

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Incorporated
Under the Laws
of Ohio

AMERICAN FINANCIAL GROUP, INC.
ONE EAST FOURTH STREET
CINCINNATI, OHIO 45202
(513) 579-2121

I.R.S. Employer
Identification No.
31-1544320

GREAT AMERICAN FINANCIAL RESOURCES, INC.
RETIREMENT AND SAVINGS PLAN

James C. Kennedy, Esq.
Vice President, Deputy General Counsel and Secretary
American Financial Group, Inc.
Cincinnati, Ohio 45202
(513) 579-2538
(Agent for Service)

CALCULATION OF REGISTRATION FEE

Title of Securities To Be Registered	Amount To Be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(3)
Common Stock	250,000 Shares	\$24.20(2)	\$6,050,000(2)	\$1,446

- (1) This Registration Statement is filed for up to 250,000 shares of common stock of American Financial Group, Inc. (the "Registrant") issuable to employees of the Registrant's subsidiary, Great American Financial Resources, Inc., pursuant to the Great American Financial Resources, Inc. Retirement and Savings Plan.
- (2) Estimated solely for purposes of calculating registration fee.
- (3) Registration fee has been calculated pursuant to Rule 457(h).

Great American Financial Resources, Inc., formerly known as American Annuity Group, Inc., is an 83%-owned subsidiary of American Financial Group, Inc.

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference

The following documents filed by American Financial Group, Inc. (the "Registrant") with the Securities and Exchange Commission (the "Commission") are incorporated herein by reference and made a part hereof:

1. Annual Report on Form 10-K for the year ended December 31, 2000.
2. Quarterly Reports on Form 10-Q for the quarters ended March 31, 2001, June 30, 2001 and September 30, 2001.
3. Current Report on Form 8-K dated August 2, 2001.
4. The description of the Registrant's common stock contained in the Form 8-A filed with the Commission on November 23, 1997.

All reports and other documents filed by the Registrant pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and to be a part hereof from the date of filing such documents.

Item 4. Description of Securities

Not applicable.

Item 5. Interests of Named Experts and Counsel

The legality of the Common Stock will be passed upon for the Registrant by Keating, Muething & Klekamp, P.L.L., 1400 Provident Tower, One East Fourth Street, Cincinnati, Ohio 45202.

Item 6. Indemnification of Directors and Officers

Ohio Revised Code, Section 1701.13(E), allows indemnification by the Registrant to any person made or threatened to be made a party to any proceedings, other than a proceeding by or in the right of the Registrant, by reason of the fact that he is or was a director, officer, employee or agent of the Registrant, against expenses, including judgment and fines, if he acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Registrant and, with respect to criminal actions, in which he had no reasonable cause to believe that his conduct was unlawful. Similar provisions apply to actions brought by or in the right of the Registrant, except that no indemnification shall be made in such cases when the person shall have been adjudged to be liable for negligence or misconduct to the Registrant unless deemed otherwise by the court. Indemnifications are to be made by a majority vote of a quorum of disinterested directors or the written opinion of independent counsel or by the shareholders or by the court. The Registrant's Code of Regulations extends such indemnification.

The Registrant maintains, at its expense, Directors and Officers Liability and Registrant Reimbursement Liability Insurance. The Directors and Officers Liability portion of such policy covers all directors and officers of the Registrant and of the companies which are, directly or indirectly, more than 50% owned by the Registrant. The policy provides for payment on behalf of the directors and officers, up to the policy limits and after expenditure of a specified deductible, of all Loss (as defined) from claims made against them during the policy period for defined wrongful acts, which include errors, misstatements or misleading statements, acts or omissions and neglect or breach of duty by directors and officers in the discharge of their individual or collective duties as such. The insurance includes the cost of investigations and defenses, appeals and bonds and settlements and judgments, but not fines or penalties imposed by law. The insurance does not cover any claims arising out of acts alleged to have been committed prior to October 24, 1978. The insurer limit of liability under the policy is \$50,000,000 in the aggregate for all losses each year subject to certain individual and aggregate deductibles. The policy contains various exclusions and reporting requirements.

The Registrant also has entered into indemnification agreements with its executive officers and directors providing for indemnification against certain liabilities to the fullest extent permitted under Ohio law.

Item 7. Exemption from Registration Claimed

Not applicable.

Item 8. Exhibits

- 5 Opinion of Keating, Muething & Klekamp, P.L.L.
- 10 Great American Financial Resources, Inc. Retirement and Savings Plan
- 23.1 23.1 Consent of Keating, Muething & Klekamp, PLL (contained on Exhibit 5).
- 23.2 Consent of Ernst & Young LLP 24 Power of Attorney (contained on the signature page).

Item 9. Undertakings

9.1 The Registrant hereby undertakes to file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

1. to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
2. to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.
3. to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (1) and (2) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

9.2 The undersigned Registrant hereby undertakes that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

9.3 The undersigned Registrant hereby undertakes to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

9.4 The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

9.5 Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit, or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

The Registrant. Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Cincinnati, Ohio, on November 30, 2001.

AMERICAN FINANCIAL GROUP, INC.

By: /s/ Carl H. Lindner
Carl H. Lindner
Chairman of the Board

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated. Each person below whose signature is preceded by an (*) hereby constitutes and appoints Fred J. Runk, James C. Kennedy and Karl J. Grafe, or any of them, his true and lawful attorney and agent, to sign all amendments to this Registration Statement as well as any related registration statement (or amendment thereto) filed pursuant to Rule 462(b) promulgated under the Securities Act of 1933.

<u> Signature </u>	<u> Capacity </u>	<u> Date </u>
<u>*/s/Carl H. Lindner </u>	Chairman of the Board	November 30, 2001

Carl H. Lindner	and Chief Executive Officer and a Director (Principal Executive Officer)	
<u>*/s/Carl H. Lindner III</u> Carl H. Lindner III	Director	November 30, 2001
<u>*/s/S. Craig Lindner</u> S. Craig Lindner	Director	November 30, 2001
<u>*/s/Keith E. Lindner</u> Keith E. Lindner	Director	November 30, 2001
<u>*/s/James E. Evans</u> James E. Evans	Director	November 30, 2001
<u>*</u> Theodore H. Emmerich	Director	November __, 2001
<u>*</u> Thomas M. Hunt	Director	November __, 2001
<u>*</u> William F. Martin	Director	November __, 2001
<u>*/s/Fred J. Runk</u> Fred J. Runk	Senior Vice President and Treasurer (Principal Financial and Accounting Officer)	November 30, 2001

EXHIBIT 5
OPINION OF KEATING, MUETHING & KLEKAMP, P.L.L.

November 30, 2001

Mark A. Weiss
Direct Dial: 579-6599
Facsimile: 579-6956
E-Mail: MWeiss@kmlaw.com

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Ladies and Gentlemen:

This firm serves as general counsel to American Financial Group, Inc. (the "Company"). In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such documents as we have deemed necessary or appropriate as a basis for the opinions set forth below including (1) the Registration Statement on Form S-8 relating to the Retirement and Savings Plan (the "Plan") of Great American Financial Resources, Inc. ("GAFR"), a subsidiary of the Company, (2) the Articles of Incorporation and Code of Regulations of the Company, each as amended to the date hereof, and (3) resolutions of the Board of Directors of the Company relating to the approval of the Plan, issuance of shares of Common Stock pursuant to the Plan and the filing of the Registration Statement.

Based upon the foregoing, it is our opinion that:

- (1) When shares of common stock of the Company (the "Common Stock") have been issued as contemplated by the Plan, such shares of Common Stock will constitute duly issued, fully paid and non-assessable shares of Common Stock of the Company;
- (2) the Company is a duly organized and validly existing corporation under the laws of the State of Ohio; and
- (3) the Company has taken all necessary and required corporate actions in connection with the Plan.

We hereby consent to the reference to our firm in the Registration Statement. In providing this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act of 1933 or the rules and regulations of the Commission promulgated thereunder.

Sincerely yours,

KEATING, MUETHING & KLEKAMP, P.L.L.

By: /s/ Mark A. Weiss
Mark A. Weiss

EXHIBIT 10

GREAT AMERICAN FINANCIAL RESOURCES, INC.
RETIREMENT AND SAVINGS PLAN

GREAT AMERICAN FINANCIAL
RESOURCES, INC.
RETIREMENT AND SAVINGS PLAN

(Amended and Restated as of January 1, 2001)

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GREAT AMERICAN FINANCIAL RESOURCES, INC.

RETIREMENT AND SAVINGS PLAN

(Amended and Restated as of January 1, 2001)

Article 1. The Plan

1.1 Establishment of the Plan.

Effective January 1, 2001, GREAT AMERICAN FINANCIAL RESOURCES, INC., formerly known as American Annuity Group, Inc., (referred to herein as the "Company" or "GAFRI") amends and restates the American Annuity Group, Inc. Employee Stock Ownership/Retirement Plan and merges the American Annuity Group, Inc. Retirement Savings Plan into it. Hereafter, it shall be known as the GREAT AMERICAN FINANCIAL RESOURCES, INC. RETIREMENT AND SAVINGS PLAN (the "Plan"). The Plan is maintained for the benefit of eligible Employees of the Company and any participating Employers.

1.2 Applicability of the Plan.

The provisions of this Plan are applicable only to Employees in the employ of an Employer on or after the Effective Date. If an Employee's employment with an Employer terminated prior to the Effective Date, his right to benefits, if any, and the amount thereof, will be determined in accordance with the provisions of the prior plans in effect as of his date of termination.

