotiable debt obligations (other than obligations representing the right to receive principal or interest only) issued by or guaranteed by FNMA, GNMA and FHLMC having remaining maturity from the Valuation Date of not more than ten years, provided that at least four reference market makers provide publicly available quotes for such obligations | 96% |

(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.

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(B) **"Threshold"** means with respect to each of Party A and Party B as Pledgor the amounts corresponding to the lowest rating of the Rated Debt of Pledgor as set forth in the table below; provided, however, that the Threshold shall be zero for any Party so long as an Event of Default is continuing with respect to such Party:

| Moody's | S &P | Limit |
|---|---|---|
| Aaa | AAA | $ 50,000,000 |
| Aa1 | AA+ | $ 30,000,000 |
| Aa2 | AA | $ 30,000,000 |
| Aa3 | AA- | $ 30,000,000 |
| A1 | A+ | $ 10,000,000 |
| A2 | A | $ 10,000,000 |
| A3 | A- | $ 10,000,000 |
| Baa1 | BBB+ | $ 5,000,000 |
| Baa2 | BBB | $ 0 |
| Baa3 and below | BBB- | $ 0 |

For purposes of this Agreement, **"Rated Debt"** shall mean the long term unsecured debt of American International Group, Inc. ("AIGI"), in the case of Party A, and the long term unsecured debt of Party B, in the case of Party B; provided, however, that if Moody's Investors Service Inc. ("Moody's") and Standard & Poor's Corporation ("S&P") have assigned ratings at different levels for any issue of Rated Debt, the lower of such ratings shall be used for all purposes hereof.

(C) **"Minimum Transfer Amount"** means with respect to each of Party A and Party B as Pledgor (i) $500,000 so long as the Rated Debt of such Party (or the rating of AIGI when Party A is the Pledgor) shall be greater than Baa1 (Moody's) or BBB+ (S&P); and (ii) $0 so long as (x) the Rated Debt of such Party (or the rating of AIGI when Party A is the Pledgor) shall be equal to or less than such ratings or (y) an Event of Default is continuing with respect to such Party.

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

(c) **Valuation and Timing.**

(i) **"Valuation Agent"** means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3, and, for purposes of Paragraph 6(d), the Secured Party receiving or deemed to receive Distributions or the Interest Amount, as applicable, unless otherwise specified here: No specification.

(ii) **"Value"** Subject to Paragraph (3)(f)(iii) below, the Value of Credit Support will be calculated by the Valuation Agent as follows:

(A) with respect to any security whose sale price as of the most recent business day is published in the Wall Street Journal on such Valuation Date, the Value of such Posted Credit Support shall be such sale price;

(B) with respect to any security whose sales price is not so published, the Value of such Posted Credit Support shall be the most recent closing bid price from a generally recognised source (which source may be an affiliate of the Valuation Agent) selected, in good faith, by the Valuation Agent;

(C) with respect to cash, the value of such Posted Credit Support shall be the amount thereof, plus interest accrued on such cash up to but excluding such Valuation Date.

(iii) **"Valuation Date"** means the first New York Banking Day day of each calendar week; provided, however, that in the event that the Rated Debt of either Party (or the rating of AIGI) is downgraded to below A3 (Moody's) or A- (S&P), either Party may request that any New York Banking Day be a Valuation Date.

(iv) **"Valuation Time"** means 10:00 a.m., New York time, on the Valuation Date or with respect to any Transactions booked through offices not located in the United States or Europe the close of business in the markets relevant to those valuations on the Valuation Date; provided, that the calculations of Value and Exposure will be made as of approximately the same time on the same date.

(v) **"Notification Time"** means by 2:00 p.m., New York time, on a New York Banking Day.

(d) **Conditions Precedent and Secured Party's Rights and Remedies.** Not applicable.

(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; provided that such consent shall not be unreasonably withheld.

(f) **Dispute Resolution.**

(i) **"Resolution Time"** means 1:00 p.m., New York time, on the Local Business Day following the date on which notice of a dispute is given 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, the Valuation Agent shall seek three mid-market quotes as of the relevant Valuation Date or date of Transfer from parties that regularly act as dealers in the securities or other property in question. The Value of those securities will be the arithmetic mean of the quotes received by the Valuation Agent. Cash shall be valued as specified in Paragraph 13(c)(i).

(iii) **Alternative.** The provisions of Paragraph 5(i) will not apply and the following dispute resolution procedure will apply: Not Applicable.

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

(i) **Eligibility to Hold Posted Collateral; Custodians.** Either Party and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); provided that (i) any Party that is not a Defaulting Party shall, following an Event of Default, upon the request of the non-Defaulting Party, transfer Posted Collateral held by it to a Custodian reasonably satisfactory to the non-Defaulting Party; and (ii) Posted Collateral may only be held in the State of New York.

(ii) **Use of Posted Collateral.** The provisions of Paragraph 6(c) will apply to the parties specified here:

[X ] Party A
[X ] Party B

provided, however, that, if the rating of a Pledgee (or the rating of AIGI when Party A is the Pledgee) is below BBB+ (S&P) or Baa1 (Moody's), then the right of that Party to use Collateral as specified in Paragraph 6(c) shall be suspended, and the Collateral held by it shall be placed in a segregated account containing only the Collateral transferred by the Pledgor.

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

(i) **Interest Rate.** The **"Interest Rate"** will be equal to the rate of Federal funds for such day as published by the United States government in Federal Reserve Publication H. 15 (519), or as otherwise agreed by the Parties.

(ii) **Transfer of Interest Amount.** The Transfer of the Interest Amount will be made on the first New York Banking Day of each calendar month and on any New York Banking Day that Posted Collateral in the form of Cash is Transferred to the Pledgor pursuant to Paragraph 3(b); or if either of such days is not a New York Banking Day, on the next succeeding New York Banking Day unless otherwise specified here: No specification.

(iii) **Alternative to Interest Amount.** If specified here, the provisions of Paragraph 6(d)(ii) will not apply and the following will apply: 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: see Paragraph (l) below.

(k) **Demands and Notices.** All demands, specifications and notices made by a party to this Annex will be made pursuant to the Notices Section of this Agreement, unless otherwise specified here:

Party A: AIG Financial Products Corp.
100 Nyala Farm
Westport, CT 06880 U.S.A
Attn: Chief Financial Officer/ General Counsel
tel: 1 203 221 4830
fax: 1 203 222 4780

Party B: Banque Indosuez
46, rue de Courcelles, 6th Floor
75008 Paris, France
tel: (33.1) 44.20.20.20
fax: (33.1) 44.20.19 02
Attn: DMMO/ Counterparty Risk

(l) **Addresses for Transfers.**

(i) With respect to any Eligible Collateral consisting of securities or obligations issued or guaranteed by the government of the United States of America or any of its agencies or instrumentalities and available only in book-entry form by means of entries on the records of United States of America Federal Reserve Banks:

(A) if Party B is Pledgor, it shall cause such securities to be transferred to Chemical Bank NYC/AFPC, for the account AIG Financial Products Corp, ABA No. 021000128.

(B) if Party A is Pledgor, it shall cause such securities to be transferred to Citibank NYC/BIS, for the account of Banque Indosuez (Paris Branch), Account 90028.

(ii) Delivery of Eligible Collateral consisting of cash shall be made by wire transfer in immediately available funds for credit to the bank account designated by the non-transfering Party in its request for delivery of Eligible Collateral.

# AMENDMENT AGREEMENT

Amendment n° 1 dated as of January 14th, 1997 to the Paragraph 13 to the

**ISDA Credit Support Annex (New York Law)**
**dated as of December 10, 1987**

as supplemented or otherwise amended or modified (the "Agreement")
between

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

and

**BANQUE INDOSUEZ ("Party B")**

W I T N E S S E T H

**WHEREAS**, the parties hereto desire to amend the Agreement as described herein ;

NOW THEREFORE, in consideration of the mutual agreements herein and in the Agreement contained, the parties hereto agree as follows :

1- Paragraph 13(b)(iv)(B) is amended and restated as follows:

(B) **"Threshold"** means with respect to each of Party A and Party B as Pledgor the amounts corresponding to the lowest rating of the Rated Debt of Pledgor as set forth in the table below; provided, however, that the Threshold shall be zero for any Party so long as an Event of Default is continuing with respect to such Party:

| **Moody's** | **S &P** | **Limit** |
|---|---|---|
| Aaa | AAA | $ 100,000,000 |
| Aa1 | AA+ | $ 50,000,000 |
| Aa2 | AA | $ 40,000,000 |
| Aa3 | AA- | $ 30,000,000 |
| A1 | A+ | $ 20,000,000 |
| A2 | A | $ 15,000,000 |
| A3 | A- | $ 10,000,000 |
| Baa1 and below | BBB+ | $ 0 |

For purposes of this Agreement, "**Rated Debt**" shall mean the long term unsecured debt of American International Group, Inc., in the case of Party A, and the long term unsecured debt of Party B, in the case of Party B; provided, however, that if Moody's Investors Service Inc. ("Moody's") and Standard & Poor's Corporation ("S&P") have assigned ratings at different levels for any issue of Rated Debt, the lower of such ratings shall be used for all purposes hereof.

2 - Except as modified herein, the Agreement is ratified and confirmed in all respects.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

**AIG FINANCIAL PRODUCTS CORP.**

Name :

Title :

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

Name :

Title :

**BANQUE INDOSUEZ**

Name : Jean-Michel MOINADE,

Title : First Vice President.

Name : Patrice HARMEL

Title : Senior Manager

# AMENDMENT AGREEMENT

Amendment n° 4 dated as of January 14th, 1997 to the Schedule to the

**ISDA Interest Rate and Currency Exchange Agreement dated as of December 10, 1987**

as supplemented or otherwise amended or modified (the "Agreement") between

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

and

**BANQUE INDOSUEZ ("Party B")**

WITNESSETH

**WHEREAS**, the parties hereto desire to amend the Agreement as described herein ;

NOW THEREFORE, in consideration of the mutual agreements herein and in the Agreement contained, the parties hereto agree as follows :

1 - Part 4(d) of the Schedule to the Agreement is amended and restated as follows :

Party B is a Multibranch Party and may act through its Paris (Head Office), London, Milan, Madrid, New York, Tokyo, Hong Kong, Bombay, Geneva, Stockholm, Helsinki, Luxemburg, Brussels, Bahrain, Bangkok, Taipei, Seoul and Singapore Offices.

