

CHUBB CORP  
Form 4  
January 05, 2005

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
CASH JAMES I JR

(Last) (First) (Middle)

THE CONCOURS GROUP, 321  
ARSENAL STREET

(Street)

WATERTOWN, MA 02472

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
CHUBB CORP [CB]

3. Date of Earliest Transaction  
(Month/Day/Year)  
01/03/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
COMMON				(A) or (D) Price	2,000	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Underlying Security
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(Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)		(Instr. 3 and 4)		
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
MARKET VALUE UNITS <u>(1)</u>	\$ 0	01/03/2005	A		86.01		<u>(1)</u>	<u>(1)</u>	COMMON
MARKET VALUE UNITS <u>(1)</u>	\$ 0	01/04/2005	A		2.44		<u>(1)</u>	<u>(1)</u>	COMMON
PERFORMANCE SHARE <u>(2)</u>	\$ 0 <u>(2)</u>						<u>(2)</u>	<u>(2)</u>	COMMON
STOCK OPTION <u>(3)</u>	\$ 46.97						04/23/1996	04/22/2024	COMMON
STOCK OPTION <u>(3)</u>	\$ 55.25						04/22/1997	04/22/2024	COMMON
STOCK OPTION <u>(3)</u>	\$ 77.56						04/28/1998	04/22/2024	COMMON
STOCK OPTION <u>(3)</u>	\$ 60.06						04/27/1999	04/22/2024	COMMON
STOCK OPTION <u>(3)</u>	\$ 64						04/25/2000	04/22/2024	COMMON
STOCK OPTION <u>(3)</u>	\$ 64.9						04/24/2001	04/22/2024	COMMON
STOCK OPTION <u>(3)</u>	\$ 76.32						04/30/2002	04/22/2024	COMMON
STOCK OPTION <u>(3)</u>	\$ 53.02						04/29/2003	04/22/2024	COMMON
STOCK UNITS <u>(4)</u>	\$ 0 <u>(4)</u>						<u>(4)</u>	<u>(4)</u>	COMMON

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CASH JAMES I JR THE CONCOURS GROUP 321 ARSENAL STREET WATERTOWN, MA 02472		X		

## Signatures

By: Patricia S.  
Tomczyk, POA

01/05/2005

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Market Value Units in The Chubb Corporation Directors Deferred Compensation Plan. Units are payable in common stock only and the value of such units are based on the market value of the Coporation's common stock.
- (2) Represents 200% of the target performance share award, which is the maximum number of shares issuable under this award for the performance cycle ending December 31, 2006.
- (3) All Stock Options are granted in tandem with tax withholding rights.
- (4) Stock Units vest on the grant date and are payable in stock at the earlier of the third anniversary of the grant or termination of service as a director, unless subject to a deferral election.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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the method of calculating the principal, premium and interest for the notes;

the time remaining to the maturity of the notes;

the outstanding amount of the notes;

the redemption or repayment features, if any, of the notes;

rates of interest prevailing in the markets;

the amount of other debt securities linked to any index or formula applicable to the notes;

the market for similar securities;

the level, direction and volatility of market interest rates generally and other conditions in the credit markets, including the degree of liquidity in the credit markets generally;

the credit rating(s) we are assigned; and

our financial condition, liquidity, results of operations and prospects and general economic conditions. In addition, because some notes may be designed for specific investment objectives or strategies, such notes may have a more limited trading market and/or experience more price volatility than conventional debt securities.

If your investment activities are subject to legal investment laws and regulations, you may not be able to invest in certain types of notes or your investment in them may be limited. You should review and consider any applicable restrictions before investing in the notes.

You should not purchase notes unless you understand and know you can bear the foregoing investment risks. In evaluating the notes, you should assume that you will be holding the notes until their maturity.

***The credit ratings assigned to us and the notes may not reflect all risks of an investment in the notes.***

The credit ratings assigned to us represent the rating agencies' assessments regarding our credit quality and are not a guarantee of quality. Credit ratings are not recommendations to buy, sell or hold securities and are subject to revision or withdrawal at any time by the assigning rating agency. Each rating agency may have different criteria for evaluating credit risk, and therefore ratings should be evaluated independently for each rating agency.

The credit ratings assigned to the notes will reflect the rating agencies' assessments of our ability to make payments on the notes when due. Consequently, real or anticipated changes in these credit ratings will generally affect the market value of the notes. These credit ratings, however, may not reflect the potential impact of all structural risks, market risks, the other factors discussed herein or incorporated by reference herein or other factors related to the value of the notes, including the possibility that payments on indexed notes and floating rate notes may be less than anticipated because of changes in the specified index or base rate, respectively. Therefore, the ratings assigned to us and the notes may not fully reflect the risks of an investment in the notes.

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**Table of Contents**

***The notes will be effectively subordinated to our secured indebtedness to the extent of the value of the property securing that indebtedness.***

The notes will not be secured by any of our or our subsidiaries' assets. As a result, the notes will be effectively subordinated to our and such subsidiary's indebtedness with respect to the assets that secure such indebtedness. As of September 30, 2018, we had guarantees of subsidiary indebtedness of approximately \$262.6 million secured by pledges of the equity of our subsidiaries, and our subsidiaries had approximately \$439.7 million of secured indebtedness outstanding. In addition, we and our subsidiaries may incur additional secured debt in the future. As a result of this effective subordination, upon a default in payment on, or the acceleration of, any of this secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution or reorganization of our company or any subsidiary or subsidiaries, the proceeds from the sale of assets securing our or our subsidiaries' secured indebtedness or guarantees will only be available to pay obligations on the notes and other senior unsecured obligations after such secured debt has been paid in full. Consequently, the holders of the notes may receive less, ratably, than the holders of secured or guaranteed debt in the event of our or our subsidiaries' bankruptcy, insolvency, liquidation, dissolution or reorganization.

***The notes will be structurally subordinated to all obligations of our existing and future subsidiaries.***

The notes will not be guaranteed by any of our subsidiaries and our subsidiaries will have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. However, our subsidiaries have covenanted to become guarantors of certain of our other indebtedness in certain circumstances and may in the future guarantee other indebtedness of ours. Accordingly, the notes will be structurally subordinated to all indebtedness and other obligations of any subsidiary, including any guarantees issued by such subsidiaries, such that in the event of bankruptcy, insolvency, liquidation, reorganization, dissolution or other winding up of any such subsidiary, all of that subsidiary's creditors (including secured creditors and trade creditors) would be entitled to payment in full out of that subsidiary's assets before we would be entitled to any payment. The indenture does not contain any limitations on the ability of our subsidiaries to incur or guarantee additional unsecured indebtedness or the amount of other unsecured liabilities, such as trade payables, that may be incurred or guaranteed by these subsidiaries.

In 2017, our subsidiaries generated substantially all of our consolidated revenue and operating cash flow. As of September 30, 2018, our subsidiaries held 100% of our aircraft assets and had approximately \$439.7 million of total indebtedness, all of which is structurally senior to the notes.

***If you purchase redeemable notes, redemption may adversely affect your return on the notes, and you will have reinvestment risks.***

If your notes are redeemable at our option, we may choose to redeem your notes, in whole or in part at any time and from time to time, at the redemption price described in the applicable pricing supplement. Consequently, we may choose to redeem your notes at times when prevailing interest rates are lower than the interest rate paid on your notes. As a result, you may not be able to reinvest the redemption proceeds in a comparable debt instrument at an effective interest rate or yield as high as the interest rates or yield on your notes being redeemed. This may also be the case for any mandatory redemption of your notes. For this reason, an optional or mandatory redemption feature can affect the market value of your notes. Our redemption right also may adversely impact your ability to sell your notes as the redemption date approaches.

***We may not be able to repurchase the notes upon a Change of Control Repurchase Event, and not every change of control or other significant transaction will constitute a Change of Control Repurchase Event.***

Upon the occurrence of a Change of Control Repurchase Event, unless we have exercised our right to redeem all of the notes, each holder of the notes will have the right to require us to repurchase all or any part of

S-3

## **Table of Contents**

such holder's notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. If we experience a Change of Control Repurchase Event, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the notes and any other indebtedness that may be required to be repaid or repurchased as a result of such event. Our failure to repurchase the notes as required under the indenture governing the notes would result in a default under the indenture, which could have material adverse consequences for us and the holders of the notes. A default under the indenture could also lead to a default under the agreements governing our existing or future indebtedness. See *Description of Notes Repurchase Upon Change of Control Repurchase Event*.

Additionally, under certain of the agreements governing our other indebtedness, a change of control (as defined therein) may constitute an event of default thereunder, but not constitute a Change of Control Repurchase Event with respect to the notes, and may permit the lenders to accelerate the maturity of such indebtedness or may require us to offer to purchase such other indebtedness, often at a premium. In addition, certain important corporate events, such as leveraged recapitalizations, may not, under the indenture, constitute a Change of Control Repurchase Event that would require us to repurchase the notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes.

***Holders of the notes may not be able to determine when a change of control giving rise to their right to have the notes repurchased has occurred following a sale of substantially all of our assets.***

One of the circumstances under which a change of control may occur is upon the sale, lease or other transfer of all or substantially all of our consolidated assets. There is no precise, established definition of the phrase substantially all under applicable law and the interpretation of that phrase will likely depend upon particular facts and circumstances. Accordingly, the ability of a holder of notes to determine that such holder may require us to repurchase its notes as a result of a sale of all or substantially all of our consolidated assets to another person may be uncertain.

***An increase in interest rates could result in a decrease in the relative value of the notes.***

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase the notes and market interest rates increase, the market values of your notes may decline. We cannot predict the future level of market interest rates.

***Floating rate notes have risks that conventional fixed rate notes do not.***

Because the interest rate of floating rate notes may be based upon the Federal Funds Rate, LIBOR, the Prime Rate or the Treasury Rate or other such interest rate basis or interest rate formula or combination of rates as specified in the applicable pricing supplement, there will be significant risks not associated with conventional fixed rate notes. These risks include fluctuation of the interest rates and the possibility that you will receive a lower amount of interest in the future as a result of such fluctuations. We have no control over various matters that are important in determining the existence, magnitude and longevity of these risks, including economic, financial and political events.

***Investment in foreign currency notes entails significant risks that are not associated with an investment in a debt security denominated and payable in U.S. dollars.***

If you invest in notes that are denominated and/or payable in a currency or basket of currencies other than U.S. dollars ( foreign currency notes ), you will be subject to significant risks that are not associated with an investment in a debt security denominated and payable in U.S. dollars. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar and such currency and the possibility that either

S-4



**Table of Contents**

the United States or foreign governments will impose or modify foreign exchange controls. These risks generally depend on factors over which we have no control, such as economic and political events and the supply of and demand for the relevant currencies. Moreover, if payments on your foreign currency notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, rates of exchange between the U.S. dollar and certain currencies have been highly volatile, and you should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of any note. Depreciation of your payment currency would result in a decrease in the U.S. dollar equivalent yield of your foreign currency notes, in the U.S. dollar equivalent value of payments made on your foreign currency notes and, generally, in the U.S. dollar equivalent market value of your foreign currency notes.