1.3 Purpose of the Plan.

The purpose of the Plan is to enable Participants to accumulate capital on a regular and long-term basis for their retirement income needs.

End of Article 1

Article 2. Definitions

2.1 Definitions.

Whenever used in the Plan, the following terms shall have the respective meanings set forth below unless otherwise expressly provided herein, and when the defined meaning is intended the term is capitalized.

- (a) "AAG ESORP" means the American Annuity Group Employee Stock Ownership/Retirement Plan into which the AAG 401(k) Plan was merged as of the Effective Date to form this Plan.

- (b) "AAG 401(k) Plan" means the American Annuity Group Retirement Savings Plan which was merged as of the Effective Date into the AAG ESORP to form this Plan.
- (c) "Account" means the separate account maintained for each Member which represents the Member's total proportionate interest in the Trust Fund as of any Valuation Date and which consists of the sum of the following sub-accounts:
- (1) "Section 401(k) Contributions Account" means that portion of such Member's Account which evidences the value of the Section 401(k) Contributions made on the Member's behalf by an Employer, including any gains and losses of the Trust Fund attributable thereto.
 - (2) "Employer Retirement Contributions Account" means that portion of such Member's Account which evidences the value of the Employer Retirement Contributions made on the Member's behalf by an Employer, including any gains and losses of the Trust Fund attributable thereto.
 - (3) "Matching Contributions Account" means that portion of such Member's Account which evidences the value of the Matching Contributions made on the Member's behalf by an Employer, including any gains and losses of the Trust Fund attributable thereto.
 - (4) "Rollover Contributions Account" means that portion of such Participant's or Employee's Account which evidences the value of the Rollover Contributions made by the Member in accordance with Section 4.9, including any gains and losses of the Trust Fund attributable thereto.
- (d) "Act" means the Employee Retirement Income Security Act of 1974, as amended.
- (e) "Adjusted Compensation" means a Participant's wages, salaries, fees for professional services, and other amounts received for personal services actually rendered as an Employee (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, and bonuses) and any other items included under Treasury Regulation 1.415-2(d)(1). Adjusted Compensation shall include elective or salary reduction amounts which are excludable from gross income under Sections 125, 402(a)(8), 402(h) or 403(b) of the Code for Plan Years beginning prior to January 1, 1998. Adjusted Compensation shall exclude:
- (1) Contributions by an Employer to a plan of deferred compensation to the extent contributions are not included in the gross income of the Participant for the taxable year in which contributed, or on behalf of the Participant to a simplified employee pension described in Section 408(k) of the Code to the extent such contributions are deductible under Section 219(b)(2) of the Code, and any distributions from a plan of deferred compensation whether or not includable in the gross income of the Participant when distributed;
 - (2) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Participant becomes freely transferable or is no longer subject to a substantial risk or forfeiture;
 - (3) Amounts realized from the sale, exchange, or other disposition of stock acquired under a qualified stock option; and
 - (4) Other amounts that receive special tax benefits, or contributions made by an Employer (whether or not under a salary reduction agreement) toward the purchase of a 403(b) annuity contract (whether or not the contributions are excludable from the gross income of the Participant).

Adjusted Compensation in excess of the Compensation Limit shall be disregarded.

(f) "Administrative Plan Committee" means the committee which has been designated as the "plan administrator" as provided in Section 10.1.

(g) "Affiliate" means the following:

- (1) Any corporation other than GAFRI, i.e., either a subsidiary corporation or an affiliated or associated corporation of GAFRI, which together with GAFRI is a member of a "controlled group" of corporations;
- (2) any organization which together with GAFRI is under "common control"; or
- (3) any organization which together with GAFRI is an "affiliated service group";

as those terms inside quotation marks are used in Sections 414(b), 414(c), and 414(m) of the Code.

The term "Affiliate" also includes any other entity required to be aggregated with GAFRI pursuant to regulations under Section 414(o) of the Code.

- (h) "AFG Common Stock" means shares of common stock, \$1.00 par value, of AFG.
- (i) "Aggregation Group" means the group as defined in Section 13.2(a).
- (j) "Board" means the Board of Directors of GAFRI or any committee of the Board to which the Board delegates responsibilities under this Plan.
- (k) "Code" means the Internal Revenue Code of 1986, as amended.
- (l) "Company" means GAFRI or any successor thereto.
- (m) "Compensation Limit" means the maximum amount of Covered Compensation or Adjusted Compensation taken into account under the Plan for any Plan Year as set forth in Section 401(a)(17) of the Code and as may be adjusted by the Secretary of Treasury to reflect increases in the cost of living.
- (n) "Covered Compensation" means all wages as defined in Section 3401(a) of the Code and all other payments of compensation to an Employee by the Employer (in the course of the Employer's trade or business) for which the Employer is required to furnish the employee a written statement under Sections 6041(d) and 6051(a)(3) of the Code. Compensation must be determined without regard to any rules under Section 3401(a) of the Code that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Section 3041(a)(2) of the Code). Compensation shall exclude any addition to gross pay for benefits, including but not limited to group term life, auto/homeowners coverage, service awards, educational reimbursements and/or any addition to gross pay, including but not limited to, non-reimbursable expense items, cost of air transportation on company-owned aircraft, relocation expenses, any payments made on account of participation in any other qualified or non-qualified plan(s) that result in taxable distribution(s) and statutory payments such as worker's compensation or state disability payments. Covered Compensation shall include any elective deferrals for that calendar year with respect to employment with the Employer (1) under a qualified cash or deferred arrangement described in Section 401(k) of the Code, (2) to a plan qualified under Section 125 of the Code, (3) to a plan qualified under Section 402(h) of the Code, (4) to a plan qualified under Section 132(f)(4) of the Code, or (5) to another to another similar type of plan. Covered Compensation shall not include any amounts paid by reason of services performed prior to the date an Employee becomes a Participant or bonuses (other than an annual bonus) paid by an Employer as a long-term incentive bonus or a similar type of bonus that is considered long-term incentive compensation. Covered Compensation in excess of the Compensation Limit shall be disregarded.
- (o) "Defined Benefit Fraction" means for a Limitation Year, except as provided in Article 13 for a top-heavy plan, a fraction, the numerator of which shall be the projected annual benefit of the Participant under the defined benefit plan(s) (determined as of the close of the Limitation Year) and the denominator of which shall be an amount equal to the lesser of: (1) the product of 1.25 multiplied by the dollar limitation in effect for such Limitation Year under Section 415(b)(1)(A) of the Code, as adjusted under Section 415(d)(1)(A) of the Code, or (2) the product of 1.4 multiplied by the amount which may be taken into account for such Limitation Year under Section 415(b)(1)(B) of the Code with respect to such Participant.
- (p) "Defined Contribution Fraction" means for a Limitation Year, except as

provided in Article 13 for a top-heavy plan, a fraction, the numerator of which shall be the sum of the Annual Additions to the Participant's Accounts under all defined contribution plan(s) maintained by an Employer or Affiliate as of the close of the Limitation Year, and the denominator of which shall be the sum of the lesser of the following amounts determined for each such plan for the Limitation Year and for each prior year of Service with an Employer or an Affiliate: (1) the product of 1.25 multiplied by the dollar limitation in effect for such Limitation Year under Section 415(c)(1)(A) of the Code, as adjusted under Section 415(d)(1)(B) of the Code, (determined without regard to Section 415(c)(6) of the Code) or (2) the product of 1.4 multiplied by the amount that may be taken into account under Section 415(c)(1)(B) of the Code with respect to such individual under the defined contribution plan(s) of the Limitation Year.

- (q) "Determination Date" means that date as defined in Section 13.2(b).
- (r) "Direct Rollover" means a payment by the Plan to the Eligible Retirement Plan specified by the Distributee.
- (s) "Disability" or "Disabled" means a total physical or mental inability to perform work, resulting from injury or disease, as determined under any long-term disability plan sponsored by an Employer.
- (t) "Distributee" means a Member. In addition, the Member's surviving spouse and the Member's spouse or former spouse who is the alternate payee under a Qualified Domestic Relations Order as defined in Section 2.1(ccc) of the Plan are Distributees with regard to the interest of the spouse or former spouse.
- (u) "Earnings" mean, for purposes of Article 12, all dividends and other distributions made with respect to GAFRI Common Stock (whether or not taxable and whether paid in cash or other property), including the proceeds from the sale or other disposition of such other property and dividends or other distributions made with respect to such other property.
- (v) "Effective Date" means 12:00 a.m. on January 1, 2001 for the amendment and restatement of this Plan following 11:59 p.m. on December 31, 2000. For purposes of compliance with the Uruguay Round Agreements Act, the Uniformed Services Employment and Reemployment Rights Act of 1994, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, and/or the Internal Revenue Service Restructuring and Reform Act of 1998 (collectively referred to as "GUST"), an earlier effective date shall apply as specified in the Plan. In addition, to the extent specified in the Plan, a later effective date may be applicable. For purposes of the original adoption of this Plan, Effective Date means January 1, 1994 for both the AAG ESORP and the AAG 401(k) Plan.
- (w) "Eligible Retirement Plan" means an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the Distributee's Eligible Rollover Distribution. However, in the case of an Eligible Rollover Distribution to the surviving spouse, an Eligible Retirement Plan is an individual retirement account or individual retirement annuity.
- (x) "Eligible Rollover Distribution" means any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the Distributee or the joint lives (or joint life expectancies) of the Distributee and the Distributee's designated beneficiary, or for a specified period of 10 years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (y) "Employee" means an individual who performs services for an Employer, and who is considered by an Employer in its sole and absolute discretion to be an Employee for purposes of the Plan. An individual who performs services for an independent contractor, leased employee, employee of a temporary agency or in any other capacity not considered by an Employer in its sole and absolute discretion to result in classification as an Employee for purposes of the Plan shall not be considered an Employee. A determination that a person is an employee

of the Employer for other purposes such as employment tax purposes, shall have no bearing whatsoever on the determination of whether the individual is an Employee under the Plan if an Employer does not consider the individual to be its Employee for purposes of the Plan.

