

Dated as of March 18, 2005

AIG FINANCIAL PRODUCTS CORP.  
DEFERRED COMPENSATION PLAN

Conformed Copy Reflecting:

Amendment No. 1 dated as of December 5, 2003,  
Amendment No. 2 dated as of November 17, 2004,  
Amendment No. 3 dated as of March 18, 2005

AIG FINANCIAL PRODUCTS CORP.  
DEFERRED COMPENSATION PLAN

AIG Financial Products Corp. (including, where applicable, all subsidiaries thereof, and AIG Trading Group Inc. (including where applicable all subsidiaries thereof, "AIGTG") (together, "AIGFP")) establishes in this document the AIGFP Deferred Compensation Plan, as amended and restated as of the date hereof (the "Plan"). The Plan participants are the executive employees of AIGFP (the "AIGFP Executives") and American International Group, Inc. ("AIG"). The Plan provides the Plan participants a sharing of the risks and rewards of AIGFP's business and reflects the participants' commitment to the long term integrity of AIGFP.

The Plan objectives are:

1. To promote the formation of capital in AIGFP;
2. To ensure that the interests of AIGFP Executives and AIG are aligned to promote the long term success of AIGFP;
3. To focus AIGFP on success measured not only by revenue growth but also by return on capital, quality of earnings, and enhancement of the AIG name and reputation in financial services;
4. To serve as an investment opportunity that will attract the most talented people to AIGFP and to retain those already here; and
5. To be simple, straightforward and efficient.

Under the existing arrangement with AIG, Distributable Income is paid each year on the basis of 70% to AIG and 30% to AIGFP employees. Under the Plan a portion of the Distributable Income, apportioned 70% from AIG and 30% from AIGFP Executives, will not be paid currently but instead will be retained by AIGFP. Such retention will form part of the capital base of AIGFP and, absent losses which exhaust

current revenues and reserves, will be paid subsequently to participants according to a schedule tied to the duration of AIGFP's business. The Plan will be administered so that the amounts retained under the Plan will be apportioned between AIG and AIGFP Executives on a 70%/30% basis.

## SECTION 1

### DEFINITIONS

For purposes of this Deferred Compensation Plan:

1.01. "Accredited Investor" shall mean an individual who meets the requirements of an "accredited investor" as that term is defined under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended.

1.02. "Beneficiary" shall mean such person or trustee as may be designated by a Participant pursuant to Section 3.01 of this Deferred Compensation Plan.

1.03. "Board" shall mean the Board of Directors of AIG Financial Products Corp.

1.04. "Business Day" shall mean any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in New York City and London.

1.05. "Committee" shall mean a committee consisting of the chief executive officer of AIG Financial Products Corp., the chief operating officer of AIG Financial Products Corp., the chief financial officer of AIG Financial Products Corp. and the secretary of AIG Financial Products Corp.

1.06. "Deferred Compensation" shall mean, with respect to each deferral, (i) as applied to each Participant, the portion of the Participant's Notional Bonus Amount that is deferred by AIGFP pursuant to Section 3 of this Deferred Compensation Plan, including both amounts subject to automatic deferral and voluntary deferrals and (ii) as applied to AIG, the amount of annual Distributable Income of AIGFP that

is otherwise payable by AIGFP to AIG that is subject to automatic deferral pursuant to Section 3 of this Deferred Compensation Plan.

1.07. "Deferred Compensation Account" shall mean the account established on AIG Financial Product Corp.'s books in the name of each Participant and of AIG in which, pursuant to Section 3 of this Deferred Compensation Plan, Deferred Compensation amounts are credited to such Participants and to AIG.

1.08. "Distributable Income" shall mean, with respect to any financial year of AIGFP, revenues, less expenses and credit and market reserves taken for that year, as the same shall be determined by the Board from time to time.

1.09. "Executive" shall mean an executive employee of AIGFP (excluding, at the discretion of the Committee, any employee for whom AIGFP's Tokyo office is the principal workplace) with the title of Assistant Vice President or higher who is designated by the Board to participate in or be eligible to participate in this Plan.