Governmental exchange controls could affect exchange rates and the availability of your payment currency on a required payment date. Even if there are no exchange controls, it is possible that your payment currency will not be available on a required payment date due to circumstances beyond our control or because the payment currency is no longer in use. In such cases, we will be allowed to satisfy our obligations on your foreign currency notes in U.S. dollars. See *Special Provisions Relating to Foreign Currency Notes*.

The information set forth in this prospectus supplement with respect to foreign currency risks is general in nature. We disclaim any responsibility to advise prospective purchasers of foreign currency notes with respect to any matters that may affect the purchase, holding or receipt of payments of principal or premium, if any, and interest on such notes. Such persons should consult their own counsel with regard to such matters.

***Foreign currency judgments are subject to exchange rate risks.***

The indenture and the notes (including foreign currency notes) will be governed by and construed in accordance with the internal laws of the State of New York. New York courts will normally enter judgments or decrees for money damages in the foreign currency in which foreign currency notes are denominated. These amounts are then converted into U.S. dollars at the rate of exchange in effect on the date the judgment or decree is entered. Consequently, in a lawsuit for payment on the foreign currency notes, investors would bear the currency exchange risk for the exchange rate between the U.S. dollar and such foreign currency until a New York state court judgment is entered, which could be a long time. It is not certain, however, whether a non-New York state court would follow the same rules and procedures with respect to conversion of foreign currency judgments.

***Tax consequences of holding the notes.***

The tax consequences to you of owning and disposing of the notes may vary depending on the terms of the notes and your particular status and circumstances. You should consult with your own tax adviser about the U.S. federal, state, local and foreign tax consequences to you of owning and disposing of the notes.

***Uncertainty about the future of LIBOR may adversely affect the return on your notes and the price at which you can sell your notes in the secondary market, if one exists.***

LIBOR and other interest rates or other types of rates and indices which are deemed benchmarks are the subject of recent national, international and other regulatory guidance and proposals for reform. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely or have other consequences which cannot be predicted. Any such consequence could have an adverse effect on any notes linked to such a benchmark.

Furthermore, Regulation (EU) 2016/1011 (the Benchmark Regulation ) was published by the European Parliament and the Council of the European Union on June 8, 2016. The Benchmark Regulation could have an adverse impact on any notes linked to LIBOR, if the methodology or other terms of LIBOR are changed in order

S-5

**Table of Contents**

to comply with the terms of the Benchmark Regulation, and such changes could (among other things) have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level of LIBOR. In addition, the Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder must be licensed by the competent authority of the member state where such administrator is located. There is a risk that administrators of LIBOR will fail to obtain a necessary license, preventing them from continuing to provide LIBOR as a benchmark or cease to administer LIBOR altogether because of the additional costs of compliance with the Benchmark Regulation and other applicable regulations, and the risks associated therewith.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain benchmarks, trigger changes in the rules or methodologies used in certain benchmarks, or lead to the disappearance of certain benchmarks. Uncertainty about the future of benchmarks generally, any of the above changes or any other consequential changes as a result of international, national or other proposals for reform or other initiatives or investigations, could have an adverse effect on the value of, and return on, any notes linked to a benchmark and the trading market for such notes.

On July 27, 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR. In the event that a published LIBOR rate is unavailable, the interest rate on any LIBOR Notes (as defined below) will be determined as set forth under *Description of Notes Interest and Interest Rates Floating Rate Notes LIBOR Notes*. If a published LIBOR rate is unavailable and banks are unwilling to provide quotations for the calculation of LIBOR as set forth in this prospectus supplement, the rate of interest on any LIBOR Notes will be equal to the interest rate in effect during the most recent Interest Reset Period (as defined below) for which LIBOR was determinable as described in this prospectus supplement for the applicable LIBOR Notes, in each case as set forth under *Description of Notes Interest and Interest Rates Floating Rate Notes LIBOR Notes*.

**Table of Contents**

**USE OF PROCEEDS**

We currently intend to use the net proceeds from the sale of the notes for general corporate purposes, which may include, among other things, the purchase of commercial aircraft and the repayment of existing indebtedness. Affiliates of the agents may receive a portion of the net proceeds to the extent we use net proceeds to repay indebtedness under which certain of the agents or their affiliates are lenders. Pending any specific application, we may temporarily invest funds in short-term investments, including marketable securities.

S-7

**Table of Contents****DESCRIPTION OF NOTES**

The following description of the terms of the notes (the *Notes*) is in addition to, and if and to the extent inconsistent, replaces, the description and general terms of the Notes under *Description of Debt Securities* in the accompanying prospectus. The section titled *Description of Debt Securities* in the accompanying prospectus, together with this prospectus supplement and the applicable pricing supplement and any free writing prospectus, summarizes all of the material terms of the Indenture (as defined below) and the Notes. If the terms of particular Notes described in a pricing supplement are different from those described in this prospectus supplement or in the accompanying prospectus, you should rely on the information in the pricing supplement. The description of the Notes contained herein is a summary of certain provisions of the Notes and the Indenture and does not describe every aspect of the Indenture and the Notes. You should read all provisions of the Indenture carefully, including the definitions of certain terms, before you decide to invest in the Notes. A copy of the Indenture is an exhibit to the registration statement that includes this prospectus supplement and the accompanying prospectus.

You will find the definitions of capitalized terms used in this *Description of Notes* under the heading *Description of Notes Certain Definitions* herein. For purposes of this *Description of Notes*, references to *Air Lease*, *Company*, and *us* refer only to Air Lease Corporation and not to its Subsidiaries. Air Lease Corporation is the issuer of all of the Notes offered under this prospectus supplement. Certain defined terms used in this *Description of Notes* but not defined herein have the meanings assigned to them in the Indenture.

**General**

We will issue the Notes under an indenture dated as of November 20, 2018 (the *Indenture*) between us and Deutsche Bank Trust Company Americas, as trustee (the *Trustee*), as it may be amended or supplemented in accordance with its terms. The Notes will be issued by Air Lease as a series of debt securities under the Indenture designated as Medium-Term Notes, Series A.

The Notes will be our general unsecured senior obligations and will rank equal in right of payment among themselves and with any of our existing and future senior indebtedness, without giving effect to collateral arrangements. The Notes will be effectively subordinated to all of our secured indebtedness to the extent of the value of the pledged assets and will be structurally subordinated to all indebtedness and other liabilities of any of our Subsidiaries. The Notes will be senior in right of payment to any of our existing and future obligations that are expressly subordinated or junior in right of payment to the Notes pursuant to a written agreement.

Under the Indenture, we may issue an unlimited amount of our Medium-Term Notes, Series A, as authorized by our Board of Directors from time to time. Currently, our Board of Directors has authorized the issuance under this prospectus supplement of U.S. \$15,000,000,000 of Notes from time to time. As the Notes constitute a single series of debt securities under the Indenture, holders of the Notes will vote with holders of all other tranches of the Medium-Term Notes, Series A, as a single class.

We are offering the Notes on a continuing basis. The Notes will mature on any day nine months or more from their Issue Date. Unless specified otherwise in the applicable pricing supplement, the Notes will bear interest at fixed rates or at floating rates determined by reference to one or more of the base rates described below as adjusted by any spread and/or spread multiplier and subject to any maximum interest rate and/or minimum interest rate we may apply to such Notes until their principal is paid or duly made available for payment. Notes may be issued at a premium over, or at discounts, including significant discounts, from, their principal amount payable at Maturity. For further information regarding such discount Notes, see *Description of Notes Original Issue Discount Notes* and *Material United States Federal Income Tax Considerations Tax Consequences to U.S. Holders Original Issue Discount Notes*.

S-8

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**Table of Contents**

Unless otherwise specified in the applicable pricing supplement, the Notes will be denominated in U.S. dollars and we will make payments of principal of, and premium, if any, and interest on, the Notes in U.S. dollars. We may also issue Notes that are denominated in, and payments of principal of, and premium, if any, and interest on, such Notes will be made in, a currency or basket of currencies other than U.S. dollars. For more information regarding such foreign currency Notes, see *Special Provisions Relating to Foreign Currency Notes*. Unless otherwise provided in the applicable pricing supplement, the Notes will be issued in fully registered form, in denominations of U.S. \$2,000 and integral multiples of U.S. \$1,000, and will be represented by one or more global notes.

**What Information Will Be in the Pricing Supplement**

The applicable pricing supplement to this prospectus supplement and the accompanying prospectus will describe one or more of the following terms of your Note:

the stated maturity;

the specified currency, currencies, currency unit or composite currency, as applicable, for principal, premium, if any, and interest, if not U.S. dollars, and any special considerations relating to that currency, currencies, currency unit or composite currency, as applicable, including the exchange rate agent, which will determine the relevant exchange rates, and the method of payment with respect to the Notes;

the price at which we originally issue your Note, expressed as a percentage of the principal amount, and the Issue Date;

whether your Note is a fixed rate Note, a floating rate Note or an indexed Note;

if your Note is a fixed rate Note, the annual rate at which your Note will bear interest, if any, the Interest Payment Dates, the regular record dates, and the method for determining interest, if different from that described below under *Description of Notes Interest and Interest Rates Fixed Rate Notes* in this prospectus supplement;

if your Note is a floating rate Note, the interest rate basis, which may be one of the nine base rates described below under *Description of Notes Interest and Interest Rates Floating Rate Notes Interest Rate Basis* in this prospectus supplement or another base rate set forth in the applicable pricing supplement; any applicable index currency, spread or spread multiplier or initial, maximum or minimum rate; and the day count fraction and interest reset, determination, calculation (if applicable), regular record and Interest Payment Dates, all of which we describe under *Description of Notes Interest and Interest Rates Floating Rate Notes* in this prospectus supplement;

if your Note is an indexed Note, the principal amount, if any, we will pay you at Maturity, the amount of interest, if any, we will pay you on an Interest Payment Date or the formula we will use to calculate these

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amounts, if any, the Interest Payment Dates, the regular record dates, and whether your Note will be exchangeable for or payable in cash, securities of an issuer other than us or other property;

whether your Note is an original issue discount Note and if so, the yield to stated maturity;

certain United States federal income tax considerations relating to acquiring, owning, and disposing of your Note to the extent such considerations are not set forth below under *Material United States Federal Income Tax Considerations* in this prospectus supplement;

the applicable business day convention and the business days, if different from those specified in this prospectus supplement, that apply to your Notes;

if applicable, the dates on which or the ranges of dates during which the Notes are redeemable at our option, the applicable redemption price or prices, the terms and conditions upon which the Notes may be redeemed and, if applicable, the calculation of any premium;

S-9



**Table of Contents**

if applicable, the additional circumstances under which your Note may be redeemed or repaid at the holder's option before the stated maturity and the terms and conditions of such redemption or repayment;

any sinking fund or other mandatory redemption provisions applicable to your Note;

the portion of the principal amount of your Note that will be payable if the stated maturity is accelerated, if other than the entire principal amount;

whether your Note will be defeasible and any additional conditions or limitations to the defeasance of your Note or any changes to those conditions or limitations;

whether and under what circumstances any Additional Amounts with respect to your Note will be payable;

the identity of any additional agent through or to whom the Note is being sold; and

any other terms of your Note, which could differ from those described in this prospectus supplement and the accompanying prospectus.