- (z) "Employer" means GAFRI or any Affiliate which elects to become a party to the Plan, with the approval of GAFRI by adopting the Plan for the benefit of its eligible Employees in the manner described in Article 14.
- (aa) "Employer Retirement Contributions" mean the Retirement Contributions made by an Employer on behalf of a Participant pursuant to Section 4.6.
- (bb) "Employment Commencement Date" means the first day on which an Employee first performs an Hour of Service for GAFRI, another Employer, or a nonparticipating Affiliate or, if applicable, the first day following a Severance from Service, on which an Employee performs an Hour of Service for GAFRI, another Employer, or a nonparticipating Affiliate.
- (cc) "Entry Date" means the following: (i) January 1 and July 1 for purposes of the Employer Retirement Contributions; (ii) any date that is at least thirty (30) days after the Employee's Employment Commencement Date for purposes of Section 401(k) Contributions and Matching Contributions.
- (dd) "ESOP Loan" means a loan described in Section 404(a)(9)(A) of the Code and that otherwise satisfies the requirements of Section 12.5. All ESOP Loans entered into simultaneously shall be treated as one ESOP Loan for all purposes under the Plan.
- (ee) "Fair Market Value" of GAFRI Securities means the closing price per share of GAFRI Securities for the most recent date on which there was a sale of GAFRI Securities on a stock exchange or, if the GAFRI Securities are not listed on an exchange as of the date of such purchase or sale, such price as the Trustee shall in good faith determine is appropriate through appraisals made by an "independent appraiser" in accordance with Section 401(a)(28)(C) of the Code.
- (ff) "Forfeiture" means the non-vested portion of a Participant's Account which is forfeited and allocated pursuant to Section 4.7.
- (gg) "Former Participant" means any person who has been a Participant hereunder whose employment with the Employer has been terminated and who has not yet received the entire benefit to which he is entitled under the terms of the Plan.
- (hh) "GAFRI" means Great American Financial Resources, Inc., formerly known as American Annuity Group, Inc., or any successor thereto.
- (ii) "GAFRI Common Stock" means shares of common stock, \$1.00 par value, of GAFRI.
- (jj) "GAFRI Common Stock Fund" means the investment fund which consists of GAFRI Common Stock.
- (kk) "GAFRI Securities" means GAFRI Common Stock, preferred stock, convertible debentures, or other securities which are deemed to be "qualifying employer securities" as that term is defined under the provisions of the Act.
- (ll) "Highly Compensated Employee" means an individual, as determined under Section 414(q) of the Code and the Regulations thereunder, who:
 - (1) During the Plan Year or the preceding 12-month period was at any time a 5% owner. Five Percent Owners mean any person who owns (or is considered as owning within the meaning of Section 318 of the Code) more than 5% of the outstanding stock of the Participant's Employer or stock possessing more than 5% of the total combined voting power of all stock of such Employer. In determining percentage ownership hereunder, employers that would otherwise be aggregated under Sections 414(b), (c), (m) and (o) of the Code shall be treated as separate employers; or
 - (2) Received Adjusted Compensation from an Employer in excess of \$85,000 (as adjusted pursuant to Section 414(q)(1) of the Code) during the 12-month period preceding the Plan Year, and, if elected by GAFRI, was in the group consisting of the top 20% of the Employees when ranked on the basis of Adjusted Compensation paid during such preceding 12-month period.

- (3) Effective for Plan Years beginning after December 31, 1996, the family aggregation rules previously in effect for this purpose no longer apply.
- (mm) "Hour of Service" means a period of employment, as defined in Section 3.8.
- (nn) "Investment Fund" means any investment fund established from time to time by the Plan Administrator as an investment media for the Trust Fund. The Plan Administrator shall have the discretion to establish and terminate such funds as it shall deem appropriate and to change the investment guidelines for any such funds as it shall deem appropriate.
- (oo) "Key Employee" means those Employees as defined in Section 13.2(c).
- (pp) "Leased Employee" means any person (other than an Employee) who pursuant to an agreement between an Employer and any other person ("leasing organization") has performed services for such Employer (or for such Employer and related persons determined in accordance with Section 414(n)(6) of the Code) on a substantially full-time basis for a period of at least one year, and such services are performed under the primary direction or control of such Employer. Contributions or benefits provided a Leased Employee by the leasing organization which are attributable to services performed for an Employer shall be treated as provided by such Employer. A Leased Employee shall not be considered an Employee of an Employer if: (1) such Employee is covered by a money purchase pension plan providing: (A) a nonintegrated employer contribution rate of at least 10% of compensation, as defined in Section 415(c)(3) of the Code, but including amounts contributed pursuant to a salary reduction agreement which are excludable from the Employee's gross income under Section 125, Section 402(a)(8), Section 402(h) or Section 403(b) of the Code, (B) immediate participation, and (C) full and immediate vesting; and (2) Leased Employees do not constitute more than 20% of an Employer's Employees who are not Highly Compensated Employees. If such a person participates in the Plan as a result of subsequent employment with an Employer or nonparticipating Affiliate, he shall receive Service for his employment as a Leased Employee.
- (qq) "Limitation Year" means the Plan Year or any other 12-consecutive-month period adopted pursuant to a written resolution of the Board.
- (rr) "Matching Contributions" mean the contributions made by an Employer on behalf of a Participant, conditioned on the making of Section 401(k) Contributions, as described in Section 4.2.
- (ss) "Maximum Deferral Amount" means the maximum amount that may be contributed as a Section 401(k) Contribution for any calendar year under Section 402(g) of the Code. This amount may be adjusted by the Secretary of Treasury under Section 402(g)(5) of the Code (cost-of-living adjustments).
- (tt) "Member" means a Participant, a Former Participant who still has a balance in his Account or an Employee who has a Rollover Contributions Account.
- (uu) "Merged Plans" mean the AAG 401(k) Plan and the AAG ESORP. The provisions in this Plan affecting qualification under Section 401 of the Code with effective dates on or before the merger date shall be treated as amendments to such plan, as it existed prior to the merger, effective as of the same effective dates.
- (vv) "Month of Service" means a calendar month during any part of which an Employee completes an Hour of Service. Except, however, a Participant shall be credited with a Month of Service for each month during the 12-month computation period in which he has not incurred a One Year Period of Severance.
- (ww) "Non-Highly Compensated Employee" means any Employee who is not a Highly Compensated Employee.
- (xx) "One-Year Period of Severance" means the applicable computation period of 12 consecutive months during which an Employee fails to accrue a Month of Service. Solely for purposes of determining whether a One-Year Period of Severance has occurred, in the case of an Employee who is absent from work beyond the first anniversary of the first date of an absence and the absence is for an approved leave for maternity or paternity reasons, the date the Employee incurs a Severance from

Service shall be the second anniversary of the Employee's absence from employment. The period between the first and second anniversaries of the first date of absence will not constitute Service. For purposes of this Subsection, an absence from work for maternity or paternity reasons means an absence (1) by reason of pregnancy of the individual, (2) by reason of the birth of a child of the individual, (3) by reason of the placement of a child with the individual in connection with the adoption of such child by such individual, or (4) for purposes of caring for such child for a period beginning immediately following such birth or placement. A Year of Service and a One Year Period of Severance shall be measured on the same computation period. An Employee shall not be deemed to have incurred a One Year Period of Severance if he completes an Hour of Service within 12 months following the last day of the month during which his employment terminated.

- (yy) "Participant" means any Employee of an Employer who has met and continues to meet the requirements of the Plan as set forth in Sections 3.1 and 3.5 and who has not ceased being a Participant under the provisions of Section 3.6.
- (zz) "Plan" means this Great American Financial Resources, Inc. Retirement and Savings Plan, as from time to time amended.
- (aaa) "Plan Administrator" means the entity which has been designated as the "plan administrator" as provided in Section 10.1.
- (bbb) "Plan Year" means the 12-consecutive-month period ending each December 31.
- (ccc) "Qualified Domestic Relations Order" means a judgment, decree or order (including approval of a property settlement agreement) that (1) is related to the provision of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of a Participant, (2) is made pursuant to a state domestic relations order, (3) creates or recognizes an alternate payee's right to receive all or a portion of the benefits payable to a Participant under the Plan, and (4) otherwise meets the requirements of Section 414(p) of the Code and Section 206(d) of the Act.
- (ddd) "Retirement" means Severance from Service as an Employee on or after attaining age 60.
- (eee) "Rollover Contributions" mean the contributions made by an Employee or Participant as described in Section 4.9.
- (fff) "Section 16 Participant" means any Participant who is an "officer" or director of GAFRI or a "beneficial owner" of 10% or more of any class of any equity securities of GAFRI which is registered pursuant to Section 12 of the Securities Exchange Act of 1934 as those terms are defined under Section 16 of the Securities Exchange Act of 1934 and the Rules promulgated thereunder.
- (ggg) "Section 401(k) Contributions" mean the contributions made by an Employer on behalf of a Participant pursuant to the Participant's election to reduce Covered Compensation as described in Section 4.1.
- (hhh) "Section 416 Account" means that account as defined in Section 13.2(d).
- (iii) "Service" means a period or periods of employment of an Employee by GAFRI or an Affiliate.
- (jjj) "Severance from Service" means the earlier of (1) or (2) below:
- (1) the date the Employee terminates, retires, is discharged, becomes subject to a Disability or dies, or
 - (2) the first anniversary of the first day of an Employee's absence from employment with an Employer or nonparticipating Affiliate (with or without pay) for any reason other than in (1) above, such as vacation, sickness, leave of absence, layoff, or military service (except as otherwise provided in Section 3.9).
- (kkk) "Suspense Account" means an account established for Excess Annual Additions under Section 4.8.
- (lll) "Trust Agreement" means any agreement establishing a trust, which forms part of the Plan, to receive, hold, invest, and dispose of the Trust Fund.