2 - Part 4(a) of the Schedule to the Agreement is amended and restated as follows :

For the purpose of Section 12(a) of this Agreement: Notices or communications to Party B with respect to each Transaction shall be sent to the address of the relevant Office set forth below or as specified in the relevant Confirmation or as otherwise notified by Party A to Party B. In addition, copies of each notice or communication given to Party A pursuant to Section 5 or 6 of this Agreement shall be sent to 44, rue de Courcelles, 75008 Paris, France, Attn: DMMO - Counterparty Risk or Attn: Indosuez Capital, Direction des Risques Actions.

Paris Office
(for all derivatives except equities)
44, rue de Courcelles, 1st floor
75008 Paris
France
Telex: 650409F; Answerback: INSU X
Tel: (33.1) 44.20.49.93
Fax: (33.1) 44.20.39.46
Attn: Derivative Products Group

Paris Office
(for equity derivatives only)
44, rue de Courcelles, 4th floor
75008 Paris
France
Telex: 644600F; Answerback: CHEUA
Tel: (33.1) 44.95.23.13
Fax: (33.1) 45.63.23.72
Attn: Nathalie Massip
DPDA Direction des Produits Derivés Actions

London Office
122 Leadenhall Street, 10th floor
London, EC3V 4QH
England
Telex: 892967; Answerback: INDOS UG
Attn: Legal Department
Fax: (44.171) 971.4407
Attn: Settlements Department
Fax: (44.171) 971.4287
Fax: (44.171) 971.4287

New York Office
1211 Avenue of the Americas
New York, New York 10036-8701
U.S.A
Telex: 220898; Answerback: INSNY UR
Fax: (1.212.) 278.3001
Attn: Manager, Capital Markets Operations

Tokyo Office
Banque Indosuez Building
3-29-1 Kanda-Jimbocho
Chiyoda-Ku
Tokyo 101
Japan
Telex: 24309; Answerback: INDOCAB J
Fax: (813) 32.61.03.62
Attn: Kazuhiko Shibata
Interest Rates Swaps and Derivatives

Hong Kong Office
44/F One Exchange Square
8 Connaught Place, Central
Hong Kong
Fax: (852) 2537.1100
Attn: Philippe Brenon
Manager, Treasury Administration

Singapore Office
6 Raffles Quay
Singapore 0104
Tel: (65) 439.9836/9837
Fax: (65) 439.9875
Telex: RS 21454
Answerback: INDOCAB
Attn: Pierre Rousseau
Hwang Sook Jiun

3 - The Schedule to the Agreement is hereby amended by adding at the end thereof the following Part 7:

Part 7. **Equity Transactions**.

(a) **1994 Equity Option Definitions.** Unless otherwise specifically provided for in a Confirmation relating to a Transaction involving equities, the definitions and provisions, contained in the 1994 Equity Option Definitions (the "Equity Definitions") as published by the ISDA are incorporated by reference in such Confirmation and in this Agreement with respect to that Transaction and Confirmation. In the event of any inconsistency between this Agreement and the Equity Definitions, the Equity Definitions, the Equity Definitions shall prevail.

(b) Confirmations. Notwithstanding Part 5(14) of this Schedule, each Confirmation evidencing a Transaction involving equities shall be in such form as the parties may agree.

4 - Except as modified herein, the Agreement is ratified and confirmed in all respects.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

**AIG FINANCIAL PRODUCTS CORP.**

Name : Kathleen M. Furlong

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

Name :

Title :

**BANQUE INDOSUEZ**

Name : Jean-Michel MOINADE,

Title : First Vice President.

Name : Patrice HARMEL

Title : Senior Manager

**EXHIBIT 1**

**Sample Form of Letter Agreement or Telex**

---

*Heading for Letter*

[Letterhead of Party A]

[Date]

Swap Transaction

[Name and Address of Party B]

---

*Heading for Telex*

Date:

To: [Name and Telex Number of Party B]

From: [Party A]

Re: Swap Transaction

---

Dear :

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

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

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

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

Notional Amount:

Trade Date:

Effective Date:

Termination Date:

[Business Days for [first currency]:

Business Days for [second currency]:]

Calculation Agent:

[3. agrees to provide the following Credit Support Document [or agrees to provide the following in accordance with [specify Credit Support Document]:]

4. Account Details

Payments to Fixed Rate Payer:

Account for payments in [first currency]:

Account for payments in [second currency]:

Payments to Floating Rate Payer:

Account for payments in [first currency]:

Account for payments in [second currency]:

[5. Offices

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

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

[6. Broker/Arranger:]

---

*Closing for Letter Agreement*

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

Yours sincerely,

[Party A]

By: _____

Name:

Title:

Confirmed as of the date first written:

[Party B]

By: _____

Name:

Title:

---

*Closing for Telex*

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

"Re:

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

Yours sincerely,

[Party A]

By: _____

Name:

Title:

**AMENDMENT NO. 3**
**dated 9 September 1996**
**to the**
**Interest Rate and Currency**
**Exchange Agreement**
**dated 10 December 1987**

**BETWEEN:**

(1) **AIG FINANCIAL PRODUCTS CORP.** of 100 Nyala Farm, Westport, CT 06880, U.S.A. ("Party A"); and

(2) **BANQUE INDOSUEZ** of 46, rue de Courcelles, 75008 Paris, France ("Party B").

**WHEREAS:**

(A) Party A and Party B are parties to an Interest Rate and Currency Exchange Agreement dated 10 December 1987 as amended by Amendment Agreements dated 3 September 1993 and 15 September 1995 (as so amended, the "Agreement").

(B) Party A and Party B wish to amend the Agreement as hereinafter set forth.

**DEFINITIONS**

1. Words and expressions used but not defined herein shall have the meaning assigned thereto in the Agreement.

**MULTIBRANCH PARTY**

2. Paragraph (4) of Part 4 of the Schedule to the Agreement is hereby amended by adding the following Offices:

Place Sainte Gudule 14
1000 Brussels
Belgium

Paseo de la Castellana, 1
28046 Madrid
Spain

6 Raffles Quay
Singapore 0104

Regeringsgatan 38
S-103 95 Stockholm
Sweden

44/F One Exchange Square
8 Connaught Place
Central
Hong Kong

## ADDRESSES FOR NOTICES

3. Paragraph (5) of Part 4 of the Schedule to the Agreement is hereby amended by inserting the following:

"Address: Place Sainte Gudule 14, 1000 Brussels, Belgium

Attention: Swap Documentation

Telex No: 23406 Answerback: INSUB B

Fax No: 322 511 6351

(Only with respect to Swap Transactions through that Office).

Address: Paseo de la Castellana, 1, 28046 Madrid, Spain

Attention: Swap Administration

Telex No: 22907 Answerback: ISUEZ

Fax No: (341) 432 7502

(Only with respect to Swap Transactions through that Office).

Address: 6 Raffles Quay, Singapore 0104

Attention: Swap Administration

Telex No: RS 21454 Answerback: INDOCAB

Fax No: (65) 439 9875

(Only with respect to Swap Transactions through that Office).

Address: Regeringsgatan 38, P.O. Box 7734, S-103 95 Stockholm, Sweden

Attention: Swap Administration

Telex No: 16646 Answerback: INSUSTO S

Fax No: (468) 10 10 40

(Only with respect to Swap Transactions through that Office).

Address: 44/F One Exchange Square, 8 Connaught Place, Central, Hong Kong

Attention: Philippe Brenon - Manager, Treasury Administration

Fax No: (852) 2537 1100

(Only with respect to Swap Transactions through that Office)."

**THE AGREEMENT**

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

**GOVERNING LAW AND JURISDICTION**

5. This Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine. The provisions of Sections 13(b), (c) and (d) of the Agreement shall apply to this Agreement *mutatis mutandis* as if set out in full herein.

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

**AIG FINANCIAL PRODUCTS CORP.**

By:

Name: Kathleen M. Furlong

Title: **Vice President, Chief Financial Officer and Treasurer**

**BANQUE INDOSUEZ**

By:

Name: Jean-Michel MOINADE, First Vice President.

Title:

Jean-Pierre TREMENBERT
First Vice President

**ASSIGNMENT AGREEMENT** dated as of July 1, 1997 ("Assignment Agreement") among:

(1) **CAISSE NATIONALE DE CREDIT AGRICOLE**, a French societe anonyme having a share capital of 9.121.209.400 whose head office is located at 91-93 boulevard Pasteur 75015 Paris registered with the Commercial Corporation Registry of Paris under the number B 784 608 416 ("Assignor");

(2) **CREDIT AGRICOLE INDOSUEZ** (formerly known as Banque Indosuez), a societe anonyme a directoire et conseil de surveillance with a capital amount of 4.386.055.625 whose head office is located at 96 boulevard Haussmann, 75008 Paris incorporated at the Corporation Registry of Paris under the number B 304 187 701 ("Assignee"); and

(3) **AIG FINANCIAL PRODUCTS CORP.**, a Delaware Corporation ("Remaining Party.").

W I T N E S S E T H :

**WHEREAS**; Assignor and Remaining Party have entered into a Master Agreement (the « Master Agreement ») dated as of August 23,1993.

**WHEREAS**; Assignor desires to assign and delegate to Assignee all its rights, interests, duties and obligations under all the Transactions described on Schedule 1 hereto (« the Transactions ») entered into by Assignor and Remaining Party under the Master Agreement prior to the Assignment Date (as defined in Section 1 below) and Assignee desires to accept such assignment and delegation and to assume such rights, interests, duties and obligations in accordance with the terms hereof;

**WHEREAS**; Assignor desires to obtain the written consent of Remaining Party to such assignment, delegation and assumption and Remaining Party desires to grant such consent in accordance with the terms hereof;

**WHEREAS**; Assignor desires to be released from all its rights, interests, duties and obligations assigned pursuant hereto and Remaining Party desires to grant such release in accordance with the terms hereof; and

**WHEREAS**; Assignee and Remaining Party have agreed to amend the Confirmations (the « Confirmations ») evidencing the Transactions in accordance with the terms hereof.

**NOW, THEREFORE**; in consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows:

1. Assignment, Assumption and Release. Effective as of and from 1st July 1997 (the "Assignment Date"), Assignor hereby assigns and delegates to Assignee all its rights, interests, duties and obligations under the Transactions. Assignee hereby accepts such assignment and delegation and assumes such rights, interests, duties and obligations of the Assignor under the Transactions. As of and from the Assignment Date, Assignor shall be fully released from all its rights, interests, duties and obligations under the Transactions and Remaining Party shall be fully released by Assignor from all its rights, interests, duties and obligations under the Transactions.