The interest rates we offer with respect to the Notes may differ depending upon, among other things, the aggregate principal amount of Notes purchased in any single transaction. We may change interest rates or formulas and other terms of the Notes from time to time, but, except in limited circumstances, no change will affect any Note already issued, or as to which we have accepted an offer to purchase, without the consent of the holder of such Note. We may offer Notes with similar variable terms other than interest rates concurrently at any time. We may also concurrently offer Notes having different variable terms to different investors.

**No Sinking Fund, Redemption or Repurchase Before Stated Maturity Unless Otherwise Specified**

The Notes will not be subject to any sinking fund, unless otherwise provided for in the applicable pricing supplement. Unless otherwise provided in the applicable pricing supplement, we may not redeem the Notes, in whole or in part, at our option before their stated maturity. Unless specified otherwise in the applicable pricing supplement, upon the occurrence of a Change of Control Repurchase Event, unless we have exercised our right, if any, to redeem all of the Notes, we will make an offer to purchase all the Notes as described below under *Repurchase Upon Change of Control Repurchase Event*, at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase. In addition to the repurchase of Notes as described below under *Repurchase Upon Change of Control Repurchase Event*, if so indicated in the applicable Notes and the applicable pricing supplement, we will repay the Notes in whole or in part at the option of the holders of the Notes on any optional repayment date specified in the applicable Notes and the applicable pricing supplement. The Notes and the applicable pricing supplement will set forth the terms of any redemption or repurchase, including the date or dates on which, or period or periods during which, and the price or prices, including premium, if any, for which we may redeem, or you may require us to repurchase, any Note.

**Listing**

Unless otherwise specified in the applicable pricing supplement, the Notes will not be listed on, or admitted to trading on or by, any stock exchanges and/or markets within or outside the United States. No Note will have an established trading market when issued. A market for any particular issue of Notes may not develop.

**Other Provisions; Addenda**

Any provisions with respect to the Notes, including the determination of an Interest Rate Basis, the specification of Interest Rate Basis, the calculation of the interest rate applicable to a floating rate Note, the Interest Payment Dates, the stated maturity, any redemption or repayment provisions or any other matters may be modified as specified under Other Provisions on the face of the Note or in an addendum to the Note and in the applicable pricing supplement.

**Table of Contents**

**Interest and Interest Rates**

*General*

Each Note will not bear any interest or will bear interest from and including the Issue Date at the rate per annum or, in the case of a floating rate Note, pursuant to the interest rate formula (the Interest Rate Basis or Bases ) stated in the applicable Note and in the applicable pricing supplement until the principal of the Note is paid or made available for payment. Interest will be payable in arrears on each Interest Payment Date specified in the applicable pricing supplement on which an installment of interest is due and payable (an Interest Payment Date ) and at Maturity. The first payment of interest on any Note originally issued between a Regular Record Date, as defined below, and the related Interest Payment Date will be made on the Interest Payment Date immediately following the next succeeding Regular Record Date to the registered holder on the next succeeding Regular Record Date.

Regular Record Date will, unless specified otherwise in the applicable pricing supplement, be the fifteenth calendar day, whether or not a Business Day, immediately preceding the related Interest Payment Date.

Business Day as used in this prospectus supplement means, unless specified otherwise in the applicable pricing supplement:

for CMS Rate Notes and CMT Rate Notes, any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and with respect to all other Notes:

for fixed rate Notes and floating rate Notes for which LIBOR is not an applicable Interest Rate Basis:

a day that is a New York Business Day;

for floating rate Notes for which LIBOR is an applicable Interest Rate Basis:

any day other than a Saturday or Sunday, that (1) is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in The City of New York (a New York Business Day ) and (2) is a day on which commercial banks are open for business, including dealings in the designated Index Currency (as defined below), in London (a London Banking Day );

*provided, however, that:*

with respect to non-U.S. dollar denominated Notes (other than Notes denominated in euro):

the day is also a day other than a day on which commercial banks are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as defined below) of the country issuing the Specified Currency (a Principal Financial Center Business Day );

with respect to euro denominated Notes:

the day is also a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET2) System or any successor thereto is open (a TARGET2 Business Day );  
Principal Financial Center means, unless specified otherwise in the applicable pricing supplement:

the capital city of the country issuing the Specified Currency except that with respect to U.S. dollars, Australian dollars, Canadian dollars, euro, New Zealand dollars, South African rand and Swiss francs, the Principal Financial Center will be The City of New York, Sydney, Toronto, London, Wellington, Johannesburg and Zurich, respectively; or

S-11

## **Table of Contents**

the capital city of the country to which the Index Currency relates, except that with respect to U.S. dollars, Australian dollars, Canadian dollars, euro, New Zealand dollars, South African rand and Swiss francs, the Principal Financial Center will be The City of New York, Sydney, Toronto, London, Wellington, Johannesburg and Zurich, respectively.

**Index Currency** means the currency specified in the applicable pricing supplement as the currency for which LIBOR will be calculated. If no currency is specified in the applicable pricing supplement, the Index Currency will be U.S. dollars.

**Specified Currency** means the currency in which a particular Note is denominated or payable (or, if the currency is no longer legal tender for the payment of public and private debts, any other currency of the relevant country or entity which is then legal tender for the payment of such debts).

### ***Fixed Rate Notes***

Each fixed rate Note, other than any Note that does not provide for payment of interest prior to such Note's Maturity (a Zero Coupon Note), will bear interest from and including its Issue Date, or from and including the last interest payment date to which interest has been paid or duly provided for, at the annual rate specified in the applicable pricing supplement until its principal amount is paid or duly made available for payment. Unless specified otherwise in the applicable pricing supplement, interest on fixed rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

Unless specified otherwise in the applicable pricing supplement, we will pay interest on fixed rate Notes semiannually in arrears on the Interest Payment Dates specified in the applicable pricing supplement and at Maturity. Unless specified otherwise in the applicable pricing supplement, if any Interest Payment Date or Maturity of a fixed rate Note falls on a day that is not a Business Day, any principal, premium, if any, or interest payments on such fixed rate Note will be made on the next succeeding Business Day as if made on the date the payment was due, and no interest will accrue on the amount payable for the period from and after the Interest Payment Date or Maturity, as the case may be.

The amount of interest that has accrued during each interest period (i.e., the period from and including the Issue Date, or the last date to which interest has been paid or duly provided for (which may be an Interest Payment Date, depending on the business day convention that applies to your Notes), to but excluding the next date to which interest will be paid or duly provided for (which may be an Interest Payment Date, depending on the business day convention that applies to your Notes) on a fixed rate Note, other than Zero Coupon Notes, will be determined by multiplying the principal amount of the Note by an accrued interest factor for the interest period. The accrued interest factor will be determined by multiplying the per annum fixed interest rate by a factor resulting from the day count fraction specified in your prospectus supplement if different from a 360-day year of twelve 30-day months, or otherwise, on the basis of a 360-day year of twelve 30-day months.

### ***Floating Rate Notes***

**Interest Rate Basis.** Interest on floating rate Notes will be determined by reference to the applicable Interest Rate Basis or Interest Rate Bases, which may be one or more of:

the CMS Rate,

the CMT Rate,

the Commercial Paper Rate,

the Eleventh District Cost of Funds Rate,

the Federal Funds Rate,

S-12

**Table of Contents**

the Federal Funds OIS Compound Rate,

LIBOR,

the Prime Rate,

the Treasury Rate, or

any other domestic or foreign interest rate, any combination of rates, or exchange rate indices or other indices as we may describe in the applicable pricing supplement.

**Terms.** Each applicable pricing supplement will specify the terms of a floating rate Note, which may include:

the Interest Rate Basis or Bases,

the interest rate in effect for the period from the Issue Date to the first Interest Reset Date (the Initial Interest Rate ),

the Interest Reset Dates,

the Interest Reset Period,

the Interest Payment Dates,

the period to stated maturity of the instrument or obligation with respect to which the Interest Rate Basis or Bases will be calculated ( Index Maturity ),

Maximum Interest Rate and Minimum Interest Rate, if any,

the number of basis points to be added to or subtracted from the related Interest Rate Basis or Bases (the Spread ),

the percentage of the related Interest Rate Basis or Bases by which the Interest Rate Basis or Bases will be multiplied to determine the applicable interest rate (the Spread Multiplier ),

if one or more of the specified Interest Rate Bases is LIBOR, the Index Currency, the Index Maturity and the Designated LIBOR Page,

if one or more of the specified Interest Rate Bases is the CMS Rate, the Designated CMS Maturity Index, and

if one or more of the specified Interest Rate Bases is the CMT Rate, the Designated CMT Reuters Page and the Designated CMT Maturity Index.

The interest rate borne by floating rate Notes will be determined, in general, as described below. However, if a floating rate Note is designated as having an addendum, and the addendum specifies different or additional interest payment terms, the floating rate Note will bear interest at the rate in accordance with the terms described in the addendum and the applicable pricing supplement.

***Determination of Interest on Floating Rate Notes.*** Except as described below or in an applicable pricing supplement, floating rate Notes will bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases:

plus or minus the applicable Spread, if any; and/or

multiplied by the applicable Spread Multiplier, if any.

The Initial Interest Rate will be specified in the applicable pricing supplement. Beginning on the first Interest Reset Date, the rate at which interest on a floating rate Note will be payable will be reset as of each Interest Reset Date.



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**Table of Contents**

We may change the Spread, Spread Multiplier, Index Maturity, Designated CMS Maturity Index, Designated CMT Maturity Index, Designated CMT Reuters Page and other variable terms of floating rate Notes from time to time, but, except in limited circumstances, no change will affect any floating rate Note previously issued, or as to which we have accepted an offer to purchase, without the consent of the holder of such Note.

***Interest Reset Dates.*** Each applicable pricing supplement will specify whether the rate of interest on the floating rate Note will be reset daily, weekly, monthly, quarterly, semiannually, annually or any other specified period (each, an Interest Reset Period ) and the dates on which the interest rate will be reset (each, an Interest Reset Date ). Unless specified otherwise in the applicable pricing supplement, the Interest Reset Date will be, in the case of floating rate Notes which reset:

daily each Business Day;

weekly the Wednesday of each week, with the exception of weekly reset floating rate Notes as to which the Treasury Rate is an applicable Interest Rate Basis, which will reset the Tuesday of each week;

monthly the third Wednesday of each month, with the exception of monthly reset floating rate Notes as to which the Eleventh District Cost of Funds Rate Notes is an applicable Interest Rate Basis, which will reset on the first calendar day of the month;

quarterly the third Wednesday of March, June, September and December of each year;

semiannually the third Wednesday of the two months specified in the applicable pricing supplement; and

annually the third Wednesday of the month specified in the applicable pricing supplement.