(mmm)"Trustee" means the corporation, or individual or individuals, or combination thereof, acting as trustee under the Trust Agreement at any time of reference as appointed by the Board from time to time.

(nnn)"Trust Fund" means the assets of every kind and description held under the Trust Agreement.

(ooo)"Valuation Date" means each business day of the Plan Year, or such other dates as may be determined by the Plan Administrator.

(ppp) "Year of Service" means the following:

- (1) Each Plan Year during which the Employee completes at least 1,000 Hours of Service for all Plan Years prior to January 1, 2002. For purposes of vesting, a Year of Service shall be determined on the basis of the Plan Year.
- (2) Effective January 1, 2002, a Year of Service means each consecutive 12-month period of Service commencing on the Employee's Employment Commencement Date and anniversaries thereof. For purposes of vesting, a Year of Service shall be determined on the basis of the Plan Year.
- (3) For purposes of determining an Employee's Years of Service, all periods of employment with an Employer or an Affiliate, including periods during which the Employee was considered eligible under the Merged Plan prior to the Effective Date, shall be recognized subject to the rules for participation upon reemployment pursuant to Section 3.7.

2.2 Gender and Number.

Unless the context clearly requires otherwise, the masculine pronoun whenever used shall include the feminine and neuter pronoun, and the singular shall include the plural.

End of Article 2

Article 3. Eligibility and Participation

3.1 Eligibility.

Subject to Section 3.2, each Employee shall become a Participant in the Plan as follows:

- (a) Participants in Merged Plans. Any Employee who was a Participant in the AAG 401(k) Plan on December 31, 2000, and who is an Employee on the Effective Date, shall continue as a Participant in the Plan as of the Effective Date for purposes of Section 401(k) Contributions and Matching Contributions. An Employee who was a Participant in the AAG ESORP on December 31, 2000, and who is an Employee on the Effective Date, shall continue as a Participant in the Plan as of the Effective Date for purposes of Employer Retirement Contributions.
- (b) Participants on Effective Date. Any other Employee who would have been eligible for the AAG 401(k) Plan as of the Effective Date and who is an Employee on the Effective Date, shall become eligible to be a Participant in the Plan as of the Effective Date for purposes of Section 401(k) Contributions and Matching Contributions. Any other Employee who would have been eligible for the AAG ESORP as of the Effective Date, and who is an Employee on the Effective Date, shall become a Participant in the Plan as of the Effective Date for purposes of Employer Retirement Contributions.
- (c) Subsequent Eligibility. Any other Employee shall become a Participant in the Plan, pursuant to Section 3.5, for purposes of Section 401(k) Contributions and Matching Contributions on any Entry Date following the Employee's Employment Commencement Date, provided the individual is still an Employee on that date. Any other Employee who has completed one Year of Service shall become a Participant in the Plan for purposes of Employer Retirement Contributions on the Entry Date concurrent with or immediately following the date on which the Employee completed one Year of Service, provided the individual is still an Employee on that Entry Date.

3.2 Excluded Employees.

An Employee shall not be eligible to participate in the Plan if:

- (a) He is included in a unit of Employees covered by a collective bargaining agreement between Employee representatives and an Employer if retirement benefits were the subject of good faith bargaining between such Employee representatives and such Employer.
- (b) He is neither an United States citizen nor a resident alien.
- (c) He is a Leased Employee.
- (d) He is self-employed.
- (e) He is covered by another qualified retirement plan sponsored by GAFRI or an Affiliate of GAFRI.

3.3 Eligibility for Rollover Contributions.

An Employee of an Employer that meets the eligibility requirements of Section 3.1 above for Section 401(k) Contributions and Matching Contributions shall be eligible to make a Rollover Contribution pursuant to Section 4.9 before any election is made under Section 4.1.

3.4 Participants From Merged Plans.

A Former Participant from any of the Merged Plans who is no longer an Employee of an Employer but who maintained an account in a Merged Plan shall be a Member of this Plan to the extent of any transferred Accounts.

3.5 Enrollment.

- (a) Section 401(k) Contributions and Matching Contributions. Each Employee who is eligible to participate in accordance with Section 3.1 shall become a Participant for purposes of Section 401(k) Contributions and Matching Contributions by making an election to have Section 401(k) Contributions made on his behalf in accordance with Section 4.1. Such election must be made with prior notice as may be determined by the Plan Administrator.
- (b) Employer Retirement Contribution. The Employee shall be eligible to receive an Employer Retirement Contribution automatically upon meeting the eligibility requirements as of the next following Entry Date.

3.6 Duration of Participation.

A Participant shall continue to be a Participant until he has a Severance from Service with all Employers or his employment status changes to one described in Section 3.2; thereafter, he shall be a Member for as long as he has an Account. If an Employee transfers his employment to a non-participating Affiliate, such Employee shall not be eligible for any further Employer Retirement Contributions, Matching Contributions or Section 401(k) Contributions; provided, however, such Employee shall receive Matching Contributions for any Section 401(k) Contributions made until the date of such transfer. However, the Employee may receive credit for Service pursuant to the terms of the Plan. Further, the Employee will not be eligible to receive a distribution pursuant to Section 6.2 as long as he remains in active service with a non-participating Affiliate.

3.7 Participation Upon Reemployment.

If an Employee who has had a Severance from Service is subsequently reemployed as an Employee, the following shall apply:

- (a) For the purposes of Section 401(k) Contributions and Matching Contributions, a Former Participant shall become a Participant immediately upon the Former Participant's return to the employ of an Employer.
- (b) For purposes of the Employer Retirement Contributions, a Former Participant shall become a Participant immediately upon the Former Participant's return to the employ of an Employer if such Former Participant was eligible for the Employer Retirement Contributions Account prior to the Severance from Service. If such Former Participant was not eligible for the Employer Retirement Contributions Account prior to the Severance from Service, the Former Participant shall become a Participant for purposes of the Employer Retirement Contributions at the time provided in the eligibility requirements pursuant to Section 3.1(c).

3.8 Hours of Service.

An Employee shall receive credit for each hour for which the Employee is

paid, or is entitled to payment, for the performance of duties for GAFRI or an Affiliate. Hours of Service shall be credited in accordance with the rules of Department of Labor Regulations Section 2530.200b-2. Hours of Service shall include each hour for which an Employee is considered a Leased Employee under Section 414(n) of the Code or serves as an Employee that Section 414(o) of the Code requires an Employer to treat as an Employee.

3.9 Special Provisions for Participants Who Enter the Armed Forces.

Notwithstanding any provision of this Plan to the contrary, effective December 12, 1994, contributions, benefits and Service credit with respect to qualified military service will be provided in accordance with Section 414(u) of the Code.

3.10 Participation Errors.

- (a) Omission of Eligible Employee. If in any Plan Year an Employee who should have been included as a Participant is erroneously omitted and the error is not discovered until after an Employer Retirement Contribution or Matching Contribution for the Plan Year has been allocated to Employer Retirement Contributions Accounts or the Matching Contributions Accounts, the Employer shall make a subsequent contribution with respect to the omitted Employee in the amount that the Employer would have contributed with respect to him had he not been omitted. Any contribution required by this Subsection shall be made regardless of whether it is deductible in whole or in part under Section 404 of the Code.
- (b) Inclusion of Ineligible Employee. If in any Plan Year any person who should not have been included as a Participant in the Plan is erroneously included and the error is not discovered until after a contribution for the Plan Year has been allocated to the Employer Retirement Contributions Account and Matching Contributions Account, an Employer shall not be entitled to recover the contribution made with respect to the ineligible person regardless of whether or not a deduction is allowed with respect to the contribution. In that event, the amount contributed with respect to the ineligible person shall constitute a Forfeiture for the Plan Year in which the discovery is made and allocated in accordance with Section 4.7.

3.11 Waiver of Participation.

An Employee who is otherwise eligible to receive an Employer Retirement Contribution may, subject to the approval of an Employer, elect voluntarily not to participate in the Employer Retirement Contributions part of the Plan. The election not to participate is not revocable and must be communicated to the Plan Administrator at least 90 days before the end of the Plan Year in a manner designated by the Plan Administrator.

End of Article 3

Article 4. Contributions

4.1 Section 401(k) Contributions.

For each Plan Year, an Employer shall contribute to the Plan on behalf of such Employer's Participants an amount equal to the Section 401(k) Contributions as provided below:

- (a) Amount of Section 401(k) Contributions. When an Employee becomes eligible to be a Participant in the Plan for purposes of Section 401(k) Contributions and Matching Contributions, the following elections shall be available:
 - (1) Each Participant may elect, in the manner provided by the Plan Administrator, to reduce his Covered Compensation by whole percentages not to exceed 15% of his Covered Compensation and to have the amount by which his Covered Compensation is reduced contributed on his behalf by his Employer as a Section 401(k) Contribution to the Plan. Effective January 1, 2002, 25% shall be substituted for 15% in the prior sentence.
 - (2) The Participant may elect, in the manner provided by the Plan Administrator, to receive the full amount of his Covered Compensation in cash and not be reduced by any Section 401(k) Contributions.
- (b) Payment of Section 401(k) Contributions. The Section 401(k) Contributions made on behalf of each Participant shall be paid by each Employer to the Trustee as soon as the Employer can reasonably

segregate such amounts, but not later than the 15th business day of the month following the month in which such amounts would have otherwise been payable to the Participant. Such contributions shall be credited as may be determined by the Plan Administrator. In addition, an Employer may require or allow a Highly Compensated Employee to reduce the percentage specified in his salary reduction agreement to the extent that the Employer reasonably anticipates that without the reduction, the limits set forth in this Article 4 would be exceeded for the Plan Year.