2. Representations. To induce each of the parties to enter into this Assignment Agreement, each party hereby represents and warrants with respect to itself as follows:

(i) It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;

(ii) It has the power to execute this Assignment Agreement, to deliver this Assignment Agreement and to perform its obligations under this Assignment Agreement and has taken all necessary action to authorize such execution, delivery and performance;

(iii) Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets; and

(iv) Its obligations under this Assignment Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

3. Amendment of the Confirmations by Assignee and Remaining Party. Remaining Party and Assignee agree that, as of and from the Assignment Date, the Confirmations are hereby amended as follows:

(a) Each reference in the Confirmations to Assignor (or words or phrases of similar meaning) shall be deemed to be a reference to Assignee;

(b) Each reference in the Confirmations to « Agreement », « Master Agreement » or « ISDA Master Agreement » (or words or phrases of similar meaning), shall be deemed to be references to the Interest Rate and Currency Exchange Agreement (as amended from time to time the "CAI Master Agreement") between Assignee and Remaining Party dated as of December 10, 1987; and

(c) Assignee's accounts for payments shall be as specified by Assignee to Remaining Party in writing prior to the Assignment Date and from time to time thereafter ; and

(d) Each reference in the Confirmations to "Transaction" (or words or phrases of similar meaning) shall be deemed to be a reference to Swap Transaction (as defined in the CAI Master Agreement).

4. Credit Support Annex. Assignee and Remaining Party agree that (a) the CAI Master Agreement includes the Credit Support Annex (as amended from time to time, the "Credit Support Annex ") between Assignee and Remaining Party and (b) as of and from the Assignment Date, the Transactions shall, in addition to the Swap Transactions (as defined in the CAI Master Agreement) entered into by Assignee and Remaining Party under the CAI Master Agreement prior to the Assignment Date, be subject to the Credit Support Annex.

5. Governing Law. This Assignment 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.

6 Counterparts. This Assignment Agreement may be executed in counterparts, each of which shall be deemed to be an original.

7. Consent and Acknowledgment of Remaining Party. Remaining Party hereby consents to the assignment and delegation by Assignor to Assignee of all the rights, interests, duties and obligations of the Assignor under the Transactions and acknowledges that, as of and from the Assignment Date, Assignor shall be fully released from its rights, interests, duties and obligations under the Transactions.

8. Effectiveness of this Assignment Agreement. This Assignment Agreement shall be effective as of the date first above written upon (i) execution and delivery hereof by Assignor, Assignee and Remaining Party.

**IN WITNESS WHEREOF**; the parties have executed this Assignment Agreement as of the date first above written.

**CAISSE NATIONALE DE CREDIT AGRICOLE**

By: _____
Name: Geneviève ALAUX
Title: Head of Back-Offices Department

**CREDIT AGRICOLE INDOSUEZ**

By: _____
Name: Patrice HARMEL
Title: Senior Manager

**AIG FINANCIAL PRODUCTS CORP.**

By: _____
Name:
Title:

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

## Schedule 1

## Transactions between CNCA and AIG-FP to be transferred to CAI

| AIG-FP Reference Number | Trade Date | Effective Date | Notional Amount | Termination Date |
|---|---|---|---|---|
| 73877 | August 24, 1993 | August 25, 1993 | FRF 240,000,000 | August 25, 1998 |
| 79443 | December 20, 1993 | December 22, 1994 | DEM 50,000,000 | December 22, 1999 |
| 84320 | March 21, 1994 | March 22, 1994 | FRF 100,000,000 | March 25, 2003 |
| 86256 | April 25, 1994 | April 27, 1994 | DEM 30,000,000 | April 29, 2004 |
| 86846 | May 10, 1994 | May 11, 1994 | FRF 200,000,000 | May 11, 1998 |
| 87143 | May 16, 1994 | May 17, 1994 | FRF 200,000,000 | May 17, 1998 |
| 88037 | June 1, 1994 | June 2, 1994 | FRF 200,000,000 | June 2, 1998 |
| 88408 | June 7, 1994 | June 9, 1994 | ECU 25,000,000 | June 9, 1998 |
| 89490 | June 24, 1994 | June 28, 1994 | DEM 25,000,000 | June 28, 1998 |
| 89665 | June 28, 1994 | June 29, 1994 | FRF 200,000,000 | June 29, 1998 |
| 93310 | September 14, 1994 | September 16, 1994 | DEM 30,000,000 | September 16, 1998 |
| 93311 | September 14, 1994 | September 16, 1994 | DEM 25,000,000 | September 16, 1999 |
| 95027 | October 21, 1994 | October 24, 1994 | FRF 100,000,000 | October 24, 1999 |
| 96074 | November 15, 1994 | November 16, 1994 | FRF 200,000,000 | November 16, 2001 |
| 97822 | December 9, 1994 | December 13, 1994 | ECU 10,000,000 | December 13, 2004 |
| 98036 | December 14, 1994 | December 15, 1994 | FRF 100,000,000 | December 15, 1997 |
| 98381 | December 20, 1994 | December 22, 1994 | DEM 50,000,000 | December 22, 1999 |
| 99137 | January 10, 1995 | January 12, 1995 | DEM 25,000,000 | January 12, 2000 |
| 100567 | February 8, 1995 | February 10, 1995 | DEM 25,000,000 | February 10, 2005 |
| 104634 | April 20, 1995 | April 24, 1995 | DEM 30,000,000 | April 24, 2000 |
| 104757 | April 24, 1995 | April 26, 1995 | DEM 30,000,000 | April 26, 1999 |
| 105465 | May 9, 1995 | May 11, 1995 | USD 20,000,000 | May 13, 2002 |
| 105466 | May 9, 1995 | May 11, 1995 | USD 30,000,000 | May 13, 2002 |
| 105467 | May 9, 1995 | May 11, 1995 | USD 50,000,000 | May 13, 2002 |
| 113771 | October 3, 1995 | October 4, 1995 | FRF 100,000,000 | October 4, 2000 |
| 118455 | December 15, 1995 | December 18, 1995 | FRF 50,000,000 | December 18, 2005 |
| 118456 | December 15, 1995 | December 18, 1995 | FRF 100,000,000 | December 18, 2005 |
| 119803 | January 15, 1996 | January 16, 1996 | FRF 100,000,000 | January 16, 2006 |
| 120800 | February 2, 1996 | February 5, 1996 | FRF 500,000,000 | February 5, 1998 |
| 121027 | February 6, 1996 | February 8, 1996 | DEM 25,000,000 | February 8, 2006 |
| 121658 | February 20, 1996 | February 22, 1996 | DEM 15,000,000 | February 22, 2006 |
| 122139 | February 28, 1996 | March 5, 1996 | JPY 600,000,000 | December 2, 1997 |
| 122184 | February 29, 1996 | March 1, 1996 | FRF 100,000,000 | March 1, 2006 |
| 122185 | February 29, 1996 | March 1, 1996 | FRF 200,000,000 | March 1, 2006 |
| 126971 | May 10, 1996 | May 14, 1996 | DEM 25,000,000 | May 14, 2001 |
| 136385 | September 20, 1996 | September 23, 1996 | FRF 230,000,000 | September 23, 1998 |
| 137218 | October 3, 1996 | October 4, 1996 | FRF 200,000,000 | October 4, 2003 |
| 143301 | January 8, 1997 | January 10, 1997 | DEM 50,000,000 | January 10, 2000 |
| 150041 | April 15, 1997 | April 16, 1997 | FRF 150,000,000 | April 16, 2001 |
| 150042 | April 15, 1997 | April 16, 1997 | FRF 250,000,000 | April 16, 2001 |
| 156290 | June 25, 1997 | June 26, 1997 | FRF 100,000,000 | June 26, 2008 |

# AMENDMENT AGREEMENT

Amendment n°5 dated as of April 6, 1998 to the Schedule to the

**ISDA Interest Rate and Currency Exchange Agreement**
**dated as of December 10, 1987**

as supplemented or otherwise amended or modified (the "Agreement")
between

**AIG FINANCIAL PRODUCTS CORP ("Party A")**
and
**CREDIT AGRICOLE INDOSUEZ ("Party B")**

W I T N E S S E T H

**WHEREAS**, the parties hereto desire to amend the Agreement as described herein;

NOW THEREFORE, in consideration of the mutual agreements herein and in the Agreement contained, the parties hereto agree as follows:

1 - Part 4(4) of the Schedule to the Agreement is amended as follows :

Party **B** is a Multibranch Party and may act through its Paris (Head Office), London, New York, Tokyo, Hong Kong, Singapore, Luxemburg, Geneva, Madrid, Milan, Stockholm, Bahrein, Bombay, Taipei, Seoul, Bangkok and Grand Cayman Offices.

1 - Part 4(5) of the Schedule to the Agreement is amended as follows:

For the purposes of Section 12 (a) of this Agreement:

Address for notices or communication to Party **B** with respect to each Transaction shall be sent to the address of the relevant Office set forth below or as specified in the Confirmation. In addition , copies of each notice or communication given to Party B pursuant to Section 5 or 6 of this Agreement shall be sent to Crédit Agricole Indosuez, 92920 Paris La Défense Cedex, France, Attn.: DRM - Market Risk Management Department.