1.10. "LIBOR Rate" shall mean the rate for an Interest Reset Date which is the rate for deposits in U.S. Dollars for a period of three (3) months which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on the day that is two London Banking Days preceding that Interest Reset Date. If such rate does not appear on the Telerate Page 3750, the rate for that Interest Reset Date shall be determined in accordance with the definition of USD-LIBOR-Reference Banks.

1.11. "London Banking Day" shall mean any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.

1.12. "Notional Bonus Amount" shall mean, for each Participant in respect of any calendar year, the total notional bonus amount awarded to the Participant from all AIGFP companies, consisting of a cash bonus amount that is paid currently and an amount of Deferred Compensation that is credited by

AIGFP to the Participant's Deferred Compensation Account and distributed to the Participant on a deferred basis subject to and in accordance with the terms hereof.

1.13. "Participant" shall mean an Executive who is participating in this Deferred Compensation Plan.

1.14. "Permanent Disability" shall mean the state of being "disabled" as such term is defined under Section 409A(a)(2)(C) of the Internal Revenue Code, provided such state is, as determined by the Committee in connection with any particular Participant, reasonably likely to be permanent.

1.15. "Reference Banks" shall mean four major banks in the London interbank market.

1.16. "USD-LIBOR-Reference Banks" shall mean that the rate for an Interest Reset Date will be determined on the basis of the rates at which deposits in U.S. Dollars are offered by the Reference Banks at approximately 11:00 a.m., London time, on the date that is two London Banking Days preceding that Interest Reset Date to prime banks in the London interbank market for a period of three (3) months commencing on that Interest Reset Date. AIGFP will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for that Interest Reset Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Reset Date will be the arithmetic mean of the rates quoted by major banks in New York City, selected by AIGFP, at approximately 11:00 a.m., New York City time, on that Interest Reset Date for loans in U.S. Dollars to leading European banks for a period of three (3) months commencing on that Interest Reset Date.

## SECTION 2

### PARTICIPATION

#### 2.01. Participation.

(a) Participation by Executives. Each Executive shall be entitled to participate in this Deferred Compensation Plan provided that the Executive is an Accredited Investor as of the date Deferred Compensation would be credited to the Executive's Deferred Compensation Account in accordance with the terms hereof. Participation by an Executive who is an Accredited Investor as of the date Deferred Compensation is credited to the Executive's Deferred Compensation Account and to whom AIGFP awards a Notional Bonus Amount in excess of the level referred to in Schedule A shall be mandatory. An Executive's participation in this Deferred Compensation Plan shall commence as of the date the Executive elects to, or pursuant to the preceding sentence is required to, participate in this Deferred Compensation Plan.

(b) Participation by AIG. AIG's participation in the Deferred Compensation Plan shall be mandatory in an amount determined in accordance with Section 3.01(a).

## SECTION 3

### DEFERRED COMPENSATION

#### 3.01. Participants' Deferred Compensation.

(a) Automatic Deferrals. (i) Participants indicated on Schedule A shall have the portion of their Notional Bonus Amount indicated on Schedule A deferred automatically; and (ii) AIG shall have a portion of AIGFP's annual Distributable Income that is otherwise payable to AIG by AIGFP deferred automatically, which portion, for any year, shall be equal to: (A)(1) the aggregate amount of Deferred Compensation contributed by all Participants in respect of such year (whether as an automatic deferral

pursuant to this Section 3.01(a) or a voluntary deferral pursuant to Section 3.01(b)), plus (2) the aggregate amount notionally credited to all participants in any retirement plan in which members of AIGFP's Tokyo office participate in lieu of participating in this Deferred Compensation Plan (collectively, the "Japanese Plan") in respect of such year, plus (3) the aggregate amount credited to the Deferred Compensation Accounts of all Participants (excluding Deferred Compensation contributions in respect of such year referred to in subclause (A)(1) above), plus (4) the aggregate amount notionally credited to all Japanese Plan participants (excluding amounts notionally credited in respect of such year referred to in subclause (A)(2) above) multiplied by (B) a fraction, the numerator of which is 7 and the denominator of which is 3, minus (C) the aggregate amount credited to AIG's Deferred Compensation Account as of the date of determination.