Unless specified otherwise in the applicable pricing supplement, if any Interest Reset Date for a floating rate Note would otherwise be a day that is not a Business Day, the applicable Interest Reset Date will be postponed to the next succeeding day that is a Business Day (the Following Business Day Convention ), except that in the case of a floating rate Note as to which LIBOR is an applicable Interest Rate Basis, if the Business Day falls in the next succeeding calendar month, the applicable Interest Reset Date will be the immediately preceding Business Day (the Modified Following Business Day Convention ). In addition, in the case of a floating rate Note as to which Treasury Rate is an applicable Interest Rate Basis, if the Interest Determination Date would otherwise fall on an Interest Reset Date, then the applicable Interest Reset Date will be postponed to the next succeeding Business Day.

Except as set forth above or in the applicable pricing supplement, the interest rate in effect on each day will be:

if the day is an Interest Reset Date, the interest rate determined on the related Interest Determination Date, as defined below, immediately preceding such Interest Reset Date; or

if the day is not an Interest Reset Date, the interest rate determined on the related Interest Determination Date immediately preceding the most recent Interest Reset Date.

**Interest Rate Reset Cutoff Date.** A pricing supplement may also specify a date (an Interest Rate Reset Cutoff Date ) prior to an Interest Reset Date on which the interest rate for a floating rate Note will no longer be subject to adjustment. Beginning on the Interest Rate Reset Cutoff Date, the interest rate applicable from and including the Interest Rate Reset Cutoff Date to but excluding the next Interest Payment Date shall be determined based on the Interest Rate Basis in effect on the Interest Rate Reset Cutoff Date.

**Maximum and Minimum Interest Rates.** A floating rate Note may also have either or both of the following:

a maximum numerical limitation, or ceiling, on the annual rate at which interest may accrue during any interest period ( Maximum Interest Rate ); and

S-14

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**Table of Contents**

a minimum numerical limitation, or floor, on the annual rate at which interest may accrue during any interest period ( Minimum Interest Rate ).

In addition to any Maximum Interest Rate that may be applicable to a floating rate Note under the above provisions, the interest rate on floating rate Notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States laws of general application.

***Interest Payments.*** The Interest Payment Dates applicable to a floating rate Note will be specified in the related pricing supplement. Each floating rate Note will accrue interest from the Issue Date at the rates specified in the Note until the principal is paid or otherwise made available for payment. Except as provided below or in an applicable pricing supplement, the Interest Payment Dates for floating rate Notes will be, in the case of floating rate Notes which reset:

daily, weekly or monthly the third Wednesday of each month or the third Wednesday of March, June, September and December of each year, as specified in the applicable pricing supplement;

quarterly the third Wednesday of March, June, September and December of each year;

semiannually the third Wednesday of the two months of each year specified in the applicable pricing supplement;

annually the third Wednesday of the month of each year specified in the applicable pricing supplement; and

in each case, at Maturity.

Unless specified otherwise in the applicable pricing supplement, if any Interest Payment Date for a floating rate Note other than an Interest Payment Date at Maturity would otherwise be a day that is not a Business Day, the Interest Payment Date will follow the Following Business Day Convention, except that in the case of a floating rate Note as to which LIBOR is an applicable Interest Rate Basis, unless specified in the applicable pricing supplement, if the Business Day falls in the next succeeding calendar month, the Interest Payment Date will follow the Modified Following Business Day Convention. If the Maturity of a floating rate Note falls on a day that is not a Business Day, the payment of principal, premium and interest, if any, will be made on the next succeeding Business Day, and no interest on the payment will accrue for the period from and after Maturity to the date of that payment on the next succeeding Business Day.

Unless specified otherwise in the applicable pricing supplement, all percentages resulting from any calculation on floating rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five one millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655), and all dollar amounts used in or resulting from the calculation on floating rate Notes will be rounded to the nearest cent or, in the case of a foreign currency, to the nearest unit (with one-half cent or unit being rounded upward).

Interest payments on floating rate Notes will equal the amount of interest accrued from and including the immediately preceding Interest Payment Date in respect of which interest has been paid (or from and including the Issue Date, if no

interest has been paid), to but excluding the related Interest Payment Date. Interest payments on floating rate Notes made at Maturity will include interest accrued to but excluding the date of Maturity.

Except as specified otherwise in the applicable pricing supplement, each floating rate Note will accrue interest on an Actual/360 basis, an Actual/Actual basis, or a 30/360 basis, in each case from the period from the Issue Date to the date of Maturity, unless specified otherwise in the applicable pricing supplement. If no day count convention is specified in the applicable pricing supplement, interest on floating rate Notes will be paid on an Actual/360 basis. For floating rate Notes calculated on an Actual/360 basis and Actual/Actual basis, accrued interest for each Interest Calculation Period, as defined below, will be calculated by multiplying:

- (1) the face amount of the floating rate Note;

S-15

**Table of Contents**

(2) the applicable interest rate; and

(3) the actual number of days in the related Interest Calculation Period and dividing the resulting product by 360 or 365, as applicable; or with respect to an Actual/Actual basis floating rate Note, if any portion of the related Interest Calculation Period falls in a leap year, the product of (1) and (2) above will be multiplied by the sum of:

the actual number of days in that portion of the related Interest Calculation Period falling in a leap year divided by 366, and

the actual number of days in that portion of the related Interest Calculation Period falling in a non-leap year divided by 365.

For floating rate Notes calculated on a 30/360 basis, accrued interest for an Interest Calculation Period will be computed on the basis of a 360-day year of twelve 30-day months, irrespective of how many days are actually in the Interest Calculation Period. Unless specified otherwise in the applicable pricing supplement, for floating rate Notes that accrue interest on a 30/360 basis, if any Interest Payment Date or the Maturity falls on a day that is not a Business Day, the related payment of principal or interest will be made on the next succeeding Business Day as if made on the date such payment was due, and no interest will accrue on the amount payable for the period from and after the Interest Payment Date or Maturity, as the case may be.

**Interest Calculation Period** means with respect to any period, the period from and including the most recent Interest Reset Date (or from and including the Issue Date in the case of the first Interest Reset Date) to but excluding the next succeeding Interest Reset Date for which accrued interest is being calculated.

Unless specified otherwise in the applicable pricing supplement, interest with respect to Notes for which the interest rate is calculated with reference to two or more Interest Rate Bases will be calculated in the same manner as if only one of the applicable Interest Rate Bases applied.

**Interest Determination Dates.** The interest rate applicable to each Interest Reset Period beginning on the Interest Reset Date with respect to that Interest Reset Period will be the rate determined on the applicable Interest Determination Date, as follows unless specified otherwise in the applicable pricing supplement:

the Interest Determination Date for the CMS Rate, the CMT Rate, the Commercial Paper Rate and the Prime Rate will be the second Business Day preceding each Interest Reset Date for the related Note;

the Interest Determination Date for the Federal Funds Rate will be the same day as the Interest Reset Date or the first Business Day preceding each Interest Reset Date, as specified in the pricing supplement for the related Note;

the Interest Determination Date for the Federal Funds OIS Compound Rate will be the same day as each Interest Reset Date for the related Note;

the Interest Determination Date for the Eleventh District Cost of Funds Rate will be the last Business Day of the month immediately preceding each Interest Reset Date on which the Federal Home Loan Bank of San Francisco publishes the Index, as defined below under Eleventh District Cost of Funds Rate Notes ;

the Interest Determination Date for LIBOR will be the second London Banking Day preceding each Interest Reset Date, unless the Index Currency is the British pound sterling, in which case the Interest Determination Date will be the applicable Interest Reset Date;

the Interest Determination Date for the Treasury Rate will be the day in the week in which the related Interest Reset Date falls on which day Treasury Bills, as defined below, having the Index Maturity specified in the applicable pricing supplement are normally auctioned. Treasury Bills are normally sold

**Table of Contents**

at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday; *provided, however*, that if an auction is not held on Monday or Tuesday of the week in which the Interest Reset Date falls and an auction is held on the Friday of the week preceding the related Interest Reset Date, the related Interest Determination Date will be that preceding Friday; and *provided, further*, that if an auction falls on any Interest Reset Date, then the related Interest Reset Date will instead be the first Business Day following the auction;

the Interest Determination Date for a floating rate Note whose interest rate is determined with reference to two or more Interest Rate Bases, will be the most recent Business Day which is at least two Business Days prior to the Interest Reset Date for the floating rate Note on which each Interest Rate Basis is determinable. Each Interest Rate Basis will be determined and compared on that date, and the applicable interest rate will take effect on the related Interest Reset Date.

***Calculation Agent and Calculation Date.*** The calculation agent will be appointed prior to the time of sale of any floating rate Note and will be specified in the applicable pricing supplement. The calculation agent will make certain calculations or determinations as described herein. To the extent such calculations or determinations are based on a quotation from market providers (including, but not limited to quotations from leading or major banks, brokers, dealers, securities dealers or swap dealers), such calculations or determinations shall be made in accordance with the terms of a calculation agency agreement, between the Company and the appointed calculation agent, with respect to such quotation, calculation or determination. Notwithstanding anything to the contrary set forth herein, whenever the calculation agent is referred to as selecting, determining or otherwise exercising discretion hereunder, this shall mean the calculation agent acting in accordance with and under the terms of the calculation agency agreement and not in its sole discretion. Upon request of the holder of any floating rate Note or the Trustee, the calculation agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next Interest Reset Date with respect to such floating rate Note. The calculation agent will be required to make certain determinations and calculations as summarized in this prospectus supplement. Those determinations or calculations will be conclusive for all purposes and binding on holders of the applicable floating rate Notes, the Trustee and the Company without any liability on the part of the calculation agent. Unless specified otherwise in the applicable pricing supplement, the Calculation Date, if applicable, pertaining to any Interest Determination Date, will be the earlier of:

the tenth calendar day after the applicable Interest Determination Date, or, if that day is not a Business Day, the next succeeding Business Day, or

the Business Day preceding the applicable Interest Payment Date or Maturity, as the case may be.

***CMS Rate Notes.*** CMS Rate Notes ( CMS Rate Notes ) will bear interest at the rates (calculated with reference to the CMS Rate and the Spread and/or Spread Multiplier, if any) specified in the CMS Rate Notes and the applicable pricing supplement.

Unless specified otherwise in the applicable pricing supplement, CMS Rate means the rate on the applicable Interest Determination Date for U.S. dollar swaps having the Designated CMS Maturity Index specified in the applicable pricing supplement, expressed as a percentage, which appears on the Reuters Screen ICESWAP1 Page or any Successor Source as of 11:00 a.m., New York City time.