**CREDIT AGRICOLE INDOSUEZ**

Paris Head Office
9, Quai du Président Paul Doumer
92400 Courbevoie
France
Telex: 669600F; Answerback: INSU X
Tel: (33.1) 41.89.49.93
Fax: (33.1) 41.89.39.46
Attn: Manager, Derivative Products Group

London Office
122 Leadenhall Street, 10th floor
London, EC3V 4QH
England
Telex: 892967; Answerback: INDOS UG
Attn: Legal Department
Tel: (44.171) 971.4407
Attn: Manager, Settlements Department
Fax: (44.171) 971.4287

New York Office
1211 Avenue of the Americas
New York, New York 10036-8701
U.S.A
Telex: 220898; Answerback: INSNY UR
Fax: (1.212.) 278.3001
Attn: Manager, Capital Markets Operations

Tokyo Office
Crédit Agricole Indosuez Building
3-29-1 Kanda-Jimbocho
Chiyoda-Ku
Tokyo 101
Japan
Telex: 24309; Answerback: INDOCAB J
Fax: (813) 32.61.03.62
Attn: Manager, Interest Rates Swaps and Derivatives

Hong Kong Office
44/F One Exchange Square
8 Connaught Place, Central
Hong Kong
Fax: (852) 2537.1100
Attn: Manager, Treasury Administration

Singapore Office
6 Raffles Quay
Singapore 0104
Tel: (65) 439.9836/9837
Fax: (65) 439.9875
Telex: RS 21454; Answerback: INDOCAB
Attn: Manager Treasury and Forex Department,
Chief Operating Officer

Luxemburg Office
39 allée Scheffer
L-2520 Luxembourg
Telex: 1254; Answerback: SUEZ LU
Fax: (352) 46.24.42

Geneva Office
46, rue du Rhône
1204 Genève
Case Postale 3343 - 1211 Genève 3
Switzerland
Telex: 425079; Answerback: IND CH
Fax: (41.22) 319.96.19

Madrid Office
Paseo de la Castellana 1
28046 Madrid
Spain
Telex: 22907; Answerback: ISUEZ
Attn: IRS and FRA Administration
Fax: (341) 432.75.02

Milan Office
Via Brera, 21
20121 Milan
Italy
Telex: 310581; Answerback: SUEZIT
Tel: (392) 72303.236 Fax: (392) 72303.202
Attn: Derivative products Back Office

Stockholm Office
Regeringsgataan 38
P.O. Box 7734
S 103 95 Stockholm
Sweden
Telex No : 16646, Answerback : INSUSTO S
Fax No : (468) 1010 40
Attn : Derivatives Settlements

Bahrein Office
2nd Floor, Bahrein Commercial Complex
Isa Al Kabeer Avenue
P.O. Box 5410, Manama
Bahrain
Telex: 8824; Answerback: INDOFX:DN
Tel: (973) 531.345
Fax: (392) 531.476
Attn: Back Office

Seoul Office
22nd Floor, Kyobo Building
1,1-ka, Chongro
Chongro-ku, Seoul 110-714
C.P.O. Box 158 - Seoul
Republic of South Korea
Fax : (82.2) 720.75.88
Telex : K 28124
Attn : Forex & Treasury

Taipei Office
11th Floor
51 Min Sheng East Road
Section 3 - 10446 Taipei
P.O. Box 22969 Taipei
Taiwan, Republic of China
Telex: 11960; Answerback: INDOSU
Tel: (886.2) 502.9670
Fax: (886.2).506.1929
Swift: BSUI TW TP
Attn: Settlements Department

Bombay Office

Ramon House, 1st/6th Floor
Road No. 3
169 Backbay Reclamation
Bombay 400 020
India
Telex: 82076; Answerback: INSU
Tel: (91.22) 204.5104
Fax: (91.22) 204.9108
Swift: BSUI IN BB
Attn: Settlements Department

Grand Cayman Island Office
C/o New York Office
1211 Avenue of the Americas
New York, New York 10036-8701
U.S.A
Telex: 220898; Answerback: INSNY UR
Fax: (1.212.) 278.3001
Attn: Manager, Capital Markets Operations

Bangkok Office
Indosuez House
152 Wireless Road
Bangkok 10330
Thailand
Telex: 81156; Answerback: INDOSU TH
Fax: (66.2) 651.4586
Attn: Settlements Department

3 - Except as modified herein, the Agreement is ratified and confirmed in all respects.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

**AIG FINANCIAL PRODUCTS CORP**

Name :
Title :

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

**CREDIT AGRICOLE INDOSUEZ**

Name : Martin de WAZIERS
Title : *First Vice President*

Name : Patrice HARMEL
Title : *Head of Capital Markets Documentation Senior Manager*

**AMENDMENT NO. 2**
**dated 15 September 1995**
**to the**
**Interest Rate and Currency**
**Exchange Agreement**
**dated 6 August 1993**

**BETWEEN:**

(1) **BANQUE AIG** of 46, rue de Bassano, 75008 Paris, France ("Party A"); and

(2) **BANQUE INDOSUEZ** of 46, rue de Courcelles, 75008 Paris, France ("Party B").

**WHEREAS:**

(A) Party A and Party B are parties to an Interest Rate and Currency Exchange Agreement dated 6 August 1993 as amended by an Amendment Agreement dated 30 August 1994 (as so amended, the "Agreement").

(B) Party A and Party B wish to amend the Agreement as hereinafter set forth.

**DEFINITIONS**

1. Words and expressions used but not defined herein shall have the meaning assigned thereto in the Agreement.

**TERMINATION EVENT**

2. Part 1 of the Schedule to the Agreement is hereby amended by adding at the end thereof the following paragraph (6):

"Termination Event

(6) A Termination Event shall be deemed to have occurred if (A) the rating issued or maintained by either Standard & Poor's Corporation ("S&P") or Moody's Investors Service, Inc. ("Moody's") with respect to any of the long term unsecured and unsubordinated debt securities ("Debt Securities") of American International Group, Inc. is at or below BBB, in the case of S&P, or Baa2, in the case of Moody's, or American International Group, Inc. does not at any time have at least one such rating (in which case Party A will be the Affected Party); or (B) the rating issued or maintained by either S&P or Moody's with respect to any of the Debt Securities of Party B is at or below BBB, in the case of S&P, or Baa2, in the case of Moody's, or Party B does not at any time have at

least one such rating (in which case Party B will be the Affected Party). For all purposes of this Agreement such Termination Event shall be treated like a Credit Event Upon Merger and the amount payable in respect of an Early Termination Date resulting from such Termination Event shall be determined pursuant to Section 6(e)(ii)(2) as if there were two Affected Parties."

## FULL TWO-WAY PAYMENTS AND SET OFF

3. Part 5 of the Schedule to the Agreement is hereby amended by adding at the end thereof the following paragraphs (18), (19) and (20):

"Full Two-Way Payments

(18) Section 6 of this Agreement is hereby amended by:

(i) deleting Section 6(e)(i)(1);

(ii) deleting the words "(2) if there is an Affected Party", in Section 6(e)(i)(2);

(iii) revising Section 6(e)(iii) by deleting the reference to Section 6(e)(i)(2) and substituting "Section 6(e)(i)"; and

(iv) revising Section 6(d)(ii)(1) by adding the following phrase at the end thereof: "where a payment is required to be made by a Defaulting Party to a non-Defaulting Party and at the Default Rate minus 1 per cent. per annum where an amount is required to be paid by a non-Defaulting Party to a Defaulting Party"

In addition, the proviso to the definition of Settlement Amount shall be deleted.

Set Off

(19) 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 favour 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 Part 5(19).

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 Part 5(19) shall be effective to create a charge or other security interest. This Part 5(19) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Condition to Certain Payments

(20) Any obligation of the Non-Defaulting Party to make any payment to a Defaulting Party shall in any event be conditioned upon and shall arise only upon the date of payment (by set off, by cash payment or otherwise) in full by the Defaulting Party of all obligations then due and owing by the Defaulting Party to the Non-Defaulting Party (including any of its offices or branches) and/or its Affiliates."

## THE AGREEMENT

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

## GOVERNING LAW AND JURISDICTION

5. This Agreement will be governed by and construed in accordance with English law. The provisions of Sections 13(b), (c) and (d) of the Agreement shall apply to this Agreement *mutatis mutandis* as if set out in full herein.

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

**BANQUE AIG**

By:

Name: Mauro Gabriele
Directeur Général

Title:

**BANQUE INDOSUEZ**

By:

Name:

Title:

François BARTHALON
Senior Vice President

Patrice HARMEL
Senior Manager

12 December 2002

CREDIT AGRICOLE INDOSUEZ

AIG FINANCIAL PRODUCTS COPR.

WESTFÄLISCHE HYPOTHEKENBANK AG

BANQUE AIG, LONDON BRANCH

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# NOVATION AGREEMENT

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**THIS NOVATION AGREEMENT** is made on 12 December 2002

**BETWEEN:**

(1) **CREDIT AGRICOLE INDOSUEZ** of 9, Quai du Président Paul Doumer, 92400 Courbevoie, France (***Credit Agricole***);

(2) **AIG FINANCIAL PRODUCTS CORP.** of 50 Danbury Road, Wilton, CT 06897-4444 (***AIG-FP***);

(3) **WESTFÄLISCHE HYPOTHEKENBANK AG** of Floriantrasse 1, 44139 Dortmund, Germany (***Westhyp***); and

(3) **BANQUE AIG, LONDON BRANCH** of 5th Floor, One Curzon Street, London W1J 5RT (***Banque AIG***).

**WHEREAS:**

(A) Banque AIG and Westhyp have entered into certain transactions (the ***Transactions***) as set out in the Appendix, governed by a Master Agreement dated as of 2 March 1999 between Banque AIG and Westhyp (the ***Westhyp Agreement***).

(B) It is agreed that the Transactions shall be novated from Westhyp to Credit Agricole and from Banque AIG to AIG-FP and shall be governed by the ISDA Interest Rate and Currency Exchange Agreement, dated as 10 December 1987, as amended, between AIG-FP and Credit Agricole (the ***Credit Agricole Agreement***).

**IT IS AGREED** as follows:

**DEFINITIONS**

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

**NOVATION**

2.1 With effect from 11 December, 2002:

(a) Westhyp hereby novates to Credit Agricole the Transactions including all of Westhyp's rights, duties, powers and obligations thereunder;

(b) Credit Agricole shall be bound by all the terms and conditions of the Transactions and assume all the rights, duties, powers and obligations of Westhyp in respect of the Transactions as if Credit Agricole had been a party to the Transactions originally;

(c) Banque AIG hereby novates to AIG-FP the Transactions including all of Banque AIG's rights, duties, powers and obligations thereunder;

(d) AIG-FP shall be bound by all the terms and conditions of the Transactions and assume all the rights, duties, powers and obligations of Banque AIG in respect of the Transactions as if AIG-FP had been a party to the Transactions originally;

(e) Westhyp is released from its obligations to Banque AIG and Credit Agricole assumes and undertakes such obligations in favour of AIG-FP, provided that such release and discharge shall not affect any rights, liabilities or obligations of Westhyp with respect to payments or other obligations due and payable or due to be performed on or prior to 11 December, 2002, and all such payments and obligations shall be paid or performed by Westhyp in accordance with the terms of the Westhyp Agreement; and

(f) Banque AIG is released from its obligations to Westhyp and AIG-FP assumes and undertakes such obligations in favour of Credit Agricole, provided that such release and discharge shall not affect any rights, liabilities or obligations of Banque AIG with respect to payments or other obligations due and payable or due to be performed on or prior to 11 December, 2002, and all such payments and obligations shall be paid or performed by Banque AIG in accordance with the terms of the Westhyp Agreement.