- (c) Changes to Section 401(k) Contributions. Each Participant may elect in a manner provided by the Plan Administrator to increase or decrease his Covered Compensation reductions (within the limits stated above) and cease future Covered Compensation reductions upon prior notice to the Plan Administrator. Any such election shall be effective as soon as administratively feasible. Such elections shall be effective only with respect to Covered Compensation not yet paid as of the effective dates of such elections. Upon ceasing future Covered Compensation reductions, an election to again reduce Covered Compensation may only be made by giving prior notice to the Plan Administrator which election shall be effective as soon as administratively feasible.
- (d) Excess Deferrals. Any Participant who makes Section 401(k) Contributions in excess of the Maximum Deferral Amount for any Plan Year shall receive a distribution of such excess deferral (and any income allocated to such excess deferral) as soon as practicable following discovery of such excess amounts, but not later than April 15 following the close of the Plan Year in which such excess deferrals were made.

4.2 Matching Contributions.

- (a) Determination of Matching Contributions. For each Plan Year at the discretion of the Board, an Employer may make a Matching Contribution in cash, in AFG Common Stock, or in GAFRI Common Stock, on behalf of each Participant who made Section 401(k) Contributions during the Plan Year and who is actively employed by an Employer on the last day of the Plan Year.
- (b) Allocation of Matching Contributions. Any Matching Contributions made pursuant to this Section 4.2 shall be allocated on a pro rata basis to the Matching Contributions Account of those Participants who are employed by the Company or an Affiliate on the last day of the Plan Year based on the amount of Section 401(k) Contributions made by the Participants. Participants who died, retired or became Disabled during the Plan Year shall be deemed to have been employed on the last day of the Plan Year.
- (c) Due Date of Matching Contributions. Matching Contributions, if any, shall be paid by each Employer to the Trustee no later than the end of the Plan Year following the Plan Year to which the contributions relate (or such later time as may be permitted by Treasury Regulations). Allocation of all Matching Contributions to the Matching Contributions Accounts of Highly Compensated Employees shall be made contingent upon satisfaction of the discrimination tests of Sections 401(k)(3) and 401(m)(2) of the Code. Any Matching Contribution attributable to an excess Section 401(k) Contribution distributed under Section 4.4 or any other excess Matching Contribution, shall not be allocated to the Highly Compensated Employees' Matching Contributions Account, but shall be held in a Suspense Account and used to reduce any Matching Contributions due from an Employer in current, next, or succeeding Plan Years.
- (d) Valuation of Matching Contributions. For purposes of determining the amount of Matching Contributions to be made to the Plan, the value of any contribution shall be determined as of the date such contribution is deemed to have been made to the Trust Fund. If the contribution is made prior to the last day of the Plan Year, any earnings or interest on such contribution shall be allocated to the Participants' Matching Contributions Account in the same way as other interest and earnings when the Matching Contribution is credited.

4.3 Actual Deferral Percentage Test and Actual Contribution Percentage Test.

- (a) Maximum Annual Allocation. Effective for Plan Years beginning after December 31, 1996, for each Plan Year, the annual allocation derived from Section 401(k) Contributions and Matching Contributions to a Participant's Section 401(k) Contributions Account and Matching Contributions Account, respectively, shall satisfy one of the following tests:

- (1) 1.25 times the Actual Deferral Percentage and the Actual Contribution Percentage for the preceding Plan Year for Participants who were Non-Highly Compensated Employees eligible to make Section 401(k) Contributions for such preceding Plan Year; or
 - (2) the lesser of:
 - (A) 2 times the Actual Deferral Percentage and the Actual Contribution Percentage for the preceding Plan Year for the Participants who were Non-Highly Compensated Employees eligible to make Section 401(k) Contributions for such preceding Plan Year, provided that the Actual Deferral Percentage and the Actual Contribution Percentage for the Participants who are Highly Compensated Employees shall not exceed the Actual Deferral Percentage and the Actual Contribution Percentage for the preceding Plan Year for Participants who were Non-Highly Compensated Employees eligible to make Section 401(k) Contributions for such preceding Plan Year by more than 2 percentage points; or
 - (B) such amount as the Secretary of the Treasury or his delegate may prescribe to prevent multiple use of this alternative limitation with respect to any Highly Compensated Employee.
- (b) Actual Deferral Percentage. For purposes of this Section and Section 4.4, Actual Deferral Percentage means, with respect to all Highly Compensated Employees and all Non-Highly Compensated Employees for a Plan Year, the average of the ratios, calculated separately for each Participant in such group, of Section 401(k) Contributions allocated to each Participant's Section 401(k) Contributions Account for such Plan Year to such Participant's Covered Compensation or Adjusted Compensation for such Plan Year or for a Participant who enters the Plan at a time other than the beginning of the Plan Year, such Participant's Covered Compensation or Adjusted Compensation for that part of the Plan Year in which the Participant is eligible to make Section 401(k) Contributions. The determination of whether to use Covered Compensation or Adjusted Compensation for purposes of the Actual Deferral Percentage or the Actual Contribution Percentage shall be made by the Plan Administrator in a non-discriminatory manner.
- (c) Actual Contribution Percentage. For purposes of this Section and Section 4.5, Actual Contribution Percentage for a Plan Year means, with respect to all Highly Compensated Employees and all Non-Highly Compensated Employees, the average of the ratios, calculated separately for each Participant in each group, of Matching Contributions allocated to each Participant's Matching Contributions Account for such Plan Year to such Participant's Covered Compensation or Adjusted Compensation for such Plan Year.
- (d) Other Restrictions. For purposes of determining the Actual Contribution Percentage and the amount of Excess Aggregate Contributions, the Plan Administrator may elect to take into account, with respect to Employees eligible to have Matching Contributions pursuant to Section 4.2, Section 401(k) Contributions (as defined in Section 1.402(g)-1(b) of the Treasury Regulations) and Qualified Nonelective Contributions (as defined in Section 401(m)(4)(C) of the Code) contributed to any plan maintained by an Employer. Such Section 401(k) Contributions and Qualified Nonelective Contributions shall be treated as Matching Contributions subject to Section 1.401(m)-1(b)(2) of the Treasury Regulations, the provisions of which are incorporated herein by reference. However, the Plan Year must be the same as the plan year of the plan to which the Section 401(k) Contributions and the Qualified Nonelective Contributions are made. Effective for Plans Years beginning after December 31, 1996, the family aggregation rules previously in effect no longer apply.

4.4 Adjustment to Actual Deferral Percentage Test.

In the event that the initial allocations of the Section 401(k) Contributions do not satisfy one of the tests set forth in Section 4.3, the Plan Administrator shall adjust the Section 401(k) Contributions in excess of the limits described in Section 4.3 ("Excess Contributions") pursuant to this Section.

- (a) Distribution of Excess Contributions. On or before the 15th day of the 3rd month following the end of each Plan Year, but in no event later than the close of the following Plan Year, excess contributions will be distributed to the Highly Compensated Employees as determined by the Plan Administrator in accordance with the Code and applicable

Treasury Regulations For each Highly Compensated Employee, the amount of Excess Contributions is equal to the Section 401(k) Contributions on behalf of such Highly Compensated Employee (determined prior to the application of this Section 4.4(a)) minus the amount determined by multiplying the Highly Compensated Employee's actual deferral ratio (determined after application of this Section 4.4(a)) by his Covered Compensation or Adjusted Compensation. However, in determining the amount of Excess Contributions to be distributed with respect to an affected Highly Compensated Employee as determined herein, such amount shall be reduced by any Section 401(k) Contributions in excess of the Maximum Deferral Amount previously distributed to such affected Highly Compensated Employee for his taxable year ending with or within such Plan Year.

- (1) With respect to the distribution of Excess Contributions pursuant to (a) above, such distributions:
 - (A) Shall be made first from unmatched Section 401(k) Contributions and, thereafter, simultaneously from Section 401(k) Contributions which are matched and Matching Contributions which relate to such Section 401(k) Contributions;
 - (B) Shall be made from Qualified Nonelective Contributions only to the extent that Excess Contributions exceed the balance in the Participant's Section 401(k) Contributions Account attributable to Section 401(k) Contributions and Matching Contributions made pursuant to Section 4.2;
 - (C) Shall be increased by income allocable to the Excess Contributions up to the date of distribution; and
 - (D) Shall be designated by an Employer as a distribution of Excess Contributions and related income.
 - (2) Any distribution of less than the entire amount of Excess Contributions (and income) shall be treated as a pro rata distribution of Excess Contributions and related income.
- (b) Qualified Nonelective Contribution. Notwithstanding the above, within 12 months after the end of the Plan Year, an Employer may make a special Qualified Nonelective Contribution on behalf of Non-Highly Compensated Employees in an amount sufficient to satisfy one of the tests set forth in Section 4.3. Such contribution shall be allocated to the Section 401(k) Contributions Account of each Non-Highly Compensated Employee in the same proportion that each Non-Highly Compensated Employee's Covered Compensation or Adjusted Compensation for the year bears to the total Covered Compensation or Adjusted Compensation of all Non-Highly Compensated Employees.
- (c) Alternative Limitation. If the alternative limitation referred to in subsection 4.3(a)(2)(B) is exceeded, then the Plan Administrator shall take corrective action under either this Section, Section 4.5 or a combination of both, as determined by the Plan Administrator to prevent multiple use of this alternative limitation with respect to any Highly Compensated Employee.