(b) Voluntary Deferrals. Except as provided below, any Participant in this Deferred Compensation Plan may elect to increase the portion of his Notional Bonus Amount that is deferred by AIGFP on the Participant's behalf as Deferred Compensation by completing the election form set forth in Appendix A hereto and delivering such form to the Chief Financial Officer of AIGFP; provided, however, that any Participant who was employed by AIGTG during 2003 shall not be permitted to make any voluntary deferral of his Notional Bonus Amount pursuant to this Section 3.01(b) for 2003. A Participant may elect to defer up to one hundred percent (100%) of his Notional Bonus Amount. A Participant must submit an election form for a calendar year not later than the earlier of May 30 in such year or two (2) Business Days prior to the date the Participant is notified of his Notional Bonus Amount for the year; provided that, with respect to a Participant who first becomes entitled to participate in this Deferred Compensation Plan in a calendar year after May 30 of such year, an election with respect to such calendar year may be made within the first fifteen (15) Business Days after the date such Participant first became entitled to participate. A new election form must be filled out by a Participant for each calendar year.

The failure of any Participant to fill out an election form shall result in such Participant being deemed to have elected not to defer any portion of the Participant's Notional Bonus Amount in excess of the portion that is automatically deferred as set forth in Schedule A. A Participant for whom AIGFP's Paris office is the principal workplace shall not be permitted to make any voluntary deferral of Notional Bonus Amounts that are awarded in respect of the Participants' employment by Banque AIG.

(c) General Rules. Each Participant may also designate a Beneficiary or Beneficiaries or, if none is designated, such Beneficiary shall be the Participant's estate. Any designation of Beneficiary made on an election form shall override any previous designation of Beneficiary made by the Participant. The combination of the portion of a Participant's Notional Bonus Amount that is automatically deferred as set forth in Schedule A, plus any additional portion that the Participant elects to defer on the election form as set forth in (b) above, shall constitute such Participant's Deferred Compensation for the calendar year in respect of which the Notional Bonus Amount was awarded.

3.02. Determination of Benefit. AIGFP shall (i) on December 31 of the year in respect of which a Participant's Notional Bonus Amount is awarded, credit the Participant's Deferred Compensation Account with the amount of such Participant's Deferred Compensation for such year and (ii) on each date that AIG's share of AIGFP's Distributable Income in respect of each financial year is paid to AIG by AIGFP, credit AIG's Deferred Compensation Account with the amount of AIG's Deferred Compensation for such year.

3.03. Interest on Deferred Compensation. Amounts attributable to a Participant's and to AIG's Deferred Compensation Account shall earn interest, which shall be determined quarterly on the 1st day of each January, April, July and October in each year (each, an "Interest Reset Date"); provided, however, that if any Interest Reset Date would otherwise fall on a day that is not a Business Day, such Interest Reset Date will be the following day that is a Business Day. The interest rate shall be equal to the LIBOR



Rate for each Interest Reset Date. Each such adjusted rate shall be applicable from and including the Interest Reset Date to which it relates to but not including the next succeeding Interest Reset Date or until all amounts in a Participant's or AIG's Deferred Compensation Account are distributed (each, an "Interest Period"). Interest shall be payable quarterly in arrears not later than ten (10) Business Days following the end of each Interest Period (each such date on which interest is paid, an "Interest Payment Date") on the balance in such Deferred Compensation Account as of the Interest Reset Date on which the Interest Period commences (but after giving effect to any reduction in such balance for amounts distributed from the Deferred Compensation Account on or prior to the Interest Payment Date with respect to the preceding Interest Period); provided that AIGFP shall be entitled to make the interest payment in respect of the Interest Period beginning in October of each year on the date cash bonuses for such year are paid. All amounts of interest shall be paid net of any taxes required by law to be withheld by AIGFP. For the avoidance of doubt, interest on Deferred Compensation shall be an expense of AIGFP and, accordingly, shall be borne by AIG and AIGFP employees on a 70%/30% basis as a reduction in Distributable Income.