2.2 Each of Banque AIG and Westhyp agrees that AIG-FP and Credit Agricole have no liability with regard to any obligations to be performed under the Transactions prior to or on 11 December, 2002.

2.3 Each of AIG-FP and Banque AIG consents to the novation by Westhyp and the assumption by Credit Agricole as provided above. Each of Credit Agricole and Westhyp consents to the novation by Banque AIG and the assumption by AIG-FP as provided above.

2.4 With effect from 11 December, 2002 the parties agree that in relation to the Transactions:

(a) the Transactions shall be governed by the terms and conditions set forth in the Credit Agricole Agreement (as, from time to time, varied, amended or supplemented) and all Confirmations exchanged between the parties confirming the Transactions thereunder will constitute a supplement to and form part of the Credit Agricole Agreement;

(b) all references to Westhyp in respect of the Transactions shall be read as references to Credit Agricole and any permitted successor, transferee or assignee of Credit Agricole; and

(c) all references to Banque AIG in respect of the Transactions shall be read as references to AIG-FP and any permitted successor, transferee or assignee of AIG-FP; and

(c) all references in any Confirmation to the Westhyp Agreement (including words or phrases of similar meaning) shall be deemed to be references to the Credit Agricole Agreement.

## REPRESENTATIONS

3.1 Each party represents to the other party in terms of the representations set out in Section 3(a) and Section 3(b) of the Credit Agricole Agreement with reference to facts and circumstances subsisting at the date hereof, substituting references to this Novation Agreement for references therein to "this Agreement".

3.2 Each party agrees with each other that each of the foregoing representations will be deemed to be a representation for the purposes of Section 5(a)(iv) of the Credit Agricole Agreement.

3.3 Each party shall bear its own costs and expenses (including, without limitation, all legal costs and expenses) incurred by it in connection with the negotiation, preparation and execution of this Novation Agreement.

## MISCELLANEOUS

### Entire Agreement

4.1 This Novation 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.

### Counterparts

4.2 This Novation Agreement may be executed and delivered in two or more counterparts, each of which will be deemed an original.

### Headings

4.3 The headings used in this Novation Agreement are for convenience of reference only and are not to affect the construction of or to be taken in consideration in interpreting this Novation Agreement.

### Governing Law

4.4 This Novation Agreement will be governed by and construed in accordance with the law of the State of New York.

### Definitions

4.5 All capitalised terms used herein which are not defined herein shall have the meanings given to them in the Credit Agricole Agreement.

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

**CREDIT AGRICOLE INDOSUEZ**

By:.....
Name: Annie TOUTARD
Title: Back Office Produits Dérivés Confirmations
Date:

Catherine ALI-MOUSSA
Back Office Produits Dérivés
Derivatives Operations

**AIG FINANCIAL PRODUCTS CORP.**

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

**WESTFÄLISCHE HYPOTHEKENBANK AG**

By:.....
Name:
Title:
Date:

Heike Zeps
Handlungsbevollmächtigte

**BANQUE AIG, LONDON BRANCH**

By:.....
Name: FRANK OLIVER LEHMAN
Title: EXECUTIVE DIRECTOR
Date: 12 DECEMBER 2002.

## APPENDIX

### Transactions between
### Banque AIG, London Branch and Westfälische Hypotekenbank AG

The transactions to be novated from Westhyp to Credit Agricole and from Banque AIG to AIG-FP pursuant to this Novation Agreement are as follows:

| BANQUE AIG REFERENCE # | TRADE DATE | TERMINATION DATE | NOTIONAL AMOUNT |
|---|---|---|---|
| 166216 | 27 October 1997 | 11 December 2017 | EUR 51,129,188 (DEM 100,000,000) |
| 166522 | 29 October 1997 | 11 December 2017 | EUR 25,564,594 (DEM 50,000,000) |

## Friedman, Kelly

**From:** Tarneaud, Janet
**Sent:** Friday, October 29, 2004 7:04 AM
**To:** Paradiso, Carmine; Friedman, Kelly
**Cc:** Clements, Tory; Credit; All Legal
**Subject:** Calyon Documentation: BA + BU and AIG-FP Corp Novation Agreements & Amendment

**AIG-FP Corp**

The novation agreement dated 12 July 2004 between **AIG-FP Corp** and Calyon / Credit Lyonnais has been signed. We are to novate all transactions booked under the ex-Credit Lyonnais master + CSA dated 8 September 1987 to the Calyon (ex-CAI) **IRCE master + CSA dated 10 December 1987.** The **Amendment Agreement dated 22 July 2004** has also been signed, amending the multibranch parties to this agreement to **Paris, London, Milan, Madrid, New York, Luxembourg, Bangkok, Taipei, Seoul, Singapore, Hong Kong, Tokyo and Frankfurt.**

**Banque AIG (Paris + London)**

As indicated below, the novation agreement dated 12 March 2004 between **Banque AIG and** Calyon / Credit Lyonnais was signed earlier this year. We are to novate all transactions booked under the ex-CAI (ex-Banque Indosuez) master dated 06 August 1993 to the ex-Credit Lyonnais **IRCE master + CSA dated 29 January 1993**. The novation agreement incorporates an amendment to the master, stating that "*branches of either party that are listed in either the CL or the CAI Agreement shall be deemed listed in the CL master agreement*". These are: **Paris, Brussels, London, New York and Tokyo. (note: Hong Kong is not included).** For BA, multibranch parties are Paris and London.

(1) **For Carmine:**
- Please move all transactions from client 54 to client 77 (from Credit Lyonnais Paris to Calyon Paris, respectively).
- Please move all transactions from client 57 to client 140 (from Credit Lyonnais NY to Calyon NY, respectively).
- Please move all transactions from client 3206 to client 3978 (from Credit Lyonnais Hong Kong to Calyon Hong Kong).

(2) **For Kelly Friedman**:
- Please scan into the AIG-FP Corp novation agreement and associated documents attached herein. The BA + BU novation agreement should already been scanned into EFC.

(3) **For Tory Clements**:
- Please be certain that you are using the CSA's under the masters referenced above and modify the multibranch parties as indicated.
- Please also ensure that the name of your collateral counterparty to both CSA's reads Calyon.

Thank you.

CALYON - ertificate of Secret | CALYON - tation Agreement | CALYON - ndment Agreemen

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**From:** Tarneaud, Janet
**Sent:** 01 October 2004 10:06
**To:** Schwartz, James
**Cc:** Wallace, William; Friedman, Kelly; Peterson, Andrea ; Tarneaud, Janet; Evin, Patricia
**Subject:** Calyon Documentation

Good morning Jim,

(1) **Banque AIG:** The Novation Agreement dated 12 March 2004 moving trades to the ex-Credit Lyonnais master **dated 29 January 1993** from the ex-Credit Agricole Indosuez (ex-Banque Indosuez) master dated 6 August 1993 been executed. The master dated 6 August 1993 has been terminated under the terms of the Novation Agreement.

(2) **AIG-FP Corp**: We have agreed with Calyon that the surviving master will be the ex-CAI (Credit Agricole Indosuez)

master and Credit Support Annex **dated 10 December 1987**. We are still negotiating the Novation Agreement. When this has been signed, trades currently outstanding under the ex-Credit Lyonnais master and CSA dated 8 September 1987 will be moved to the ex-CAI master and CSA dated 10 December 1987. For new trades, we reference the ex-CAI master agreement dated 10 December 1987.

Attached you will find a copy of the Banque AIG related Novation Agreement reference in (1) above. Would you kindly ensure that this is scanned into EFC.

Many thanks.
Regards,
Janet

Untitled.tif

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**From:** Tarneaud, Janet
**Sent:** 28 September 2004 15:13

-----Original Message-----
**From:** Tarneaud, Janet
**Sent:** Tuesday, September 28, 2004 8:06 AM
**To:** Bliss, Rhian
**Cc:** Shephard, Jim; Starky, James; Sun, Jake; Schwartz, James; Barker, Doug; Watkins, Leigh; UK Admins; FR Admins
**Subject:** RE: Calyon Documentation

Hi Rhian,

Oracle is correct and Calyon is correct. EFC is not correct, nor is the confirm.

(1) **For Banque AIG**: the surviving master is the ex-Credit Lyonnais master (now Calyon) and Credit Support Annex with BA + BU **dated 29 January 1993**. The Novation Agreement has been signed.
(2) **For AIG-FP Corp**; we have agreed with Calyon that the surviving master will be the ex-CAI (Credit Agricole Indosuez) master and Credit Support Annex **dated 10 December 1987**. We are still negotiating the Novation Agreement. For new trades, we reference this agreement.

Please reference either of these two masters for all new trades. All trades booked since 01 June 2004 should have referenced one of these masters. Regarding EFC, I would suggest that you change the name from Credit Lyonnais to Calyon FOR THESE TWO MASTERS ONLY. If there are others referenced in EFC, I suggest that we leave the name unchanged as Credit Lyonnais still exists as a legal entity.
Thanks.
Janet

---

**From:** Bliss, Rhian
**Sent:** 28 September 2004 11:52
**To:** Tarneaud, Janet
**Cc:** Barker, Doug; Watkins, Leigh
**Subject:** Calyon position 578167

Janet
I'm now looking at an equity index trade done on 7 September 2004 by Tokyo with Calyon. Calyon references in their confirm a master dated 29 January 1993 (which is the one to which Oracle clients refers) but the EFC doesn't recognise that master for Calyon (rather (master ref 989) is still under Credit Lyonnais Paris. In our confirm we reference a master dated August 6 1993.
Should I change the reference in the confirm to this January master? Should the mast ers in the name of Credit Lyonnais in the EFC now be in the name of Calyon?
Thanks
Rhian

AIG

# Banque AIG

**Interoffice Memo**

**Date:** 221 October 2004

**To:** Jim Schwartz

**From:** Janet TARNEAUD

**Subject:** **Calyon: Novation Agreement dated 12 July 2004 and Amendment Agreements dated 22 July 2004 to the ISDA master and CSA between AIG-FP Corp and Calyon dated 10 December 1987 (ex-CAI Agreement)**

Dear Jim,

Attached you will find two (2) copies of the above referenced Novation Agreement and Amendment Agreement. Additionally you will find a list of Authorized Signatures.

Could you kindly have both signed agreements signed, and return one copy of each of the agreements to me along with a list of Authorized Signatures for AIG-FP Corp. I will have them sent via courier to Calyon and instruct operations to move the trades as necessary in our database.