The following procedures will be followed if the CMS Rate cannot be determined as described above:

(1) If the rate referred to above is no longer published on the relevant page, or if not published by 3:00 p.m., New York City time, on the related Calculation Date, then the CMS Rate on the applicable Interest Determination Date will be a percentage determined on the basis of the mid-market semiannual swap rate quotations provided by five leading swap dealers (which may include one or more of the agents, the calculation agent or their respective affiliates) in the New York City interbank market selected by the calculation agent (after

S-17



**Table of Contents**

consultation with us) as of approximately 11:00 a.m., New York City time on the related Interest Determination Date. For this purpose, the semiannual swap rate means the mean of the bid and offered rates for the semiannual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. Dollar interest rate swap transaction having the Designated CMS Maturity Index specified in the applicable pricing supplement in an amount that is representative for a single transaction in that market at the time with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-ICE with a designated stated maturity of three months. The calculation agent will request the principal New York City office of each of the swap dealers to provide a quotation of this rate. If at least three quotations are provided, the rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

(2) If fewer than three swap dealers selected by the calculation agent are quoting as referred to in clause (1) above, the CMS Rate will be the rate in effect on the applicable Interest Determination Date.

Designated CMS Maturity Index means the original period to stated maturity of the CMS Rate specified in the applicable pricing supplement with respect to which the CMS Rate will be calculated.

Successor Source means, in relation to any display page, other published source, information vendor or provider: (i) the successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of the original page or source; or (ii) if the sponsor has not officially designated a successor display page, other published source, information vendor or provider (as the case may be), the successor display page, other published source, information vendor or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor).

**CMT Rate Notes.** CMT Rate Notes ( CMT Rate Notes ) will bear interest at the rates (calculated with reference to the CMT Rate and any Spread and/or Spread Multiplier and subject to the Minimum Interest Rate and the Maximum Interest Rate, if any) specified in the CMT Rate Notes and in the applicable prospectus supplement.

Unless specified otherwise in the applicable prospectus supplement, CMT Rate means, for the applicable Interest Determination Date, any of the following rates published by the Federal Reserve System Board of Governors as the yield is displayed for Treasury securities at constant maturity under the column for the Designated CMT Maturity Index, as defined below, for:

the rate on that applicable Interest Determination Date, if the Designated CMT Reuters Page specified above is FRBCMT or any Successor Source; and

the week or the month, as applicable, ended immediately preceding the week in which the related Interest Determination Date occurs, if the Designated CMT Reuters Page specified above is FEDCMT or any Successor Source.

The following procedures will be followed if the CMT rate cannot be determined as described above:

- (1) If the above rate is no longer displayed on the relevant page, or if not published by 3:00 p.m., New York City time, on the related Calculation Date, then the CMT Rate will be the Treasury constant maturities rate

for the Designated CMT Maturity Index or other U.S. Treasury rate for the Designated CMT Maturity Index on the applicable Interest Determination Date for the related Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the calculation agent determines (after consultation with us) to be comparable to the rate formerly displayed on the Designated CMT Reuters Page and published on the website of the Federal Reserve System Board of Governors or in another recognized electronic source.

S-18

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**Table of Contents**

- (2) If the information described in clause (1) above is not so published by 3:00 p.m., New York City time, on the related Calculation Date, then the CMT Rate for the applicable Interest Determination Date will be calculated by the calculation agent as a yield to stated maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 p.m., New York City time, on the applicable Interest Determination Date, of three leading primary United States government securities dealers (which may include one or more of the agents, the calculation agent or their respective affiliates) in New York City selected by the calculation agent (after consultation with us) (each, a Reference Dealer ) from five such dealers and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest) for the most recently issued direct noncallable fixed rate obligations of the United States, which are commonly referred to as Treasury notes, with an original stated maturity equal to the Designated CMT Maturity Index specified in the applicable pricing supplement, a remaining term to stated maturity no more than one year shorter than the Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in that market at that time. If two Treasury notes with an original stated maturity as described above have remaining terms to stated maturity equally close to the Designated CMT Maturity Index, the quotes for the Treasury note with the shorter remaining term to stated maturity will be used.
- (3) If the calculation agent cannot obtain three Treasury notes quotations as described in clause (2) above, the calculation agent will determine the CMT Rate to be a yield to stated maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 p.m., New York City time, on the applicable Interest Determination Date of three Reference Dealers, selected using the same method described in clause (2) above, for Treasury notes with an original stated maturity equal to the number of years closest to but not less than the Designated CMT Maturity Index and a remaining term to stated maturity closest to the Designated CMT Maturity Index and in a principal amount that is representative for a single transaction in the securities in that market at that time.
- (4) If fewer than five but more than two of the Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of those quotes will be eliminated.
- (5) If fewer than three Reference Dealers selected by the calculation agent are quoting as described above, the CMT Rate for that applicable Interest Determination Date will remain the CMT Rate for the immediately preceding Interest Reset Period, or, if there was no Interest Reset Period, the rate of interest payable will be the Initial Interest Rate.

**Designated CMT Maturity Index** means the original period to stated maturity of the U.S. Treasury securities, either 1, 2, 3, 5, 7, 10, 20 or 30 years, specified in the applicable pricing supplement with respect to which the CMT Rate will be calculated. If no stated maturity is specified in the applicable pricing supplement, the Designated CMT Maturity Index will be two years.

**Designated CMT Reuters Page** means the Reuters Page specified in the applicable pricing supplement with respect to which the CMT Rate will be calculated.

**Commercial Paper Rate Notes.** Commercial Paper Rate Notes ( Commercial Paper Rate Notes ) will bear interest at the rates (calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any) specified in the Commercial Paper Rate Notes and the applicable pricing supplement.

Unless specified otherwise in the applicable pricing supplement, **Commercial Paper Rate** means the Money Market Yield, as defined below, on the applicable Interest Determination Date of the rate for commercial paper having the Index Maturity specified in the applicable pricing supplement published in H.15 Daily Update under the heading **Commercial Paper Nonfinancial**.

S-19

**Table of Contents**

The following procedures will be followed if the Commercial Paper Rate cannot be determined as described above:

(1) If the rate referred to above is not published in the H.15 Daily Update by 5:00 p.m., New York City time, on the related Calculation Date, then the Commercial Paper Rate for the Interest Determination Date will be calculated by the calculation agent as the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 a.m., New York City time, as of the applicable Interest Determination Date of three leading dealers (which may include one or more of the agents, the calculation agent or their respective affiliates) of U.S. dollar commercial paper in The City of New York, selected by the calculation agent (after consultation with us) for U.S. dollar commercial paper having the Index Maturity designated in the applicable pricing supplement placed for industrial issuers whose bond rating is Aa, or the equivalent, from a nationally recognized rating agency.

(2) If the dealers selected by the calculation agent are not quoting as mentioned in clause (1) above, the Commercial Paper Rate determined on the applicable Interest Determination Date will be the rate in effect on the applicable Interest Determination Date.

**H.15 Daily Update** means the daily statistical release designated as such published by the Federal Reserve System Board of Governors, or its successor, available through the website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15> or any Successor Source.

**Money Market Yield** means, in respect of any security with a stated maturity of six months or less, the rate for which is quoted on a bank discount basis, a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where:

**D** refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and

**M** refers to the actual number of days in the interest period for which interest is being calculated.

**Eleventh District Cost of Funds Rate Notes.** Eleventh District Cost of Funds Rate Notes ( Eleventh District Cost of Funds Rate Notes ) will bear interest at the rates (calculated with reference to the Eleventh District Cost of Funds Rate and the Spread and/or Spread Multiplier, if any) specified in the Eleventh District Cost of Funds Rate Notes and the applicable pricing supplement.

Unless specified otherwise in the applicable pricing supplement, **Eleventh District Cost of Funds Rate** means the rate equal to the monthly weighted average cost of funds set forth opposite the caption 11TH Dist COFI: on the Reuters Screen COFI/ARMS Page or any Successor Source as of 11:00 a.m., San Francisco time, on the applicable Interest Determination Date.

The following procedures will be followed if the Eleventh District Cost of Funds Rate cannot be determined as described above:

(1) If the rate referred to above is no longer published on the relevant page, or if not published by 11:00 a.m., San Francisco time, on the related Calculation Date, the Eleventh District Cost of Funds Rate for the applicable Interest Determination Date will be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the Index ) by the Federal Home Loan Bank of San Francisco as the cost of funds for the calendar month immediately preceding the applicable Interest Determination Date.

S-20

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**Table of Contents**

(2) If the Federal Home Loan Bank of San Francisco fails to announce the Index as referred to in clause (1) on or before the related Calculation Date for the calendar month immediately preceding the applicable Interest Determination Date, then the Eleventh District Cost of Funds Rate for the applicable Interest Determination Date will be the Eleventh District Cost of Funds Rate in effect on the applicable Interest Determination Date.

***Federal Funds Rate Notes.*** Federal Funds Rate Notes ( Federal Funds Rate Notes ) will bear interest at the rates (calculated with reference to the Federal Funds Rate and the Spread and/or Spread Multiplier, if any) specified in the Federal Funds Rate Notes and the applicable pricing supplement.

Unless specified otherwise in the applicable pricing supplement, Federal Funds Rate means the rate with respect to the applicable Interest Determination Date as set forth in H.15 Daily Update for that day opposite the caption Federal funds (effective) as such rate is displayed on the Reuters Screen FEDFUNDS1 Page or any Successor Source under the caption EFFECT.

The following procedures will be followed if the Federal Funds Rate cannot be determined as described above:

(1) If the rate referred to above is not so published by 5:00 p.m., New York City time, on the related Calculation Date, the Federal Funds Rate for the applicable Interest Determination Date will be calculated by the calculation agent as the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers (which may include one or more of the agents, the calculation agent or their respective affiliates) of U.S. dollar federal funds transactions in The City of New York, selected by the calculation agent (after consultation with us), as of a time before 9:00 a.m., New York City time on the applicable Interest Determination Date.

(2) If the brokers so selected by the calculation agent are not quoting as referred to in clause (1) above, the Federal Funds Rate for the applicable Interest Determination Date will be the Federal Funds Rate in effect on the applicable Interest Determination Date.

***Federal Funds OIS Compound Rate Notes.*** Federal Funds OIS Compound Rate Notes ( Federal Funds OIS Compound Rate Notes ) will bear interest at the rates (calculated with reference to the Federal Funds OIS Compound Rate and the Spread and/or Spread Multiplier, if any) specified in the Federal Funds OIS Compound Rate Notes and the applicable pricing supplement.