3.04 Additional Return Payment to AIGFP Executives. In addition to interest payable on Deferred Compensation in accordance with Section 3.03, the Deferred Compensation Accounts of Participants (but not AIG) may be credited as of the Interest Reset Date falling in January of each year (or, if earlier, on the Interest Payment Date for the Interest Period beginning in October of the preceding year) with such additional earnings of AIGFP (the "Additional Return Payment") as the President of AIGFP, with the approval of the Board, shall determine; provided that any Additional Return Payments (i) shall be payable only to Participants who are employees of AIGFP as of the date of payment therefor and (ii) shall be allocated among such eligible Participants' Deferred Compensation Accounts on a pro rata basis. Additional Return Payments shall be paid to eligible Participants on each Interest Payment Date for the Interest Period beginning in October of each year based on the balance in such Participants'

Deferred Compensation Accounts as of the Interest Reset Date for the Interest Period beginning in October of such year. For the avoidance of doubt, Additional Return Payments shall be paid out of the 30% portion of annual Distributable Income that is allocable to AIGFP employees. All Additional Return Payments shall be paid net of any taxes required by law to be withheld by AIGFP.

3.05. Payment of Benefit.

(a) Distribution Events. Upon the earlier to occur of the Distribution Events set forth below, AIGFP shall direct that all amounts credited to a Participant's Deferred Compensation Account shall be paid in a lump sum to such Participant. The Distribution Events are:

- (a) Death of the Participant; or
- (b) Permanent Disability of the Participant.

Upon the death of a Participant prior to his receipt of all amounts credited to his Deferred Compensation Account, his Beneficiary shall be paid in a lump sum all amounts then credited to such Participant's Deferred Compensation Account, plus accrued but unpaid interest to the date of payment. If there is more than one Beneficiary then designated, such Account shall be distributed to such Beneficiaries in the proportions designated by such Participant, or in the absence of any such designation, in equal shares.

(b) Installment Payments. Except as provided below, amounts in the Participant's Deferred Compensation Account attributable to Deferred Compensation contributions shall be paid to such Participant and to AIG annually in arrears on the Interest Payment Date for the Interest Period beginning in October of each year in equal pro rata installments ("Installment Payments") over a period of time (the "Distribution Period") corresponding to the average life of AIGFP's swap transaction portfolio as of the date of the Deferred Compensation contribution (as determined by the Board). The Distribution Period for a Deferred Compensation contribution shall commence on the Interest Reset Date in January of the calendar year next succeeding the calendar year in respect of which the Deferred Compensation

contribution was made, with the first Installment Payment therefore being distributed on the Interest Payment Date for the Interest Period beginning in October of the calendar year in which the Distribution Period commences. Installment Payments shall be paid net of any taxes required by law to be withheld by AIGFP.

(c) Early Distribution. In addition to the foregoing, to the extent and in the manner permitted under Section 409A(a)(2) of the Internal Revenue Code, amounts credited to a Participant's or to AIG's Deferred Compensation Account may be distributed on such earlier date as determined by the Committee, with the approval of the Board; provided that (i) except as set forth in (ii) and (iii) below, any such early distributions shall be made from Participants' and AIG's Deferred Compensation Accounts on a pro rata basis, (ii) any such early distributions can be made from AIG's Deferred Compensation Account in an amount such that, after giving effect to such distribution, the aggregate amount credited to AIG's Deferred Compensation Account shall equal 70% of the aggregate amount credited to the sum of (a) the Deferred Compensation Accounts of AIG and all Participants taken together, plus (b) the aggregate amount notionally credited to all Japanese Plan participants and (iii) a settlement of the entire balance in a Participant's Deferred Compensation Account can be agreed to by the Committee, with the approval of the Board, in connection with the termination of a Participant's employment with the Company.

(d) Foreign Currency Alternative. Participants who are employed outside the United States may elect to have the Installment Payments and the interest payments (but not the Additional Return Payments) on their annual Deferred Compensation contribution paid in the currency in which their cash bonuses are paid in lieu of U.S. Dollars (provided such currency is one of Yen, Euro, Pounds Sterling and Hong Kong Dollars). In the event a Participant shall make such an election, then the applicable Deferred Compensation contribution shall be converted from U.S. Dollars into the applicable foreign currency at the spot foreign exchange rate at or about 11:00 a.m. (New York time) on the date such contribution is

deemed pursuant to Section 3.02 to have been credited to the Participant's account, as determined in good faith by AIGFP. Such translated Deferred Compensation amount shall then earn interest in accordance with Section 3.03 except that the applicable interest rate shall be the equivalent three-month LIBOR rate in the alternative designated currency. Participant elections shall be made not later than December 1 of the year in which the Deferred Compensation contribution has been made, by submitting an election form in the form of Appendix A to the Chief Financial Officer of AIGFP.