Many thanks.

Kind regards,

Janet Tarneaud

CRÉDIT AGRICOLE INDOSUEZ

CREDIT LYONNAIS

Head of Legal Department
**AIG Financial Products Corporation**
100 NYALA FARM
6880 WESTPORT

Etats-Unis

PARIS, JULY 12, 2004

Dear Madam / Sir,

As you probably know, under the framework of the integration process between Crédit Agricole and Crédit Lyonnais, the Corporate and Investment Banking arm of Crédit Lyonnais ("BFI") will be transferred to Crédit Agricole Indosuez.

Under this asset contribution operation, all rights and obligations of CREDIT LYONNAIS in respect of the BFI business vis-à-vis its counterparties will be transferred to CREDIT AGRICOLE INDOSUEZ effective as of April 30, 2004 (or any other date which is communicated to you as being the scheduled effective date of the said asset contribution).

In this context, we believe it appropriate for the parties that only one agreement relating to certain capital market transactions remain outstanding. Therefore, please find attached a novation agreement which we ask you to return to us executed by an authorised signatory of your institution.

We remain at your disposal should you require any further information.

Thank you.

Best regards,

Christophe NIGOND

CAI-BFI Equipe APA
Boite courrier 23 41
Crédit Lyonnais
6/8 rue Menars
75002 Paris
Adresse Email : Infomail.CAI-BFI@dcmc.creditlyonnais.fr
Fax : 33 1 58 71 69 59

**NOVATION AGREEMENT**
Dated as of July 12, 2004

Dear Sirs,

Ref : 03089
Re: Transfer by novation from CREDIT LYONNAIS to CREDIT AGRICOLE INDOSUEZ of certain Transactions entered into by CREDIT LYONNAIS and the COUNTERPARTY

AIG Financial Products Corporation (the "**Counterparty**") has a CL Master Agreement with CREDIT LYONNAIS ("**CL**") and a CAI Master Agreement with CREDIT AGRICOLE INDOSUEZ ("**CAI**").

In accordance with the provisions of this Novation Agreement and as set out in greater detail below, CL intends to transfer by novation to CAI all CL Transactions.

As used in this Novation Agreement, the following terms shall be defined as follows:

"**BFI**" means the Banque de Financement et d'Investissement (investment banking) division of Crédit Lyonnais.

"**CAI Master Agreement**" means the Interest Rate and Currency Exchange Agreement including the Schedule thereto dated as of December 10, 1987 as supplemented by an ISDA Credit Support Annex between CAI and the Counterparty (the "**CAI Annex**"),as well as by a Guarantee of American International, Group, Inc. dated as of December 10. 1987, in favour of the Counterparty, as amended in accordance with the provisions of this Novation Agreement.

"**CAI Transactions**" means all Transactions entered into before the Transfer Date between CAI and the Counterparty subject to and forming part of the CAI Master Agreement and evidenced by the relevant confirmations.

"**CL Master Agreement**" means the ISDA Master Agreement including the Schedule thereto dated as of September 8, 1987 as supplemented by an ISDA Credit Support Annex between CL and the Counterparty (the "**CL Annex**").

"**CL Transactions**" means all Transactions entered into before the Transfer Date between CL and the Counterparty subject to and forming part of the CL Master Agreement and evidenced by the relevant confirmations (the "**CL Confirmations**").

"**Parties**" means CAI, CL and the Counterparty.

"**Transfer**" means the partial contribution of assets (*Apport Partiel d'Actif*) described in paragraph (A) of this Novation Agreement.

"**Transfer Date**" means 30th April, 2004.
Capitalised terms used in this Novation Agreement but not otherwise defined shall have the meaning assigned to them in the CAI Master Agreement.

WHEREAS:

(A) CL intends to transfer to CAI , by way of a partial contribution of assets (*Apport Partiel d'Actif*) subject to Articles L 236-1 *et seq.* of the French Commercial Code (*Code de Commerce*), all rights and obligations of CL related to BFI, including the CL Transactions.. The Transfer will operate by way of universal succession whereby, with effect from the Transfer Date, all rights and obligations of CL related to BFI will become rights and obligations of CAI.

(B) CAI and the Counterparty have entered into, and may, prior to the Transfer Date, enter into CAI Transactions. CL and the Counterparty have entered into, and may, prior to the Transfer Date, enter into CL Transactions.

(C) Subject to the execution of this Novation Agreement, on the Transfer Date all rights and obligations of CL (to the extent not wholly and irrevocably satisfied or discharged prior to the Transfer) in respect of the CL Transactions shall become rights and obligations of CAI with effect from and including the Transfer Date.

(D) The Counterparty wishes to accept CAI as its sole counterparty with respect to the CL Transactions. CL and the Counterparty wish to have released and discharged their respective obligations under and in respect of the CL Transactions.

(E) The Parties recognise and agree that it is in the interests of CAI, CL and the Counterparty to consolidate under a single ISDA Master Agreement all of their outstanding CAI Transactions and CL Transactions. The Parties also recognise and agree that the obligations of the Parties to transfer Eligible Credit Support (as such term is defined in the CAI Annex) pursuant to the terms and conditions of the CAI Annex (as amended in accordance with the provisions of this Novation Agreement), should apply to the extent of any exposure generated in relation to the (i) CAI Transactions, (ii) CL Transactions and (iii) Transactions that may be entered into on and after the Transfer Date between the Counterparty and CAI.

THE PARTIES HEREBY AGREE:

1. As a result of the foregoing, the Parties agree that, with effect from and including the Transfer Date:

   1.1- the Counterparty and CL are each released and discharged from further obligations to each other with respect to the CL Transactions and the CL Master Agreement ;

   1.2- in connection with the CL Transactions, CAI and the Counterparty each undertake liabilities and obligations towards the other and acquire rights against each other in accordance with the terms of the CL Transactions and the CL Master Agreement (and for the avoidance of doubt, as if CAI were CL and with Counterparty as the remaining party to the CL Transactions);

1.3- each of the CL Transactions transferred to CAI shall be governed by and form part of the CAI Master Agreement and the relevant CL Confirmation (which, in conjunction and as deemed modified to be consistent with this Novation Agreement), shall be deemed to be a confirmation between Counterparty and CAI.

1.4- the CAI Master Agreement shall be amended as follows:

(a) branches or offices of either party that are listed in the CL Master Agreement but not listed in the CAI Master Agreement, shall be deemed listed in the CAI Master Agreement., provided that the relevant tax representations shall be deemed to be made in relation to each branch or office that shall be deemed to be listed in the CAI Master Agreement ;

(b) to the extent the CAI Master Agreement contains any provisions that would prevent any CL Transaction from being subject to and forming part of the CAI Master Agreement, the Parties agree that the CAI Master Agreement shall be deemed amended with such conforming changes throughout so as to give effect to the Parties' intentions with respect to the CL Transactions.

1.5- except for any amendment to the CAI Master Agreement made pursuant to this Novation Agreement, all terms and conditions of the CAI Master Agreement will continue in full force and effect in accordance with its provisions on the Transfer Date.

1.6- Any amount due by one party to the other party pursuant to Section 6 of the Master Agreement between CAI and the Counterparty (including any amount due pursuant to the related Annex) would be netted against any amount which would be due by either party pursuant to Section 6 of the Master Agreement between CL and the Counterparty (including any amount due pursuant to the related Annex).

1.7- the CL Master Agreement shall be terminated with effect from and including the Transfer Date.

2. The Counterparty understands and agrees that, before the Transfer Date, CAI and CL may need to share information regarding the terms of the CL Transactions, CAI Transactions, CL Master Agreement and CAI Master Agreement, including account information and other specific transaction details, in order to effect the Transfer and to perform their obligations under such Transactions.

3. Each of the Parties makes to each of the other Parties those representations and warranties set forth in Section 3(a) and 3(b) of the ISDA Master Agreement with references in such Section to "this Agreement" or "any Credit Support Document" being deemed references to this Novation Agreement alone.

4. The Parties will each pay their own costs and expenses (including legal fees) incurred in connection with this Novation Agreement.

5. This Novation Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

6. This Novation Agreement shall be governed by and construed in accordance with the law specified to govern the CAI Master Agreement.

7. With respect to any suit, action or proceeding relating to this Novation Agreement, each Party irrevocably submits to jurisdiction as set out in the CAI Master Agreement.

If you have any questions with respect to the above, please contact: CAI-BFI Equipe APA (see details below).

If the foregoing is in accordance with your understanding, please return the attached copy of this Novation Agreement duly executed on behalf of the Counterparty as soon as practicable but no later than 31st May 2004 to the following address :

**CAI-BFI Equipe APA**
Boîte courrier 23 41
CREDIT LYONNAIS
6/8 rue Menars
75002 PARIS
E-mail address : Infomail.CAI-BFI@dcmc.creditlyonnais.fr
Fax : 33 1 58 71 69 59

together with evidence, including specimen signatures, of the due power and authority of the signator(y)/(ies) to execute this Novation Agreement on behalf of the Counterparty. Upon the acceptance hereof by you, this Novation Agreement and such acceptance hereof shall constitute a binding agreement between each of the Parties.

CREDIT AGRICOLE INDOSUEZ

Name : Gilles KOLIFRATH

Title : Head of Capital Markets Legal Department

CREDIT LYONNAIS

Name : Christophe NIGOND

Title: Chief Operating Officer

Name : Véronique DUGUEN

Title : Deputy Manager of Capital Markets Legal Department

For and on behalf of

AIG Financial Products Corporation

Name Kathleen M. Furlong

Title : Vice President, Chief Financial Officer and Treasurer

Name :

Title :

# AMENDMENT AGREEMENT

to the ISDA Interest Rate and Currency Exchange Agreement between **AIG FINANCIAL PRODUCTS CORPORATION** (**"*Party A*"**) and **CALYON** (formerly known as CREDIT AGRICOLE INDOSUEZ, formerly known as BANQUE INDOSUEZ) (**"*Party B*"**) dated as of 10 December 1987 (the "***Agreement***") as supplemented or otherwise amended or modified

22 July 2004

**WHEREAS**, the parties hereto desire to amend the Agreement as described herein;

**NOW THEREFORE,** in consideration of the mutual agreements contained herein and in the Agreement, the parties hereto agree as follows:

**A. Amendments to the Schedule to the Agreement**

1.- The definition of "Swap Transaction" will be replaced by the Definition of "Specified Transaction" as set forth in Section 14 of the 1992 ISDA Master Agreementbut, for the avoidance of doubt, a credit derivative transaction shall not be a Specified Transaction unless specifically specified so in a Confirmation (as defined in the Agreement);

2.- Part 4 (d) of the Schedule to the Agreement is amended and restated as follows:

Party B is a Multibranch Party and may act through its Paris (Head office) London, Milan, Madrid, New York, Luxembourg, Bangkok, Taipei, Seoul, Singapore, Hong Kong, Tokyo and Frankfurt.