4.5 Adjustment to Actual Contribution Percentage Test.

In the event that the initial allocations of the Matching Contributions made pursuant to Section 4.2 do not satisfy one of the tests set forth in Section 4.3, the Plan Administrator shall adjust the Matching Contributions in excess of the limits described in Section 4.3 ("Excess Aggregate Contributions") pursuant to this Section.

- (a) Distribution of Excess Aggregate Contributions. On or before the 15th day of the 3rd month following the end of each Plan Year, but in no event later than the close of the following Plan Year, the Plan Administrator shall determine the amount to be distributed, or if forfeitable, forfeited, and the Highly Compensated Employees subject to receiving a distribution or incurring a forfeiture in accordance with the Code and applicable Treasury Regulations.
 - (1) With respect to the distribution of Excess Aggregate Contributions pursuant to (a) above, such distributions:
 - (A) Shall be made first from Matching Contributions distributed or forfeited pursuant to Section 4.4(a)(1) and, thereafter, from remaining Matching Contributions;
 - (B) Shall be increased by income allocable to the Excess

Aggregate Contributions being distributed or forfeited up to the date of distribution.

- (C) Forfeitures of Excess Aggregate Contributions shall be treated in the same manner as other Forfeitures under Section 6.3 of the Plan; provided, however, no such forfeiture may be allocated to a Highly Compensated Employee whose contributions are reduced pursuant to this Section.
- (2) Any distribution or forfeiture of less than the entire amount of Excess Aggregate Contributions (and income) shall be treated as a pro rata distribution or forfeiture of Excess Aggregate Contributions (and income).
- (b) Qualified Nonelective Contributions. Notwithstanding the above, within 12 months after the end of the Plan Year, an Employer may make a special Qualified Nonelective Contribution on behalf of Non-Highly Compensated Employees in an amount sufficient to satisfy one of the tests set forth in Section 4.3. Such contribution shall be allocated to the Section 401(k) Contributions of each Non-Highly Compensated Employee in the same proportion that each Non-Highly Compensated Employee's Covered Compensation or Adjusted Compensation for the year bears to the total Covered Compensation or Adjusted Compensation of all Non-Highly Compensated Employees. A separate accounting shall be maintained for the purpose of excluding such contributions from the Actual Deferral Percentage test pursuant to Section 4.3.
- (c) Alternative Limitation. If the alternative limitation referred to in subsection 4.3(a)(2)(B) is exceeded, then the Plan Administrator shall take corrective action under either this Section, Section 4.4 or a combination of both, as determined by the Plan Administrator to prevent the multiple use of this alternative limitation with respect to any Highly Compensated Employee.

4.6 Employer Retirement Contributions.

- (a) Amount of Contribution. For each Plan Year, an Employer may make contributions to this Plan and allocate such contributions to the Employer Retirement Contributions Account of each Participant eligible for an Employer Retirement Contribution. An Employer may contribute to the Plan such amounts as the Board, in its sole discretion, may determine to be allocated to the Employer Retirement Contributions Account in accordance with this Section 4.6. The aggregate discretionary Employer Retirement Contributions when added to the amount of the Matching Contributions and Section 401(k) Contributions, if any, for each Plan Year, shall not exceed the maximum deductible contribution for such Plan Year under Section 404(a) of the Code. Each Employer may make its contributions under the Plan for any Plan Year at such time or times as it shall in such Employer's discretion determine; provided, however, that the total amount of the Employer's contributions for any Plan Year shall be made not later than the time prescribed by law for filing such Employer's Federal Income Tax Return for such Employer's taxable year ending with or within such Plan Year, including any extensions thereof. Contributions made by an Employer for any Plan Year shall be made in cash or in GAFRI Securities, including GAFRI Common Stock and AFG Common Stock. Contributions made by an Employer to the Plan shall be irrevocable except as provided in Section 9.3.
- (b) Participants Entitled to Employer Retirement Contributions. The Employer Retirement Contributions, if any, in respect of the Plan Year to which said Employer Retirement Contributions relate shall be allocated among the Participants who were eligible for Employer Retirement Contributions in accordance with Section 3.1 and who were Employees of an Employer on the last day of such Plan Year. Participants who died, retired or became Disabled during the Plan Year shall be deemed to have been employed on the last day of the Plan Year.
- (c) Allocation of Contributions. In any Plan Year in which the Plan is not a top-heavy plan, the Employer Retirement Contributions Account of each Participant who is eligible to receive an allocation shall be credited with that proportion of Employer Retirement Contributions, if any, as the Participant's Covered Compensation for the Plan Year bears to the total Covered Compensation of all eligible Participants for the Plan Year. If the contribution is made prior to the last day of the Plan Year, any earnings or interest on such contribution shall be allocated to the Participant's Employer Retirement Contribution Account in the same way as other interest and earnings when the Employer Retirement Contribution Account is credited.

4.7 Forfeitures.

- (a) Forfeiture of Employer Retirement Contributions prior to January 1, 2002 shall occur on the last day of the Plan Year in which a Participant incurs five consecutive One Year Breaks in Service. All Forfeitures of Employer Retirement Contributions shall be allocated in accordance with Section 4.6.
- (b) Forfeiture of Matching Contributions prior to January 1, 2002 shall be allocated in accordance with Section 4.2.
- (c) Effective for Forfeitures occurring after January 1, 2002, Forfeitures occurring during any Plan Year shall be used to restore Forfeitures of Members who are reemployed as provided in Section 6.3. Forfeitures occurring during any Plan Year in the Employer Retirement Contributions of a Member may be used to reduce future Employer Retirement Contributions due under Section 4.6 or to offset administrative costs of the Plan as provided in Section 8.3. Forfeitures occurring during any Plan Year in the Matching Contributions Account of a Member shall be used to reduce future Matching Contributions due under Section 4.2.

4.8 Limitations on Annual Additions.

- (a) Annual Addition. "Annual Addition" means for any Participant for any Plan Year, which shall also be the Limitation Year, the sum of the following:

- (1) Employer Retirement Contributions, Matching Contributions and Forfeitures allocated to a Participant under this Plan or any other defined contribution plan of the Company or an Affiliate for such Plan Year;
- (2) Section 401(k) Contributions made to this Plan or Employee contributions to any other defined contribution plan of the Company or an Affiliate;
- (3) Amounts allocated after March 31, 1984 to an individual medical benefit account (as defined in Section 415(1)(2) of the Code) included as part of the pension or annuity plan maintained by the Company or an Affiliate; and
- (4) Contributions paid or accrued after December 31, 1985 for taxable years ending December 31, 1985 attributable to post-retirement medical benefits allocated to the separate account of a Key Employee that has been established under Section 419A(d)(3) of the Code for a welfare benefit fund as defined in Section 419(e) of the Code maintained by the Company or an Affiliate.

"Any defined contribution plan" means all defined contribution plans of an Employer and Affiliates considered as one plan. For purposes of this Section, "Affiliate" shall have the meaning prescribed in Section 2.1, except that the phrase "more than 50%" shall be substituted for the phrase "at least 80%" each place it appears in Section 1563(a)(1) of the Code.

A restored Forfeiture pursuant to Section 6.3 shall not be included as part of any Participant's Annual Addition.

- (b) Limitation. A Participant's Annual Addition for any Plan Year shall not exceed the lesser of the following:

- (1) \$30,000; or
- (2) 25% of such Participant's Adjusted Compensation for such Plan Year.

Notwithstanding the foregoing, any contribution made after a Participant's Severance from Service with an Employer and its Affiliates for the purpose of providing medical care (within the meaning of Section 419A(f)(2) of the Code) and any amount otherwise treated as an Annual Addition under Section 415(1)(1) of the Code, shall not be treated as an Annual Addition for purposes of this Section. The dollar limitation contained above shall be adjusted for cost of living increases to the extent authorized by the Secretary of Treasury pursuant to Section 415(d) of the Code.

- (c) Additional Limitation. If in any Plan Year beginning before January 1,

2000, a Participant is covered both under any defined contribution plan and under any defined benefit plan, the sum of the Defined Benefit Fraction (as defined in Section 2.1) and the Defined Contribution Fraction (as defined in Section 2.1) for such Plan Year shall not exceed one. It is intended to reduce Employer contributions to any defined benefit plan and the benefits payable thereunder to the extent necessary to prevent the sum of such fractions for any Plan Year from exceeding one before reducing contributions to any defined contribution plan. "Any defined benefit plan" means all defined benefit plans of an Employer and Affiliates considered as one plan.

(d) Reduction in Annual Additions. If (i) as a result of the allocation of Forfeitures, (ii) a reasonable error in estimating a Participant's Adjusted Compensation, or (iii) a reasonable error in determining the amount of elective deferrals (within the meaning of Section 402(g)(3) of the Code) that may be made with respect to any individual under the limits of Section 415 of the Code, or under other facts and circumstances to which Section 1.415-6(b)(6) of the Treasury Regulations shall be applicable, the Annual Additions under this Plan would cause the maximum Annual Additions to be exceeded for any Participant (such excess being hereinafter referred to as an "Excess Annual Addition"), the Excess Annual Addition, shall be reduced as follows:

(1) Return of Employee Contributions. To the extent needed to eliminate the Excess Annual Addition, Section 401(k) Contributions to the Plan shall be returned to the Participant.