(e) General. All payments of interest, Installment Payments and Additional Return Payments, and any early distribution of amounts credited to a Participant's Deferred Compensation Account, shall be paid to such Participants from the company or companies from which such payment represents compensation for services provided by such Participant; provided that for Participants whose employment has been transferred from an AIGTG group company to an AIG Financial Products Corp. group company in the same country, all such payments shall be paid from the AIG Financial Products Corp. group company to which the Participant has been transferred.

#### SECTION 4

##### MISCELLANEOUS

###### 4.01. AIGFP's Liability.

(a) The benefits payable hereunder shall constitute an unsecured debt of AIG Financial Products Corp. to the Participants and their Beneficiaries and to AIG and shall not have the benefit of any guarantee by AIG of payment obligations of AIG Financial Products Corp. For the avoidance of doubt, and notwithstanding anything else contained herein to the contrary, (i) the payment of benefits payable hereunder to each of the Participants and their Beneficiaries and to AIG shall be made only from from the

general funds of AIG Financial Products Corp., (ii) AIG Financial Products Corp. shall not segregate or earmark any of its assets nor hold any assets in trust or in any special account for this purpose, and (iii) none of the Participants, the Participants' Beneficiaries or AIG shall have any legal or equitable interest in, lien on, or claim to, any particular asset of AIG Financial Products Corp. by virtue of this Deferred Compensation Plan. If AIG Financial Products Corp. shall become the subject of any bankruptcy or insolvency case or proceeding, or shall make an assignment for the benefit of creditors, or shall become the subject of a reorganization whether or not pursuant to bankruptcy laws, or if any other relief shall be granted to AIG Financial Products Corp. generally from the rights of creditors, then in any such event the obligations under this Deferred Compensation Plan to Participants and their Beneficiaries and to AIG shall be subordinate and junior in right of payment and otherwise, to the prior payment in full of all of the other obligations of AIG Financial Products Corp., whether now existing or hereafter incurred, except to the extent payment of any such obligations is expressly made subordinate to or *pari passu* with the payment obligations hereunder, and the Participants and their Beneficiaries and AIG shall not be entitled to participate or share, ratably or otherwise, in the distribution of the assets of AIG Financial Products Corp. as a result of this Deferred Compensation Plan, and shall not receive payment of any benefits hereunder, until all claims of all other present and future creditors of AIG Financial Products Corp., other than those claims that are expressly made subordinate to or *pari passu* with claims for benefits payable hereunder, have been fully satisfied, or adequate provision has been made therefor.

(b) The outstanding balance credited to the Deferred Compensation Accounts of each Participant and of AIG shall be subject to reduction, from time to time, to the extent of any losses incurred (i) by AIGFP (excluding AIGTG) or (ii) by AIGTG resulting from transactions entered into on or after January 1, 2003, which losses in the case of (i) and (ii) for any year in the aggregate exceed the outstanding market and credit reserves and current year income of AIGFP (excluding outstanding market and credit

reserves relating to transactions entered into by AIGTG before January 1, 2003), but before base capital of AIGFP (for the avoidance of doubt including AIGTG, and consisting of equity, retained earnings, if any, and subordinated debt). Such reductions shall be made among the Participants (including for this purpose, participants in the Japanese Plan) and AIG on a pro rata basis. AIG Financial Products Corp. shall be obligated subsequently to restore amounts so deducted from Participants' and AIG's account balances, plus accrued interest thereon at the interest rate determined in accordance with Section 3.03 and, in connection therewith, the Board shall adopt a plan (which shall not be subject to the approval of AIG or the Participants) setting forth a schedule under which AIG Financial Products Corp. shall restore amounts deducted from Participants' and AIG's account balances (plus accrued interest thereon). Notwithstanding the terms of any such plan, in a bankruptcy or insolvency of AIG Financial Products Corp. each Participant and Participant's Beneficiary and AIG shall have an unsecured claim, subordinated and junior in payment and subject to the limitation on rights and interests to the extent provided in the immediately preceding subparagraph, against AIG Financial Products Corp. for the amount, if any, by which the balances credited to their Deferred Compensation Account were reduced and not subsequently restored (plus credit for accrued interest thereon), in addition to such claims as are described in the immediately preceding subparagraph. For the avoidance of doubt, if AIG Financial Products Corp. consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, then the resulting, surviving or transferee entity shall assume all of the obligations of AIG Financial Products Corp. hereunder.