3.- Part 4 (a) of the Schedule to the Agreement is amended and restated as follows:

Paris Office
9, Quai du President Paul Doumer
92920 Paris La Defense Cedex
France
Telex: 669600F
Answerback: INSU X
Tel: (331) 42 95 18 45
Facsimile: (331) 41 89 64 79
Attn: Manager, Derivative Products Group

*In relation to confirming the terms and conditions of a Transaction, unless otherwise specified in the relevant confirmation :*

Attention : Vanilla Derivatives
Facsimile : 33 1 41 89 39 16
Telephone : 33 1 41 89 45 80

Attention : Manager, Exotic Derivatives
Facsimile : 33 1 42 95 01 81
Telephone : 33 1 42 95 71 31

Hong Kong Office
42-45 Floor One Exchange Square
8 Connaught Place, Central
Hong Kong
Facsimile: +852 2826 7495
Attn: Head of Operations

Singapore Office
6 Raffles Quay
#17-00 John Hancock Tower
Singapore 048580
Tel: (65) 6439.9836/9837
Fax: (65) 6439.9875
Telex: RS 21454
Answerback: INDOCAB
Attn: Manager Treasury and Forex Department,
Chief Operating Officer

London Office
Broadwalk House
5 Appold Street
London EC2A 2DA
England
For the purposes of Confirmations in respect of commodity Transactions:
Attention: Swaps Back Office
Telex no: 8950831 CLR G
Facsimile no: +44 20 7214 6557
Telephone no: +44 20 7214 6938
SWIFT: CRLRGB2L
For the purposes of Confirmations in respect of other Transactions:
Attention: Head of Derivatives, Back Office
Facsimile no: +44 20 7214 6825
Telephone no: +44 20 7214 5192
SWIFT: CRLYGB2L
For all other notices or communications:
Attention: Legal Department
Facsimile no: +44 20 7214 7007
Telephone no: +44 20 7214 6433

New York Office
1301 Avenue of the Americas
New York, NY 10019
USA
Telex: 62410
Answerback: CREDW
Facsimile: + 212 459 3167
Attn: Manager, Capital Markets

Tokyo Office
3-29-1 Kanda-Jimbocho Chiyoda-ku,
Tokyo 101-0051
Japan
Telex:24309 Answerback: INDOCAB J
Tel: (813)-3261-5623
Fax:(813)-3261-0421
Attn: Manager, Interest Rate Swaps and Derivatives

Madrid Office
Paseo de la Castellana 1
28046 Madrid
Spain
Telex: 22907; Answerback: ISUEZ
Attn: IRS and FRA Administration
Fax: (34 91) 432.75.02

Luxemburg Office
39 allée Scheffer
2520 Luxembourg
B.P. 1104
L-1011 Luxembourg
Tel: (352) 47 671
Telex: 1254; Answerback: INSU LU
Fax: (352) 46 24 42
Swift: BSUI LULB

Milan Office
Via Brera, 21
20121 Milan
Italy
Telex: 310581; Answerback: SUEZIT
Tel: (3902) 72303.236 Fax: (3902) 72303.202
Attn: Derivative Products Back Office

Frankfurt Office
Messe Turm –21th Floor
Friedrich-Ebert-Anlage 49
D-60308 Frankfurt
Front office
Tel:+ 49 69 78 901 600
Fax: + 49 69 74 093 351
Back Office - Vanilla Derivatives
Tel: + 33 1 41 89 45 80
Fax: + 33 1 41 89 39 16
Back Office - Exotic Derivatives
Tel: + 33 1 41 89 62 04
Fax: + 33 1 41 89 65 68

Taipei Office
2F-1 N° 89 Sung Jen Road
TAIPEI 110
PO Box 22969
TAIWAN
Attention : Derivatives Products Back-Office

Seoul Office
19th floor
Kyobo Building
1,1 ka Chongro
Chongro-Ku
SEOUL 110 714
KPO Box 311
South Korea
Attention : Derivatives Products Back-Office

Bangkok Office
Indosuez House
152 Wireless Road
Patumwan – Lumpini
BANGKOK 10330
PO Box 303
10501 BANGKOK
Thailand
Attention : Derivatives Products Back-Office

Part 2 of the Schedule to the Agreement is amended as follows:

Part (2)(b) of the "Representations of Party B" is amended by adding the following after the statement: "The following representations will apply with respect to Swap Transactions as to which Party B is acting through a branch or office of Party B other than a branch or office described in Part 2, clause 2(a) above:

(i) Party B is a "non-U.S. branch of a foreign person" as that term is used in Section 1.1441-4(a)(3)(ii) of the United States Treasury Regulations, and Party B is a "foreign person" for purposes of Section 1.6041-4(a)(4) of the United States Treasury Regulations.

The sentence beginning "It is fully eligible" shall have a "(ii)" added before it.

Part 3 of the Schedule is amended as follows:

Paragraphs (1)(a) and (b) shall be deleted and replaced with the following:

(a) Party B agrees to complete, accurately and in a manner reasonably satisfactory to Party A, a U.S. Internal Revenue Service Form W-8BEN (or, in the case of Swap 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 the District of Columbia, Form W-8ECI), or any successor form, (i) before the first scheduled Payment Date under the Agreement, (ii) promptly upon reasonable demand by Party A, and (iii) promptly upon learning that any such form previously provided by Party B has become obsolete or incorrect.

Paragraph (1)(c) shall be renumbered (1)(b).

**B. Amendments to the Credit Support Annex to the Agreement**

The terms of the Credit Support Annex to the Agreement shall, to the extent required, be amended so as for such Annex to be applicable to all the New Transactions (as defined in the novation agreement between the parties hereto dated 12 July 2004).

This Agreement shall be governed by English law.

Except as modified herein, the Agreement is ratified and confirmed in all respects.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written with effect from the date of the earliest Transaction entered into between Party A and Party B acting through any Office listed in this Amendment.

**AIG FINANCIAL PRODUCTS CORPORATION**

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

Name:
Title:
Date :

**CALYON**

Name:
Title:

Gilles KOLIFRATH
Head of Capital Markets
Legal Department

Name:
Title:
Date :

Véronique DUGUEN
Deputy Manager
Capital Markets Legal Department

20/10/2004

EXECUTION COPY

# AMENDMENT AGREEMENT

Amendment n° 1 dated as of January 14th, 1997 to the Paragraph 13 to the

**ISDA Credit Support Annex (New York Law)**
**dated as of December 10, 1987**

as supplemented or otherwise amended or modified (the "Agreement")
between

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

and

**BANQUE INDOSUEZ ("Party B")**

WITNESSETH

**WHEREAS**, the parties hereto desire to amend the Agreement as described herein ;

NOW THEREFORE, in consideration of the mutual agreements herein and in the Agreement contained, the parties hereto agree as follows :

1- Paragraph 13(b)(iv)(B) is amended and restated as follows:

(B) **"Threshold"** means with respect to each of Party A and Party B as Pledgor the amounts corresponding to the lowest rating of the Rated Debt of Pledgor as set forth in the table below; provided, however, that the Threshold shall be zero for any Party so long as an Event of Default is continuing with respect to such Party:

| **Moody's** | **S &P** | **Limit** |
|---|---|---|
| Aaa | AAA | $ 100,000,000 |
| Aa1 | AA+ | $ 50,000,000 |
| Aa2 | AA | $ 40,000,000 |
| Aa3 | AA- | $ 30,000,000 |
| A1 | A+ | $ 20,000,000 |
| A2 | A | $ 15,000,000 |
| A3 | A- | $ 10,000,000 |
| Baa1 and below | BBB+ | $ 0 |

For purposes of this Agreement, "**Rated Debt**" shall mean the long term unsecured debt of American International Group, Inc., in the case of Party A, and the long term unsecured debt of Party B, in the case of Party B; provided, however, that if Moody's Investors Service Inc. ("Moody's") and Standard & Poor's Corporation ("S&P") have assigned ratings at different levels for any issue of Rated Debt, the lower of such ratings shall be used for all purposes hereof.

2 - Except as modified herein, the Agreement is ratified and confirmed in all respects.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

**AIG FINANCIAL PRODUCTS CORP.**

Name : Kathleen Furlong

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

Name :

Title :

**BANQUE INDOSUEZ**

Name : Jean-Michel MOINADE,

Title : First Vice President.

Name : Patrice HARMEL

Title : Senior Manager.

**AMENDMENT NO. 2**
**dated 15 septembre 1995**
**to the**
**Interest Rate and Currency**
**Exchange Agreement**
**dated 10 December 1987**

**BETWEEN:**

(1) **AIG FINANCIAL PRODUCTS CORP.** of 100 Nyala Farm, Westport, CT 06880, U.S.A. ("Party A"); and

(2) **BANQUE INDOSUEZ** of 46, rue de Courcelles, 75008 Paris, France ("Party B").

**WHEREAS:**

(A) Party A and Party B are parties to an Interest Rate and Currency Exchange Agreement dated 10 December 1987 as amended by an Amendment Agreement dated 3 September 1993 (as so amended, the "Agreement").

(B) Party A and Party B wish to amend the Agreement as hereinafter set forth.

**DEFINITIONS**

1. Words and expressions used but not defined herein shall have the meaning assigned thereto in the Agreement.

**TERMINATION EVENT**

2. Part 1 of the Schedule to the Agreement is hereby amended by adding at the end thereof the following paragraph (6):

"Termination Event

(6) A Termination Event shall be deemed to have occurred if (A) the rating issued or maintained by either Standard & Poor's Corporation ("S&P") or Moody's Investors Service, Inc. ("Moody's") with respect to any of the long term unsecured and unsubordinated debt securities ("Debt Securities") of American International Group, Inc. is at or below BBB, in the case of S&P, or Baa2, in the case of Moody's, or American International Group, Inc. does not at any time have at least one such rating (in which case Party A will be the Affected Party); or (B) the rating issued or maintained by either S&P or Moody's with respect to any of the Debt Securities of Party B is at or below BBB, in the case of S&P, or Baa2, in the case of Moody's, or Party B does not at any time have at

least one such rating (in which case Party B will be the Affected Party). For all purposes of this Agreement such Termination Event shall be treated like a Credit Event Upon Merger and the amount payable in respect of an Early Termination Date resulting from such Termination Event shall be determined pursuant to Section 6(e)(ii)(2) as if there were two Affected Parties."