(2) Suspense Account. If after returning Section 401(k) Contributions, there is still an Excess Annual Addition that cannot be allocated to any Participant as a result of the limitations imposed by this Section, then the remaining Excess Annual Addition shall be maintained in a Suspense Account under the Trust Fund to be allocated among Employer Retirement Contributions Accounts in the next succeeding Limitation Year. The Suspense Account shall not share in the gains and losses or other income of the Trust Fund. In the event the Plan is terminated, the Suspense Account shall revert to the Employer to the extent it cannot be allocated to the Participants' Employer Retirement Contributions Accounts.

4.9 Rollover Contributions.

(a) Consent Required. A Participant may, with the consent of the Plan Administrator and the Trustee, make a Rollover Contribution to the Plan in cash, AFG Common Stock or GAFRI Common Stock; provided that the consent of the Plan Administrator and the Trustee will be granted in a nondiscriminatory manner.

(b) Crediting Rollover Contributions. A Rollover Contribution shall be credited to the contributing Participant's Rollover Contribution Account as soon as administratively feasible for the Plan Year in which the Rollover Contribution is made.

(c) Rollover Contribution by Employee. An Employee who has not yet satisfied the Plan's eligibility requirements, but who is otherwise covered by the Plan, may make a Rollover Contribution to the Plan to the same extent and in the same manner as a Participant. If an Employee makes such a Rollover Contribution, the Plan Administrator and Trustee shall treat the Employee as a Participant for all purposes of the Plan except that the Employee shall not be eligible for Employer Retirement Contributions under the Plan until he becomes a Participant in the Plan pursuant to Section 3.1. If the Plan Administrator later determines that a Rollover Contribution was invalid, such Rollover Contribution, plus any earnings attributable thereto shall be distributed to the Employee within a reasonable time after such determination.

4.10 Special Rules for Early Participation.

If the Employer elects to apply the special rule of Section 410(b)(4) (B) of the Code in determining that the service criteria which is lower than the minimum service conditions permissible under Section 401(a) of the Code satisfies the coverage rules of Section 410(b)(1) of the Code, then the following special rules apply. In such a case, for testing purposes, the Plan shall be treated as two separate plans: one benefiting the Employees who have satisfied the lower minimum service conditions of the Plan but not the greatest such conditions permitted under Section 410(a) of the Code (hereinafter "Component Plan A"); and one benefiting Employees who have satisfied the greatest such conditions permitted under Section 410(a) of the Code (hereinafter "Component Plan B"). The testing in Section 4.3 shall be applied as follows:

- (a) Plan Year Before January 1, 1999. For Plan Years beginning before January 1, 1999, and at the election of the Employer, for Plan Years beginning after December 31, 1998, the testing shall be applied separately to Component Plan A and Component Plan B. In this regard, the Actual Deferral Percentages and Actual Contribution Percentages shall be determined separately for each such Component Plan.
- (b) Plan Year After January 1, 1998. For Plan Years beginning after December 31, 1998, at the election of the Employer, in lieu of the testing as provided in (a) above, the testing shall be applied solely to Component Plan B (and not Component Plan A); provided however any Highly Compensated Employees in Component Plan A must be included in the Actual Deferral Percentage, Actual Contribution Percentage and testing of Component Plan B.

This provision shall be administered in accordance with rules and regulations promulgated by the Secretary of Treasury or its delegate.

End of Article 4

Article 5. Vesting in Accounts

5.1 Fully Vested Accounts.

A Member shall at all times be fully vested and have a nonforfeitable interest in his Section 401(k) Contributions Account and his Rollover Contributions Account. In addition, any amounts transferred from the Merged Plan that was fully vested before the merger shall continue to be fully vested and nonforfeitable.

5.2 Vesting in Employer Contributions.

- (a) Employer Retirement Contributions Accounts. Subject to the provisions below, a Member shall have a vested and nonforfeitable interest in his Employer Retirement Contributions Account determined in accordance with the following schedule:

Years of Service -----	Vested Percentage -----
Less than 5 years	0%
5 years or more	100%

- (b) Matching Contributions Account. Subject to the provisions below, a Member shall have a vested and nonforfeitable interest in his Matching Contributions Account determined in accordance with the following schedule:

Years of Service -----	Vested Percentage -----
1 year but less than 2 years	25%
2 years but less than 3 years	50%
3 years but less than 4 years	75%
4 years or more	100%

5.3 Accelerated Vesting.

Notwithstanding Section 5.2 above, a Member shall be fully vested and have a nonforfeitable interest in his entire Matching Contributions Account and Employer Retirement Contributions Account if:

- (a) the Member's Severance from Service as an Employee is due to Retirement or he attains the age specified for Retirement under Section 2.1(dd) but has not as of such date had a Severance from Service with an Employer;
- (b) the Member dies or becomes Disabled while an Employee; or
- (c) while the Member is an Employee, contributions to the Plan are completely discontinued, the Plan is terminated, or the Plan is partially terminated and such Member is affected by such partial termination.

End of Article 5

Article 6. Distributions, Withdrawals, and Loans

6.1 Distribution Upon Retirement, Death, or Disability.

Upon a Member's Retirement, or Severance from Service because of Disability or death, there shall be distributed to the Member, or to the Member's beneficiary in case of his death, the Member's Account at the time specified in Section 6.4 as of the most recent Valuation Date coinciding with or preceding the payment, increased by any nonforfeitable contributions made by or on behalf of such Member for that Plan Year after such Valuation Date, but not yet credited to his Account, and reduced by any payments and/or withdrawals after such Valuation Date.

6.2 Distribution Upon Severance from Service for Reasons Other Than Retirement, Disability or Death.

Upon the Severance from Service of a Member for any reason other than Retirement, Disability or death, there shall be distributed to the Member the full amount of the Member's Section 401(k) Contributions Account and Rollover Contributions Account and the vested portion of his Matching Contributions Account and Employer Retirement Contributions Account, at the time specified in Section 6.4 as of the most recent Valuation Date coinciding with or preceding the payment, increased by any nonforfeitable contributions made by or on behalf of such Member for that Plan Year after such Valuation Date, but not yet credited to his Account, and reduced by any payments and/or withdrawals after such Valuation Date.

6.3 Forfeitures.

- (a) If a Member has a Severance from Service and the nonforfeitable portion of his Matching Contributions Account is less than the full value of the Account, the Member will receive a distribution of the value of the nonforfeitable portion of such Account, subject to the provisions of Section 6.4. If the value of such Account is zero dollars, the distribution shall be treated as a distribution of zero dollars ("Deemed Distribution").
- (b) If a Member receives an actual distribution of his Matching Contributions Account pursuant to Section 6.3(a) and is reemployed by any Employer or nonparticipating Affiliate prior to incurring five consecutive One Year Periods of Severance, the portion of such Account forfeited pursuant to Section 6.3(a) will be restored as soon as administratively practicable if the Member repays to the Plan the full amount of the distribution. If a Member receives a Deemed Distribution of his Matching Contributions Account pursuant to Section 6.3(a) and is reemployed by an Employer or nonparticipating Affiliate prior to incurring five consecutive One-Year Periods of Severance, the portion of such Account forfeited pursuant to Section 6.3(a) will be restored upon reemployment as soon as administratively practicable. The source for restoring Forfeitures shall be first, current Forfeitures, and if insufficient, an additional contribution by the Member's Employer.
- (c) If a Member incurs five consecutive One-Year Periods of Severance, he shall permanently forfeit the portion of his Matching Contributions Account and Employer Retirement Contributions Account that was not vested pursuant to Article 5 at the time of his initial Severance from Service.
- (d) Forfeitures pursuant to Section 6.3(a) shall be treated in accordance with Section 4.7.

6.4 Commencement of Distributions.

- (a) How Long Distributions May Be Delayed. Effective as of January 1, 1998, subject to the provisions of this Section 6.4, if the nonforfeitable portion of a Member's Account exceeds \$5,000, as determined at the time of the distribution regardless of the amount of the Member's at any prior distribution, distributions pursuant to Sections 6.1 and 6.2 may be deferred until the Member's 65th birthday; provided, however, at the Member's election, such distribution may be made or commence to the Member as follows:
 - (1) Distributions from all Accounts of the Member except the Employer Retirement Contributions Account may be made, at the Member's election, as soon as practicable following his Severance from Service.
 - (2) Distributions from the Member's Employer Retirement Contributions Account may be made at the Member's election after such Member has incurred five consecutive One Year Periods of Severance.
 - (3) The Plan Administrator shall provide to each Member whose consent is required under (a) above, no less than 30 days and no more

than 90 days prior to the commencement of benefit payments, a written explanation of the material features and relative values of the optional forms of benefit under the Plan, and his right (if any) to defer receipt of the distribution. A Member may elect to commence his distribution in less than thirty days from the date he is provided with the explanation provided he is informed of his right to the 30-day period. A Member's consent to a distribution must not be made before he receives such written explanation and must not be made more than 90 days before benefit payments commence.