Unless specified otherwise in the applicable pricing supplement, Federal Funds OIS Compound Rate on the applicable Interest Determination Date immediately following an Interest Reset Period will be the rate of return of a daily compound interest investment calculated in accordance with the formula set forth below:

where:

$d$  is the number of New York Banking Days in the relevant Interest Reset Period;

$i$  is a series of whole numbers from one to  $d$ , each representing the relevant New York Banking Days in chronological order from, and including, the first New York Banking Day in the relevant Interest Reset Period;

FEDFUNDi, for any day i in the relevant Interest Reset Period, is a reference rate equal to the rate set forth in H.15 Daily Update in respect of that day opposite the caption Federal funds (effective) as such rate is

S-21



**Table of Contents**

displayed on the Reuters Screen FEDFUNDS1 Page or any Successor Source under the caption EFFECT. Provided, that (1) if such rate does not appear on Reuters Screen FEDFUNDS1 Page or any Successor Source or is not yet published in H.15 Daily Update by 5:00 p.m., New York City time, on the related day, FEDFUNDi for that day will be calculated by the calculation agent as the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by three leading brokers (which may include one or more of the agents, the calculation agent or their respective affiliates) of U.S. dollar federal funds transactions in The City of New York, selected by the calculation agent (after consultation with us) as of a time before 9:00 a.m., New York City time on the applicable day; (2) if the brokers so selected by the calculation agent are not quoting as referred to in clause (1) above, FEDFUNDi for such day will be the rate displayed on the Reuters Screen FEDFUNDS1 Page or any Successor Source in respect of the first preceding New York Banking Day; and (3) if the rate is not displayed on Reuters Screen FEDFUNDS1 Page or any Successor Source in respect of the first preceding New York Banking Day, then FEDFUNDi for such day will be the FEDFUNDi in effect on the applicable Interest Determination Date;

$n$  is the number of calendar days in the relevant Interest Reset Period on which the rate is FEDFUNDi; and

$d$  is the number of calendar days in the relevant Interest Reset Period.

New York Banking Day means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in New York, New York.

**LIBOR Notes.** LIBOR Notes ( LIBOR Notes ) will bear interest at the rates (calculated with reference to LIBOR and the Spread and/or Spread Multiplier, if any) specified in the LIBOR Notes and the applicable pricing supplement.

The calculation agent will determine LIBOR on each Interest Determination Date as follows:

(1) With respect to any Interest Determination Date, LIBOR will be generally determined as the average of the offered rates for deposits in the Index Currency having the specified Index Maturity beginning on the second London Banking Day immediately after the Interest Determination Date (or, if pounds sterling is the Index Currency, beginning on such date or, if euro is the Index Currency, beginning on the second TARGET2 Settlement Day immediately after such date), that appear on the Designated LIBOR Page as of 11:00 a.m., London time, on that Interest Determination Date, if at least two such offered rates appear on the Designated LIBOR Page; *provided* that if the specified Designated LIBOR Page by its terms provides only for a single rate, then the single rate will be used.

(2) If fewer than two offered rates appear on the Designated LIBOR Page, or, if no rate appears and the Designated LIBOR Page by its terms provides only for a single rate, LIBOR for that Interest Determination Date will be determined based on the rates on that Interest Determination Date at approximately 11:00 a.m., London time, at which deposits on that date in the Index Currency for the period of the specified Index Maturity are offered to prime banks in the London interbank market by four major banks (which may include one or more of the agents, the calculation agent or their respective affiliates) in that market selected by the calculation agent (after consultation with us) and in a principal amount that is representative for a single transaction in the Index Currency in such market at such time. The offered rates must begin on the second London Business Day immediately after such Interest Determination Date (or if pounds sterling is the Index Currency, commencing on such Interest Determination Date or, if euro is the Index Currency, beginning on the second TARGET2 Settlement Day immediately after such date). The calculation agent will request the principal London office of each of these banks to quote its rate. If the calculation agent receives at least two quotations, LIBOR will be the average of those quotations.



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**Table of Contents**

(3) If the calculation agent receives fewer than two quotations as referred to in clause (2) above, LIBOR will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., in the Principal Financial Center, on the Interest Determination Date by major banks (which may include one or more of the agents, the calculation agent or their respective affiliates) in the Principal Financial Center selected by the calculation agent (after consultation with us). The rates will be for loans in the Index Currency to leading European banks having the specified Index Maturity beginning on the second London Business Day after such Interest Determination Date (or, if pounds sterling is the Index Currency, commencing on such Interest Determination Date or, if euro is the Index Currency, beginning on the second TARGET2 Settlement Day immediately after such Interest Determination Date) and in a principal amount that is representative for a single transaction in the Index Currency in that market at that time.

(4) If LIBOR is not determinable as described in paragraphs (1)-(3) above, LIBOR for the applicable Interest Determination Date will be equal to the interest rate in effect during the most recent Interest Reset Period for which LIBOR was determinable as described in paragraphs (1)-(3) above for the applicable floating rate Note.

Designated LIBOR Page means the display page specified in the LIBOR Notes and the applicable pricing supplement, or if no page is so specified or LIBOR Reuters is specified, the display on Reuters on page LIBOR01 or any Successor Source, for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency.

TARGET2 Settlement Day means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto is open.

**Prime Rate Notes.** Prime Rate Notes ( Prime Rate Notes ) will bear interest at the rates (calculated with reference to the Prime Rate and the Spread and/or Spread Multiplier, if any) specified in the Prime Rate Notes and in the applicable pricing supplement.

Unless specified otherwise in the applicable pricing supplement, Prime Rate means the rate on the applicable Interest Determination Date set forth in H.15 Daily Update opposite the caption Bank prime loan.

The following procedures will be followed if the Prime Rate cannot be determined as described above:

(1) If the rate referred to above is not so published by 5:00 p.m., New York City time, on the related Calculation Date, the Prime Rate for the applicable Interest Determination Date will be the rate calculated by the calculation agent as the arithmetic mean of the rates of interest publicly announced by each bank (which may include one or more of the agents, the calculation agent or their respective affiliates) that appears on the Reuters Page US PRIME 1, as defined below, as that bank's prime rate or base lending rate, as of 11:00 a.m. New York City time, for the applicable Interest Determination Date.

(2) If fewer than four rates appear on the Reuters Page US PRIME 1 by 5:00 p.m., New York City time, on the related Calculation Date, the Prime Rate for the applicable Interest Determination Date will be the rate calculated by the calculation agent as the arithmetic mean of the rates of interest publicly announced by three major banks (which may include one or more of the agents, the calculation agent or their respective affiliates) in New York City, selected by the calculation agent (after consultation with us), as its U.S. dollar prime rate or base lending rate as in effect for that day. Each change in the prime rate or base lending rate so announced by such bank will be effective as of the effective date of the announcement or, if no effective date is specified, as of the date of the announcement.

(3) If the banks selected by the calculation agent are not quoting as described in clause (2) above, the Prime Rate for the applicable Interest Determination Date will be the Prime Rate in effect on the applicable Interest Determination Date.

S-23

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**Table of Contents**

Reuters Page US PRIME 1 means the display designated as page US PRIME 1 on Reuters, or any Successor Source, for the purpose of displaying prime rates or base lending rates of major U.S. Banks.

**Treasury Rate Notes.** Treasury Rate Notes ( Treasury Rate Notes ) will bear interest at the rates (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any) specified in the Treasury Rate Notes and the applicable pricing supplement.

Unless specified otherwise in the applicable pricing supplement, Treasury Rate means the rate from the auction held on the applicable Interest Determination Date ( Auction ) of direct obligations of the United States ( Treasury Bills ) having the Index Maturity specified in the applicable pricing supplement which appears on either the Reuters Screen USAUCTION10 Page or any Successor Source or the Reuters Screen USAUCTION11 Page or any Successor Source opposite such Index Maturity under the heading INVEST RATE.

The following procedures will be followed if the Treasury Rate cannot be determined as described above:

(1) If the rate referred to above is not so published by 3:00 p.m., New York City time, on the related Calculation Date, the Treasury Rate for the applicable Interest Determination Date will be the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills announced by the United States Department of the Treasury.

(2) If the rate described in clause (1) above is not announced by the United States Department of the Treasury, or if the Auction is not held, the Treasury Rate for the applicable Interest Determination Date will be the Bond Equivalent Yield of the rate on the applicable Interest Determination Date of Treasury Bills having the Index Maturity specified in the applicable pricing supplement set forth in H.15 Daily Update under the caption U.S. government securities/Treasury bills (secondary market).

(3) If the rate described in clause (2) above is not so published by 3:00 p.m., New York City time, on the related Calculation Date, the Treasury Rate for the applicable Interest Determination Date will be the rate on the applicable Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update under the caption U.S. government securities/Treasury bills (secondary market).

(4) If the rate described in clause (3) above is not so published by 3:00 p.m., New York City time, on the related Calculation Date, the Treasury Rate for the applicable Interest Determination Date will be the rate on the applicable Interest Determination Date calculated by the calculation agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on the applicable Interest Determination Date, of three primary United States government securities dealers (which may include one or more of the agents, the calculation agent or their respective affiliates), selected by the calculation agent (after consultation with us), for the issue of Treasury Bills with a remaining stated maturity closest to the Index Maturity specified in the applicable pricing supplement.

(5) If the dealers selected by the calculation agent are not quoting as described in clause (4) above, the Treasury Rate for the applicable Interest Determination Date will be the rate in effect on the applicable Interest Determination Date.

Bond Equivalent Yield means, in respect of any security with a stated maturity of six months or less, the rate for which is quoted on a bank discount basis, a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 (D \times M)} \times 100$$

S-24

## **Table of Contents**

Where:

D refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal;

N refers to 365 or 366, as the case may be; and

M refers to the actual number of days in the interest period for which interest is being calculated.

## **Indexed Notes**

We may from time to time offer Notes ( Indexed Notes ) with the amounts payable determined by reference to:

the price or prices of specified commodities or stocks;

interest rate indices;

interest rate swap or exchange rate swap indices;

the exchange rate of one or more specified currencies relative to another currency; or

other indices as may be specified in the Notes and described in the applicable pricing supplement.

Holders of Indexed Notes may receive amounts at Maturity that are greater than or less than the face amount of the Indexed Notes. The method for determining the amounts, if any, payable on Interest Payment Dates and at Maturity and any applicable historical information and other considerations, including material tax considerations, associated with Indexed Notes, will be set forth in the applicable pricing supplement. See *Risk Factors Floating rate notes have risks that conventional fixed rate notes do not* in this prospectus supplement for a description of risks associated with Indexed Notes.

For purposes of determining the voting rights of a holder of an Indexed Note indexed as to principal under the Indenture, the principal amount of the Indexed Note will be deemed to be equal to the face amount of that Note upon issuance.

## **Original Issue Discount Notes**

We may issue the Notes as original issue discount Notes ( Original Issue Discount Notes ). An Original Issue Discount Note is a Note, including any Zero Coupon Note, which is issued at a price lower than the Note's principal amount and which provides that upon redemption, repurchase or acceleration of the Note's stated maturity an amount less than the Note's principal amount will be payable. If an Original Issue Discount Note is redeemed, repaid or accelerated prior to the Note's stated maturity, the amount payable to the holder of such a Note will be determined in accordance with the terms of the Note, but will be an amount less than the amount payable at the stated maturity of such a Note. Original Issue Discount Notes and other Notes may be treated as issued with original issue discount for U.S. federal income tax

purposes. See *Material United States Federal Income Tax Considerations* in this prospectus supplement. Additional considerations relating to Original Issue Discount Notes may be addressed in the applicable pricing supplement.