## CREDIT SUPPORT DOCUMENT

3. In addition to the Credit Support Documents referred to in paragraph (6) of Part 4 of the Schedule to the Agreement, the ISDA Credit Support Annex in the form attached hereto as Appendix A (the "Annex") will be a Credit Support Document under the Agreement and the Annex will supplement, form part of, and be subject to, the Agreement.

## FULL TWO-WAY PAYMENTS AND SET OFF

4. Part 5 of the Schedule to the Agreement is hereby amended by adding at the end thereof the following paragraphs (15), (16) and (17):

"Full Two-Way Payments

(15) Section 6 of this Agreement is hereby amended by:

(i) deleting Section 6(e)(i)(1);

(ii) deleting the words "(2) if there is an Affected Party", in Section 6(e)(i)(2);

(iii) revising Section 6(e)(iii) by deleting the reference to Section 6(e)(i)(2) and substituting "Section 6(e)(i)"; and

(iv) revising Section 6(d)(ii)(1) by adding the following phrase at the end thereof: "where a payment is required to be made by a Defaulting Party to a non-Defaulting Party and at the Default Rate minus 1 per cent. per annum where an amount is required to be paid by a non-Defaulting Party to a Defaulting Party"

In addition, the proviso to the definition of Settlement Amount shall be deleted.

Set Off

(16) 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 favour 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 Part 5(16).

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 Part 5(16) shall be effective to create a charge or other security interest. This Part 5(16) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

Conditions to Certain Payments

(17) Any obligation of the Non-Defaulting Party to make any payment to a Defaulting Party shall in any event be conditioned upon and shall arise only upon the date of payment (by set off, by cash payment or otherwise) in full by the Defaulting Party of all obligations then due and owing by the Defaulting Party to the Non-Defaulting Party (including any of its offices or branches) and/or its Affiliates."

## THE AGREEMENT

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

## GOVERNING LAW AND JURISDICTION

6. This Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine.

The provisions of Sections 13(b), (c) and (d) of the Agreement shall apply to this Agreement *mutatis mutandis* as if set out in full herein.

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

| **AIG FINANCIAL PRODUCTS CORP.** | **BANQUE INDOSUEZ** |
|---|---|
| By: | By: |
| Name: Joseph J. Cassano | Name: |
| Title: Chief Operating Officer | Title: |

Patrice HARMEL
Senior Manager

François BARTHALON
Senior Vice President

**AMENDMENT NO. 3**
**dated 9 September 1996**
**to the**
**Interest Rate and Currency**
**Exchange Agreement**
**dated 10 December 1987**

**BETWEEN:**

(1) **AIG FINANCIAL PRODUCTS CORP.** of 100 Nyala Farm, Westport, CT 06880, U.S.A. ("Party A"); and

(2) **BANQUE INDOSUEZ** of 46, rue de Courcelles, 75008 Paris, France ("Party B").

**WHEREAS:**

(A) Party A and Party B are parties to an Interest Rate and Currency Exchange Agreement dated 10 December 1987 as amended by Amendment Agreements dated 3 September 1993 and 15 September 1995 (as so amended, the "Agreement").

(B) Party A and Party B wish to amend the Agreement as hereinafter set forth.

**DEFINITIONS**

1. Words and expressions used but not defined herein shall have the meaning assigned thereto in the Agreement.

**MULTIBRANCH PARTY**

2. Paragraph (4) of Part 4 of the Schedule to the Agreement is hereby amended by adding the following Offices:

Place Sainte Gudule 14
1000 Brussels
Belgium

Paseo de la Castellana, 1
28046 Madrid
Spain

6 Raffles Quay
Singapore 0104

Regeringsgatan 38
S-103 95 Stockholm
Sweden

44/F One Exchange Square
8 Connaught Place
Central
Hong Kong

ADDRESSES FOR NOTICES

3. Paragraph (5) of Part 4 of the Schedule to the Agreement is hereby amended by inserting the following:

"Address: Place Sainte Gudule 14, 1000 Brussels, Belgium

Attention: Swap Documentation

Telex No: 23406 Answerback: INSUB B

Fax No: 322 511 6351

(Only with respect to Swap Transactions through that Office).

Address: Paseo de la Castellana, 1, 28046 Madrid, Spain

Attention: Swap Administration

Telex No: 22907 Answerback: ISUEZ

Fax No: (341) 432 7502

(Only with respect to Swap Transactions through that Office).

Address: 6 Raffles Quay, Singapore 0104

Attention: Swap Administration

Telex No: RS 21454 Answerback: INDOCAB

Fax No: (65) 439 9875

(Only with respect to Swap Transactions through that Office).

Address: Regeringsgatan 38, P.O. Box 7734, S-103 95 Stockholm, Sweden

Attention: Swap Administration

Telex No: 16646 Answerback: INSUSTO S

Fax No: (468) 10 10 40

(Only with respect to Swap Transactions through that Office).

Address: 44/F One Exchange Square, 8 Connaught Place, Central, Hong Kong

Attention: Philippe Brenon - Manager, Treasury Administration

Fax No: (852) 2537 1100

(Only with respect to Swap Transactions through that Office)."

**THE AGREEMENT**

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

**GOVERNING LAW AND JURISDICTION**

5. This Agreement will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine. The provisions of Sections 13(b), (c) and (d) of the Agreement shall apply to this Agreement *mutatis mutandis* as if set out in full herein.

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

**AIG FINANCIAL PRODUCTS CORP.**

By: Kathleen M. Furlong

Name:

Title:

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

**BANQUE INDOSUEZ**

By:

Name: Jean-Michel MOINADE, First Vice President,

Title:

Jean-Pierre TREMENBERT
First Vice President

EXECUTION COPY

# AMENDMENT AGREEMENT

Amendment n° 4 dated as of January 14th, 1997 to the Schedule to the

**ISDA Interest Rate and Currency Exchange Agreement**
**dated as of December 10, 1987**

as supplemented or otherwise amended or modified (the "Agreement")
between

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

and

**BANQUE INDOSUEZ ("Party B")**

WITNESSETH

**WHEREAS,** the parties hereto desire to amend the Agreement as described herein ;

NOW THEREFORE, in consideration of the mutual agreements herein and in the Agreement contained, the parties hereto agree as follows :

1 - Part 4(d) of the Schedule to the Agreement is amended and restated as follows :

Party B is a Multibranch Party and may act through its Paris (Head Office), London, Milan, Madrid, New York, Tokyo, Hong Kong, Bombay, Geneva, Stockholm, Helsinki, Luxemburg, Brussels, Bahrain, Bangkok, Taipei, Seoul and Singapore Offices.

2 - Part 4(a) of the Schedule to the Agreement is amended and restated as follows :

For the purpose of Section 12(a) of this Agreement: Notices or communications to Party B with respect to each Transaction shall be sent to the address of the relevant Office set forth below or as specified in the relevant Confirmation or as otherwise notified by Party A to Party B. In addition, copies of each notice or communication given to Party A pursuant to Section 5 or 6 of this Agreement shall be sent to 44, rue de Courcelles, 75008 Paris, France, Attn: DMMO - Counterparty Risk or Attn: Indosuez Capital, Direction des Risques Actions.

Paris Office
(for all derivatives except equities)
44, rue de Courcelles, 1st floor
75008 Paris
France
Telex: 650409F; Answerback: INSU X
Tel: (33.1) 44.20.49.93
Fax: (33.1) 44.20.39.46
Attn: Derivative Products Group

Paris Office
(for equity derivatives only)
44, rue de Courcelles, 4th floor
75008 Paris
France
Telex: 644600F; Answerback: CHEUA
Tel: (33.1) 44.95.23.13
Fax: (33.1) 45.63.23.72
Attn: Nathalie Massip
DPDA Direction des Produits Derivés Actions

London Office
122 Leadenhall Street, 10th floor
London, EC3V 4QH
England
Telex: 892967; Answerback: INDOS UG
Attn: Legal Department
Fax: (44.171) 971.4407
Attn: Settlements Department
Fax: (44.171) 971.4287
Fax: (44.171) 971.4287

New York Office
1211 Avenue of the Americas
New York, New York 10036-8701
U.S.A
Telex: 220898; Answerback: INSNY UR
Fax: (1.212.) 278.3001
Attn: Manager, Capital Markets Operations

Tokyo Office
Banque Indosuez Building
3-29-1 Kanda-Jimbocho
Chiyoda-Ku
Tokyo 101
Japan
Telex: 24309; Answerback: INDOCAB J
Fax: (813) 32.61.03.62
Attn: Kazuhiko Shibata
Interest Rates Swaps and Derivatives

Hong Kong Office
44/F One Exchange Square
8 Connaught Place, Central
Hong Kong
Fax: (852) 2537.1100
Attn: Philippe Brenon
Manager, Treasury Administration

Singapore Office
6 Raffles Quay
Singapore 0104
Tel: (65) 439.9836/9837
Fax: (65) 439.9875
Telex: RS 21454
Answerback: INDOCAB
Attn: Pierre Rousseau
Hwang Sook Jiun

3 - The Schedule to the Agreement is hereby amended by adding at the end thereof the following Part 7:

Part 7. **Equity Transactions**.

(a) **1994 Equity Option Definitions.** Unless otherwise specifically provided for in a Confirmation relating to a Transaction involving equities, the definitions and provisions, contained in the 1994 Equity Option Definitions (the "Equity Definitions") as published by the ISDA are incorporated by reference in such Confirmation and in this Agreement with respect to that Transaction and Confirmation. In the event of any inconsistency between this Agreement and the Equity Definitions, the Equity Definitions, the Equity Definitions shall prevail.

(b) Confirmations. Notwithstanding Part 5(14) of this Schedule, each Confirmation evidencing a Transaction involving equities shall be in such form as the parties may agree.

4 - Except as modified herein, the Agreement is ratified and confirmed in all respects.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

**AIG FINANCIAL PRODUCTS CORP.**

Name :

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

Name :

Title :

**BANQUE INDOSUEZ**

Name : Jean-Michel MOINADE,

Title : First Vice President.

Name : Patrice HARMEL

Title : Senior Manager