4.02. Nonassignability. Subject to Section 3.05(c)(iii), neither AIG nor any Participant or Beneficiary shall have the power to subject any right to receive payments under this Deferred Compensation Plan to assignment, pledge, sale, attachment, garnishment or any other transfer, alienation

or encumbrance, nor shall such rights be subject to AIG's, the Participant's or Beneficiary's debts or to seizure for satisfaction of judgments, alimony or separate maintenance obligations.

4.03. Continuation as Employee. Neither this Deferred Compensation Plan nor the payment of any benefits hereunder shall be construed as giving the Participant any right to be retained as an employee of AIGFP. Except as provided in the next sentence, Participants who cease to be employees of AIGFP shall not lose their Deferred Compensation, which shall continue to be distributed as provided in Section 3.05 and to earn interest as provided in Section 3.03 (but not Additional Return Payments pursuant to Section 3.04). Notwithstanding any provision herein to the contrary, Participants who steal or embezzle from AIG or AIGFP or engage in an act of dishonesty, disloyalty or breach of trust against AIG or AIGFP that is comparable to theft or embezzlement shall lose their right to Deferred Compensation, including all amounts then credited to their Deferred Compensation Account and any interest accrued thereon.

4.04. Amendment and Termination. The Committee may from time to time, with the approval of the Board, amend this Deferred Compensation Plan in whole or in part; provided, however, that any such amendment (i) shall be effective as of the next succeeding Interest Reset Date falling in January (other than an amendment to this Deferred Compensation Plan that (a) has the effect of altering or eliminating the voluntary deferral rights of Participants under Section 3.01(b) hereof or of reducing the portion of Participants' Notional Bonus Amount that is subject to automatic deferral under Section 3.01(a) hereof, or (b) is adopted in connection with the adoption or proposed adoption of, or a change or anticipated change in, any federal, state or other law or regulation (including any tax law or regulation) applicable to the Deferred Compensation Plan; any such amendment described in such clause (a) or (b) shall be effective immediately or as otherwise specified therein) and (ii) cannot, subject to Section 4.01 hereof,

reduce or delay payment of any Participant's or AIG's benefits accrued up to the date of such amendment. The Committee shall promptly notify all Participants and AIG of any amendments to this Deferred Compensation Plan. The Board may suspend or terminate this Deferred Compensation Plan; provided, however, that any such suspension or termination cannot, subject to Section 4.01 hereof, reduce or delay payment of any Participant's or AIG's benefits accrued up to the date of such suspension or termination. Such amendment, suspension or termination shall not be effective until made in writing and shall be communicated in writing to all Participants and to AIG.

4.05. Governing Law. The law of the State of Connecticut shall govern the interpretation, application and operation of this Deferred Compensation Plan.

4.06. Claims Procedure. Claims for benefits under the Plan shall be filed with the Committee, on forms supplied by the Committee. Written notice of the Committee's disposition of a claim shall be furnished to the claimant within 30 days after the application therefor is filed. In the event the claim is denied the reasons for the denial shall be specifically set forth in writing, pertinent provisions of the Deferred Compensation Plan shall be cited, and, where appropriate, an explanation as to how the claimant can perfect the claims will be provided. If AIG, a Participant or a Beneficiary has been denied a benefit, each shall be entitled, upon request to the Board, to appeal the denial of the claimed benefit within 90 days following the Committee's determination described in the preceding sentence. Upon such appeal, the Board (or a special committee designated by the Board) shall, as soon as practicable, meet with and hear the position of the claimant. Its decision following such meeting shall be made within 30 days and shall be communicated in writing to the claimant.