### **Repurchase Upon Change of Control Repurchase Event**

Unless specified otherwise in the applicable pricing supplement, upon the occurrence of a Change of Control Repurchase Event, unless we have exercised our right, if any, to redeem all of the Notes, we will make an offer to purchase all the Notes as described below (the *Change of Control Offer* ), at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase.

Within 30 days following the date upon which the Change of Control Repurchase Event occurred, or at our option, prior to any Change of Control but after the public announcement of the pending Change of Control, we



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## **Table of Contents**

will be required to provide a notice to each holder of Notes, with a copy to the Trustee, which notice will govern the terms of the Change of Control Offer. Such notice will state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is sent, other than as may be required by law (the Change of Control Payment Date ). The notice, if sent prior to the date of consummation of the Change of Control, will state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date; *provided*, that if such Change of Control is consummated after such proposed Change of Control Payment Date and such Change of Control Offer is therefore not consummated, the Company shall make a Change of Control Offer within 30 days following the later of the consummation of such Change of Control or a Below Investment Grade Rating Event.

Holders of Notes electing to have Notes purchased pursuant to a Change of Control Offer will be required to surrender such Notes, with the form entitled Option of Holder to Elect Purchase on the reverse of such Notes completed, to the paying agent at the address specified in the notice, or transfer such Notes to the paying agent by book-entry transfer pursuant to the applicable procedures of the paying agent, prior to the close of business on the third Business Day preceding the Change of Control Payment Date.

If the Change of Control Payment Date is on or after a Regular Record Date, but on or prior to the related Interest Payment Date, any accrued and unpaid interest to the Change of Control Payment Date will be paid on the Change of Control Payment Date to the Person in whose name a Note is registered at the close of business on such Regular Record Date.

We will not be required to make a Change of Control Offer if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by us and such third party purchases all Notes validly tendered and not withdrawn under its offer.

The Company will comply, to the extent applicable, with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of the conflict.

The Change of Control provisions described above may deter certain mergers, tender offers and other takeover attempts involving the Company by increasing the capital required to effectuate such transactions. The definition of Change of Control includes a disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries taken as a whole under certain circumstances. Although there is a limited body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of all or substantially all of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether the Company is obligated to make an offer to repurchase the Notes as described above. Certain provisions under the Indenture relative to the Company's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the holders of a majority in principal amount of the Notes.

## **Optional Redemption**

The applicable pricing supplement will, if applicable, specify the dates on which or the ranges of dates during which the Notes are redeemable at our option, the applicable redemption price or prices, the terms and conditions upon which the Notes may be redeemed and, if applicable, the calculation of any premium. Unless otherwise provided in

the applicable pricing supplement, we may not redeem the Notes, in whole or in part, at our option before their stated maturity. If so indicated in the applicable Notes and the applicable pricing supplement, we may redeem the Notes at our option on any date or range of dates specified in the applicable Notes and the applicable pricing supplement. If so indicated in the applicable Notes and the applicable pricing

S-26

**Table of Contents**

supplement, we may redeem the related Notes at any time in whole or, from time to time, in part at our option at the applicable redemption price specified in the applicable pricing supplement. Unless otherwise provided in the applicable pricing supplement, we must provide written notice of redemption not more than 60 nor less than 30 days before the redemption date. Unless otherwise provided in the applicable pricing supplement, we will redeem the Notes in increments of \$1,000, provided that any remaining principal amount will be at least an authorized denomination of the Notes. If less than all the Notes with equivalent terms other than original offering price are to be redeemed, the Trustee shall select, not more than 60 days prior to the redemption date, by lot and in accordance with the procedures of the depository, from the Notes that are subject to redemption pursuant to the terms thereof, the Note or Notes, or portion or portions thereof, to be redeemed. The pricing supplement will set forth the detailed terms of any redemption, including the price or prices, including premium, if any, at which the Notes may be redeemed.

If the redemption date of a Note is on or after a Regular Record Date, but on or prior to the related Interest Payment Date, any accrued and unpaid interest to the redemption date will be paid on the redemption date to the Person in whose name a Note is registered at the close of business on such Regular Record Date.

Any redemption notice may, at the Company's discretion, be subject to one or more conditions precedent, including completion of a corporate transaction. In such event, the related notice of redemption shall describe each such condition and, if applicable, shall state that, at the Company's discretion, the date of redemption may be delayed until such time as any or all such conditions shall be satisfied or waived (*provided* that in no event shall such date of redemption be delayed to a date later than 60 days after the date on which such notice was given), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or waived by the date of redemption, or by the date of redemption as so delayed.

**Repayment at the Option of Holder**

In addition to the repurchase of Notes as described under *Repurchase Upon Change of Control Repurchase Event* above, if so indicated in the applicable Notes and the applicable pricing supplement, we will repay the Notes in whole or in part at the option of the holders of the Notes on any optional repayment date specified in the applicable Notes and the applicable pricing supplement. If one or more repayment dates, or range of repayment dates, is specified in a pricing supplement, the applicable Notes will be subject to repayment, in whole or in part, as specified in that pricing supplement, on any repayment date, or during any range of repayment dates, at the option of the holder upon not less than 30 days nor more than 60 days prior written notice, at a price equal to 100% of the principal amount of Notes to be repaid, plus accrued and unpaid interest, if any, to the repayment date. Unless specified otherwise in the applicable pricing supplement, a holder may exercise that option with respect to less than the entire principal amount of a Note, if the portion remaining outstanding after such repayment is an authorized denomination. Unless specified otherwise in the applicable pricing supplement, exercise of a repayment option by a holder will be irrevocable.

Unless specified otherwise in the applicable pricing supplement, notice of a registered holder's option to elect repayment of a Note consists of delivery to the trustee of the Note and a duly completed form, with signature guaranteed, entitled *Option of Holder to Elect Purchase* on the reverse of the Note at least five business days prior to the end of the notice period.

Because your Notes will be represented by a global note, the nominee of DTC will be the holder entitled to exercise any right of repayment. In order to ensure that DTC's nominee will timely exercise any right of repayment with respect to a particular Note, the beneficial owner of an interest in the related global note must instruct the broker or other direct or indirect participant through which it holds such interest to notify DTC of its desire to exercise any right of repayment. Different firms have different cut-off times for accepting instructions from their customers and, accordingly, each beneficial owner should consult the participant through which it owns that interest in the related

global note for the cut-off times for that participant. All notices must be executed

S-27

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## **Table of Contents**

by a duly authorized officer of a DTC-participant, with signature guaranteed, and will be irrevocable. In addition, the beneficial owners are deemed to have effected delivery of the related interests in the global notes at the time those notices of election are given to DTC by causing the participant to transfer such beneficial owner's interest in the global note or notes representing those interests, on DTC's records, to the trustee.

## **Additional Notes**

We may, from time to time, without the consent of any holder of any Notes, create and issue additional Notes that have the same terms and conditions as Notes previously issued, or the same except for the public offering price, Issue Date and, in some cases, first Interest Payment Date. These additional Notes may be consolidated with the outstanding Notes to form a single series. Any additional Notes shall be issued under a separate CUSIP or ISIN number unless the additional Notes are issued pursuant to a qualified reopening of the original series or are otherwise treated as part of the same issue of debt instruments as the original series, in each case for U.S. federal income tax purposes.

## **Payments on the Notes; Paying Agent and Registrar**

We have initially appointed the Trustee to act as our paying agent (the Paying Agent) and registrar (the Registrar), acting through the Trustee's corporate trust office at, for purposes of surrender, transfer or exchange, 5022 Gate Parkway, Suite 200, Jacksonville, FL 32256, and, for all other purposes, 60 Wall Street, 16<sup>th</sup> Floor, Mail Stop: NYC60-1625, New York, NY 10005. We may change the Paying Agent or the Registrar without prior notice to the holders, and the Company or any of its Subsidiaries may act as Paying Agent or Registrar.

We will pay principal of, premium, if any, and interest on Notes issued in global form and registered in the name of or held by DTC or its nominee in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note. The registered holder of a Note will be treated as the owner of it for all purposes.

## **Amendments and Waivers**

The Indenture and the Notes may be amended as described in the Base Prospectus under *Description of Debt Securities Modification and Waiver Modification of Indenture*; provided that no amendment, supplement or waiver may, without the consent of each holder of Notes affected, change the time at which any Note may be redeemed or repurchased as described above under *Description of Notes Optional Redemption* or *Description of Notes Repurchase Upon Change of Control Repurchase Event*, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise (except amendments to the definition of *Change of Control* or *Below Investment Grade Rating Event*).

The following description applies in lieu of the description in the accompanying prospectus under the caption *Description of Debt Securities Modification and Waiver Waiver of Default*.

The holders of a majority in principal amount of the outstanding Notes may waive all past defaults, but may not waive a continuing default (a) in the payment of the principal of, premium, if any, or interest on any Note held by a non-consenting holder (including in connection with a Change of Control Repurchase Event), or (b) in respect of a covenant or provision hereof that under the Indenture cannot be modified or amended without the consent of the holder of each outstanding Note affected. Pursuant to the terms of the Indenture, the holders of a majority in principal amount of outstanding Notes may rescind and annul a declaration of acceleration (and its consequences) with respect to the Notes if (i) the Company has deposited with the Trustee a sum sufficient to pay all principal, premium, interest and funds advanced by the Trustee and the reasonable compensation, expenses and disbursements of the Trustee, its agents and its counsel, (ii) all Events of Default with respect to the Notes, except nonpayment of principal, premium,

if any, or interest on the Notes that became due solely because of the

S-28

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**Table of Contents**

acceleration of the Notes, have been cured or waived pursuant to the Indenture and (iii) such rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

**Certain Definitions**

Unless specified otherwise in the applicable pricing supplement, the following defined terms are applicable to the Notes in addition to any other defined terms in the Indenture that are not defined herein.

**Below Investment Grade Rating Event** means, with respect to an issuance of Notes, that at any time within 60 days (which period shall be extended so long as the rating of such Notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies) from the date of the public notice of a Change of Control or of the Company's intention or that of any Person to effect a Change of Control, the rating on such Notes are lowered, and such Notes are rated below an Investment Grade Rating, by (i) one Rating Agency if such Notes are rated by less than two Rating Agencies, (ii) both Rating Agencies if such Notes are rated by two Rating Agencies or (iii) at least a majority of such Rating Agencies if such Notes are rated by three or more Rating Agencies; *provided*, that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating of such Notes to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at its request that the reduction in the rating of such Notes was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

**Change of Control** means the occurrence of any one of the following:

a person or group within the meaning of Section 13(d) of the Exchange Act other than the Company, a direct or indirect Subsidiary, or any employee or executive benefit plan of the Company and/or its Subsidiaries, has become the beneficial owner, as defined in Rule 13d-3 under the Exchange Act, of the Company's Common Stock representing more than 50% of the total voting power of all Common Stock of the Company then outstanding and constituting Voting Stock;

the consummation of (i) any consolidation or merger of the Company pursuant to which the Company's Common Stock will be converted into the right to obtain cash, securities of a Person other than the Company, or other property; or (ii) any sale, lease or other transfer in one transaction or a series of related transactions of all or substantially all of the consolidated assets of the Company and its Subsidiaries, taken as a whole, to any other Person other than a direct or indirect Subsidiary of the Company; *provided*, that Aircraft Asset leasing in the ordinary course of business of the Company or any of its Subsidiaries shall not be considered the leasing of all or substantially all of the Company's consolidated assets; *provided further, however*, that a transaction described in clause (i) or (ii) in which the holders of the Company's Common Stock immediately prior to such transaction own or hold, directly or indirectly, more than 50% of the voting power of all Common Stock of the continuing or surviving corporation or the transferee, or the parent thereof, outstanding immediately after such transaction and constituting Voting Stock shall not constitute a Change of Control; or

the adoption of a plan relating to the Company's liquidation or dissolution.