4.07 Information. For so long as the Deferred Compensation Plan is in effect, AIGFP shall provide each Participant and AIG with quarterly Deferred Compensation account statements setting forth (i) the Participant's or AIG's (as the case may be) Deferred Compensation account balance, (ii) the amount of interest and, for account statements covering the quarterly period in which such amounts would be paid, the Additional Return Payment and Installment Payment, if any, paid on such balance during such quarterly period and (iii) the Installment Payment schedule for the Participant or AIG. In addition, AIGFP shall provide Participants and AIG with an AIGFP annual financial summary (which shall include a statement of the average life of AIGFP's swap transaction portfolio as of the date of such financial information), and shall endeavor to keep Participants who are then employees of AIGFP apprised of material developments involving AIGFP's business or accounting procedures applicable to AIGFP insofar as they relate to the Deferred Compensation Plan. A form of quarterly statement is attached as Appendix B hereto.

4.08 Notwithstanding any other provision of the Plan to the contrary, Participants who are based in a Singapore office of AIGFP shall have their automatic and voluntary deferrals contributed to their Deferred Compensation Account on an after tax basis after deducting Singapore taxes payable in respect of such Participants' Notional Bonus Amount.

APPENDIX A

AIG FINANCIAL PRODUCTS CORP.  
DEFERRED COMPENSATION PLAN  
ELECTION FORM

1. Pursuant to the provisions of Section 3 of the Deferred Compensation Plan, in addition to the automatic deferral under the Plan I hereby elect to have the amount or percentage of amounts specified below deferred in the manner provided for in the Deferred Compensation Plan (see Section 3.01(b) for restrictions applicable to members of the Paris office):

\_\_\_\_\_ USD Amount to be deferred as a voluntary deferral in addition to the automatic deferral under the Plan (to the extent I am awarded a Notional Bonus Amount that is sufficient to cover this voluntary deferral amount).

\_\_\_\_\_ USD Any Notional Bonus Amount awarded to me in excess of this amount (that is not subject to automatic deferral under the Plan) should be treated as a voluntary deferral.

\_\_\_\_\_ % This percentage of the Notional Bonus Amount remaining after the automatic deferral should be treated as a voluntary deferral.

2. In the event that I should die prior to receipt of all distributions to which I am entitled under the Deferred Compensation Plan, I hereby direct that, pursuant to Section 3.05 of the Deferred Compensation Plan, all amounts due to me as deferred compensation under Section 3 of the Deferred Compensation Plan be distributed as follows:

<u>Proportion</u>	<u>Name of Beneficiary(ies)</u>
_____	_____
_____	_____
_____	_____

3. I hereby elect, pursuant to Section 3.05 (d) of the Deferred Compensation Plan, to have the Installment Payments and interest payments in respect of my Deferred Compensation contribution for calendar year \_\_\_\_\_ paid in \_\_\_\_\_ [specify foreign currency] in lieu of U.S. Dollars.

\_\_\_\_\_ Date

\_\_\_\_\_ Signature

\_\_\_\_\_ Name (Please Print)

DEFERRED COMPENSATION  
ACCOUNT STATEMENT  
FOR QUARTERLY PERIOD ENDING \_\_\_\_\_

The Deferred Compensation balance in your account is an unsecured subordinated liability of AIG Financial Products Corp. to you and your beneficiaries. See Section 4.01 of the AIGFP Deferred Compensation Plan for additional details.

The details of your account balance for the current year are as follows:

	In USD	In Local Currency (_____)
Deferred Compensation Balance January 1, _____		
Year Generated _____	_____	_____
Installment Payments		
Year Generated _____	_____	_____
Deferred Compensation Balance December 31, _____		
Year Generated _____	_____	_____
<hr style="border-top: 3px double #000;"/>		
Interest Earned:		
First Quarter		_____
Second Quarter		_____
Third Quarter		_____
Fourth Quarter		_____
Additional Return Payments	_____	_____
Total Earnings		_____

SCHEDULE A  
AUTOMATIC DEFERRALS

<u>Position</u>	<u>Notional Bonus Amounts</u>
AIGFP Executives with Notional Bonus Amounts Exceeding \$250,000	10% of first \$500,000 20% of next \$250,000 30% of next \$250,000 40% of next \$250,000 50% of remainder