Change of Control Repurchase Event means, with respect to an issuance of Notes, the occurrence of both a Change of Control and a Below Investment Grade Rating Event with respect to such Notes.

Investment Grade Rating means a rating equal to or higher than BBB by S&P, or the equivalent of any other Rating Agency, as applicable, or in each case the equivalent under any successor category of such Rating Agency.



**Table of Contents**

**Issue Date** means, with respect to an issuance of Notes, the first date of issuance of such Notes.

**Maturity** when used with respect to a Note, means the date on which the principal of such Note or an installment of the principal of or premium on such Notes becomes due and payable as therein or herein provided, whether at the stated maturity or by declaration of acceleration, call for redemption at the option of the Company, upon repurchase or repayment at the option of the holder or otherwise, and includes a redemption date for such Note and a date fixed for the repurchase or repayment of such Note at the option of the holder.

**Rating Agency** means S&P and any additional rating agency that provides a rating with respect to an issuance of Notes and is a nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act (NRSRO); *provided*, that if any such Rating Agency ceases to provide rating services to issuers or investors, the Company may appoint a replacement for such Rating Agency that is a NRSRO.

**S&P** means Standard & Poor's Ratings Services or any successor to its rating agency business.

**Voting Stock** means Capital Stock of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect the corporate directors (or Persons performing similar functions).

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**Table of Contents**

**BOOK-ENTRY, DELIVERY AND FORM**

**Book-Entry Procedures**

Upon issuance, all notes in book-entry form having the same date of issue, stated maturity date and redemption and/or repayment provisions, if any, and otherwise having identical terms and provisions will be in the form of one or more fully registered global notes ( Global Notes ). Unless otherwise specified in the applicable pricing supplement, each Global Note will be issued in a minimum denomination of \$2,000 or integral multiples of \$1,000 in excess thereof and will be deposited with DTC in New York, New York or its nominee. This means that the Company would not issue certificates to each holder. Unless otherwise specified in the applicable pricing supplement, each Global Note will be issued in the name of Cede & Co., DTC's nominee, which will keep a computerized record of its participants (for example, your broker) whose clients have purchased notes. The participant will then keep a record of its clients who purchased the notes. Unless it is exchanged in whole or in part for a certificate, a Global Note may not be transferred, except that DTC, its nominees, and their successors may transfer a Global Note as a whole to one another.

Beneficial interests in Global Notes will be shown on, and transfers of Global Notes will be made only through, records maintained by DTC and its participants. If you are not a participant in DTC, you may beneficially own notes held by DTC only through a participant.

The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and laws may impair the ability to transfer beneficial interests in a Global Note.

DTC has provided the Company with the following information: DTC is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC holds securities that its direct participants deposit with DTC. DTC also facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ( DTCC ). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of notes represented by one or more Global Notes under the DTC system must be made by or through direct participants, which will receive a credit for the notes on DTC's records. The ownership interest of each beneficial owner of each note is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in notes, except in the event that

use of the book-entry system for the notes is discontinued or in other limited circumstances set forth in the indenture governing the notes.

S-31

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**Table of Contents**

To facilitate subsequent transfers, all notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the notes; DTC's records reflect only the identity of the direct participants to whose accounts such notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Delivery of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices, if any, will be sent to DTC. If less than all of the notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the notes. Under its usual procedures, DTC mails an omnibus proxy to the Company as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the notes are credited on the record date (identified in a listing attached to the omnibus proxy).

Redemption proceeds and distributions on the notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Company or the paying agent on the payment date in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of each participant and not of DTC, the paying agent, or the Company, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Company or the paying agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

A beneficial owner must give notice to elect to have its notes purchased or tendered, through its participant, to the paying agent, and will effect delivery of the notes by causing the direct participant to transfer the participant's interest in the notes, on DTC's records, to the paying agent. The requirement for physical delivery of the notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the notes are transferred by direct participants on DTC's records and followed by a book-entry credit of tendered securities to the paying agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the notes at any time by giving reasonable notice to us or the paying agent. Under such circumstances, in the event that a successor securities depository is not obtained, note certificates are required to be printed and delivered. The Company may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but the Company takes no responsibility for its accuracy.

**Same-day Settlement and Payment**

The notes will trade in the same-day funds settlement system of DTC until maturity or until the Company issues the notes in certificated form. DTC will therefore require secondary market trading activity in the notes to

S-32

**Table of Contents**

settle in immediately available funds. The Company can give no assurance as to the effect, if any, of settlement in immediately available funds on trading activity in the notes.

**Euroclear and Clearstream, Luxembourg**

If the depository for a Global Note is DTC, you may hold interests in the Global Note through Euroclear Bank SA/NV, as operator of the Euroclear System ( Euroclear ) or Clearstream Banking, S.A. ( Clearstream, Luxembourg ), in each case, as a participant in DTC.

Euroclear and Clearstream, Luxembourg will hold interests, in each case, on behalf of their participants through customers securities accounts in the names of Euroclear and Clearstream, Luxembourg on the books of their respective depositories, which in turn will hold such interests in customers securities in the depositories names on DTC s books.

Payments, deliveries, transfers, exchanges, notices and other matters relating to the notes made through Euroclear or Clearstream, Luxembourg must comply with the rules and procedures of those systems. Those systems could change their rules and procedures at any time. The Company has no control over those systems or their participants, and the Company takes no responsibility for their activities. Transactions between participants in Euroclear or Clearstream, Luxembourg, on the one hand, and other participants in DTC, on the other hand, would also be subject to DTC s rules and procedures.

Investors will be able to make and receive through Euroclear and Clearstream, Luxembourg payments, deliveries, transfers, exchanges, notices and other transactions involving any securities held through those systems only on days when those systems are open for business. Those systems may not be open for business on days when banks, brokers and other institutions are open for business in the United States.

In addition, because of time-zone differences, U.S. investors who hold their interests in the notes through these systems and wish, on a particular day, to transfer their interests, or to receive or make a payment or delivery or exercise any other right with respect to their interests, may find that the transaction will not be effected until the next business day in Luxembourg or Brussels, as applicable. Thus, investors who wish to exercise rights that expire on a particular day may need to act before the expiration date. In addition, investors who hold their interests through both DTC and Euroclear or Clearstream, Luxembourg may need to make special arrangements to finance any purchase or sales of their interests between the U.S. and European clearing systems, and those transactions may settle later than transactions within one clearing system.

**Table of Contents**

**SPECIAL PROVISIONS RELATING TO FOREIGN CURRENCY NOTES**

**General**

The following provisions will apply to foreign currency notes in addition to, and to the extent inconsistent therewith will replace, the description of general terms and provisions of notes set forth in the accompanying prospectus and elsewhere in this prospectus supplement.

The applicable pricing supplement will set forth information about the specified currency in which a particular foreign currency note is denominated and/or payable, including historical exchange rates and a description of the currency and any exchange controls, and, in the case of a basket of currencies, will include a description of that basket and a description of provisions for payment in the event that currency basket is no longer used for the purposes for which it was established. Any information that is provided in the applicable pricing supplement concerning exchange rates is provided as a matter of information only and you should not regard it as indicative of the range of or trends in fluctuations in currency exchange rates that may occur in the future.

Unless otherwise specified in the applicable pricing supplement, foreign currency notes will not be sold in, or to residents of, the country issuing the specified currency in which such notes are denominated. The information described in this prospectus supplement is directed to prospective purchasers who are United States residents. We and the agents disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States with respect to any matters that may affect the purchase, holding or receipt of payments of principal of and interest on the notes. Such persons should consult their own financial and legal advisors with regard to such matters.

**Purchase of Foreign Currency Notes**

Unless otherwise specified in the applicable pricing supplement, purchasers of foreign currency notes will be required to pay for such notes in the specified currency. At the present time, there are limited facilities in the United States for conversion of U.S. dollars into specified currencies and vice versa, and banks may elect not to offer non-U.S. dollar checking or savings account facilities in the United States. However, at the request of a purchaser of foreign currency notes on or prior to the fifth Business Day preceding the date of delivery of the foreign currency notes, or by such other day as determined by the agent who presents the offer to purchase foreign currency notes to us, that agent may be prepared to arrange for the conversion of U.S. dollars into the applicable specified currency set forth in the applicable pricing supplement to enable such purchaser to pay for the foreign currency notes. Each such conversion will be made by the agent or agents on the terms and subject to the conditions, limitations and charges as the agent may from time to time establish in accordance with their regular foreign exchange practices. If you purchase foreign currency notes you will pay all costs of exchange.

**Payment of Principal, Premium and Interest**

Unless otherwise specified in the applicable note and the applicable pricing supplement, the principal of, and premium, if any, and interest on, foreign currency notes will be payable by us in the specified currency; provided, however, that we will nevertheless pay principal of, and premium, if any, and interest on, foreign currency notes in U.S. dollars:

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if the notes are represented by Global Notes, unless DTC has received notice from any of its participants of the election of beneficial owners of the notes holding through them to receive payment in the specified currency, in accordance with the procedures described below, in which case, such beneficial owners will receive payment in the specified currency;

if the notes are in certificated form, at the option of holders of the notes under the procedures described below; and

S-34



**Table of Contents**

if the specified currency is unavailable due to the imposition of exchange controls or other circumstances beyond our control. See *Payment Currency* below.

U.S. dollar amounts that we owe to holders of foreign currency notes will be based on the highest bid quotation received by the exchange rate agent specified in the applicable pricing supplement at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date. The exchange rate agent will obtain that highest quote by asking three recognized foreign exchange dealers in The City of New York selected by us (one of whom may be the exchange rate agent) for their bid quotations for the purchase of the specified currency in exchange for U.S. dollars for settlement on the relevant payment date, in the aggregate amount of the specified currency payable to all holders of foreign currency notes scheduled to receive U.S. dollar payments, and at which the applicable dealer commits to execute a contract. If three such bid quotations are not available, we will make payments in the specified currency. All currency exchange costs will be borne by the holders of foreign currency notes by deductions from such payments.