- (b) Distributions Upon Death, Disability or Retirement. In the event of death, Disability or Retirement, distribution of a Member's Account will begin not later than the 60th day after the end of the Plan Year in which the later occurs--
 - (1) he attains his 65th birthday; or
 - (2) such death, Disability or Retirement occurs.
- (c) Distributions Upon Other Termination of Service. In the event of any other termination of employment than those listed above, distribution of a Member's Account will begin as specified above, but not later than the 60th day after the later of the end of the Plan Year in which the Participant incurred five consecutive One Year Periods of Severance or he attains his 65th birthday. Notwithstanding anything contained herein to the contrary, a distribution of the Section 401(k) Contributions and Matching Contributions shall not occur earlier than the time the Participant or Member incurred a separation from Service, death, or disability, or another event described in Section 401(k)(10) of the Code.
- (d) Distributions After Severance from Service Upon Death. If a Member dies after his Severance from Service but prior to receiving the full distribution of his to which he is entitled under this Article 6, any unpaid balance thereof at the time of his death shall be distributed to the Member's beneficiary in a lump sum, to be distributed as soon as practicable after his death.
- (e) Cash-Out Distributions. Any other provisions of the Plan to the contrary notwithstanding, any amount payable to a Participant under the Plan may be paid in a lump sum, provided that the value of the Participant's nonforfeitable benefit under the Plan, determined at the time of distribution regardless of the amount of the Member's at any prior distributions, does not exceed \$3,500. Such lump sum may be paid as soon as administratively feasible. Notwithstanding the foregoing, a Participant's Employer Retirement Contributions Account shall not be paid in this manner. Provided, however, effective January 1, 1998, any amount payable to a Participant under the Plan may be paid in a lump sum, provided that the value of the Participant's nonforfeitable benefit under the Plan, determined at the time of distribution regardless of the amount of Member's Account at any prior distribution, does not exceed \$5,000. Such lump sum shall be paid as soon as administratively feasible without requiring the written consent described in Section 6.4(a)(3) above. The payment of the portion of the Account attributed to the Participant's Employer Retirement Contributions Account shall be paid as soon as administratively feasible without requiring the written consent described in Section 6.4(a)(3) above after the Participant has incurred five consecutive One Year Periods of Severance. Amounts payable hereunder shall continue to accrue interest and losses pending such payment.

6.5 Method of Distribution.

- (a) Generally. Subject to the limitations described below, all distributions may be paid in one of the following ways:
 - (1) The Section 401(k) Contributions Accounts may be paid in a single lump sum in cash, in AFG Common Stock to the extent invested in AFG Common Stock, or in GAFRI Common Stock to the extent invested in GAFRI Common Stock.
 - (2) Assets from the Matching Contributions Accounts derived from Matching Contributions shall be paid entirely in AFG Common Stock to the extent invested in AFG Common Stock or in GAFRI Common Stock to the extent invested in GAFRI Common Stock.
 - (3) The Employer Retirement Contribution Accounts will be paid entirely in GAFRI Common Stock to the extent invested in GAFRI Securities; provided, however, to the extent it is invested in

AFG Common Stock, it will be paid in AFG Common Stock.

- (4) The Rollover Contributions Account may be paid in a single lump sum in cash.
- (b) Eligible Rollover Distribution. All distributions may be paid by an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan specified by the Distributee in a Direct Rollover.
- (c) Fractional Shares. Any distribution of GAFRI Common Stock or AFG Common Stock will only be paid in whole shares and the value of any fractional share will be paid in cash.

6.6 Withdrawals During Employment.

- (a) General. Each Participant may only request one in-service withdrawal every 6 months during any calendar year. Such withdrawals must come from the Accounts in the order set out below.
- (b) Regular Withdrawal. A Participant may request, for any reason, an in-service withdrawal in cash from his Rollover Contributions Account.
- (c) Age 59 1/2 Withdrawal. A Participant who is age 59 1/2 may request an in-service withdrawal of the amount available under a regular withdrawal described above plus the value in his Section 401(k) Contributions Account. An age 59 1/2 withdrawal may be paid in cash, in GAFRI Common Stock (to the extent invested in GAFRI Common Stock) or AFG Common Stock (to the extent invested in AFG Common Stock), as elected by the Participant.
- (d) Secured Accounts. Notwithstanding the foregoing, no distributions to a Participant shall be made under Section 6.6 from an Account to the extent that the Account serves as collateral for a loan to the Participant under Section 6.7.

6.7 Participant Loans.

- (a) Eligibility. (1) A Participant or (2) an Employee who has made a Rollover Contribution pursuant to Section 4.9, may, with the approval of the Plan Administrator and subject to the provisions of this Section 6.7, borrow amounts from any Account except his Employer Retirement Contributions Account subject to the conditions set forth below.
- (b) Conditions. All loans shall meet the following conditions:
 - (1) Loans shall be made available to all Participants on a reasonably equivalent basis; provided that loans shall not be available to Participants who are not Employees (unless such a Participant is a party in interest within the meaning of Section 3(14) of the Act).
 - (2) Loans shall not be available to Highly Compensated Employees in an amount greater than the amount made available to other Participants.
 - (3) Loans shall bear a reasonable rate of interest. In determining such interest rate, the interest rates being charged at the time a loan is made shall be considered.
 - (4) Loans shall be adequately secured, which security shall consist of an assignment of up to 50% of a borrowing Participant's accrued nonforfeitable benefit under the Plan not including the Participant's Employer Retirement Contributions .
 - (5) Loans shall be repaid only by payroll withholding properly authorized by the Participant, provided that the Plan Administrator may allow prepayment of the entire balance of the loan through other means.
 - (6) No loan shall exceed the limitations under Section 6.7(c) below.
 - (7) In the event of default, foreclosure on the Participant's vested Account, to the extent used as security for the loan, will occur after a distributable event occurs under the Plan. Events constituting default shall be specified in the promissory note or security agreement to be executed by the Participant.
 - (8) Any expenses or fees attributable to obtaining a loan will be paid by the Participant to the Plan Administrator in a timely manner.

(9) No loans will be made in an amount less than \$1,000.

(10) A Participant may have no more than two outstanding loans at any time; provided; however, the unpaid loans of a Participant transferred from the Merged Plan shall be carried over even if there are more than two such loans.

The Plan Administrator may establish other rules relating to loans made under this Section.

(c) Limitation on Amount. Loans made pursuant to this Section (when added to the outstanding balance of all other loans under any other plans taken into under Section 72(p)(2)(D) of the Code) shall be limited to the lesser of the following:

(1) \$50,000, reduced by the highest outstanding aggregate loan balance during the preceding 12-month period ending on the day before the date on which such loan is made;

(2) 50% of the total value of the Participant's Section 401(k) Contributions, Matching Contributions and Rollover Contributions Accounts; or

(3) the value of the Rollover Contributions, Section 401(k) Contributions and vested Matching Contributions s.

(d) Repayment Period. Each loan, by its terms, shall be required to be repaid within 60 months provided, however, loans used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence of the Participant, may provide for periodic repayment over a reasonable period of time that may exceed 60 months but shall not be greater than 120 months. In addition, loans shall be due and payable upon a Participant's termination of employment. To the extent that a loan is unpaid at the time a distribution of such Participant's Account becomes payable in accordance with the terms of the Plan, such unpaid amount shall be deducted from the amount otherwise payable from his Account.

(e) Level Amortization. Loans shall provide for substantially level amortization with payments to be made not less frequently than quarterly over the term of the loan.

(f) Accounting for Loans. Notwithstanding anything in the Plan to the contrary, if a loan is made to a Participant, the loan shall be deemed an earmarked investment for the borrower's benefit and shall be evidenced by a separate loan account of the borrower. A borrower's separate loan account shall be established as of the date on which the loan is made and shall be funded with an amount equal to the principal amount of the loan. All principal and interest payments made on a loan granted hereunder shall be allocated upon receipt to the borrower's other Plan Accounts in the proportion that such Accounts were debited to fund the borrower's separate loan Account, but based upon his investment election then in effect. The balance of the borrower's separate loan Account shall be decreased by the amount of principal payments and the loan shall be closed when the loan has been repaid in full. Any expenses of the Trustee which are directly attributable to its administration of a borrower's separate loan, as determined by the Trustee, shall be charged to and paid from the borrower's Plan Accounts in the proportion that such Accounts were debited to fund the borrower's separate loan Account.

(g) Notice of Loan. The Plan Administrator may require that a request for a loan be submitted within a certain period of time prior to such date; and each loan shall be made as soon as administratively possible after such date.

(h) Administration. Loans shall be made pursuant to a Participant loan program. Such loan program shall be established in writing and must include, but need not be limited to, the following:

(1) the identity of the person or persons authorized to administer the Participant loan program;

(2) a procedure for applying for loans;

(3) the basis on which loans will be approved or denied;

(4) limitations, if any, on the types and amounts of loans offered;

- (5) the procedure under the loan for determining a reasonable rate of interest;
- (6) the types of collateral which may secure a plan loan; and
- (7) the events constituting default and steps that will be taken to preserve Plan assets.

Such Participant loan program may be contained in a separate written document which, when properly executed by the Plan Administrator is hereby incorporated by reference and made a part of the Plan. Furthermore, such Participant loan program may be modified or amended in writing by the Plan Administrator from time to time without the necessity of amending this Section.

- (i) Promissory Note. All loans shall be evidenced by a promissory note, in such form and containing such terms and conditions as the Plan Administrator from time to time directs.
- (j) Truth in Lending. Appropriate disclosure shall be made pursuant to the Truth in Lending Act to the extent possible.

6.8 Hardship Withdrawals. Hardship withdrawals will not be permitted.

6.9 Required Distributions.

Effective January 1, 1997, notwithstanding any of the preceding provisions of this Article, the distribution of a Member's benefits shall be made in accordance with the following requirements and shall otherwise comply with Section 401(a)(9) of the Code and the Regulations thereunder (including Section 1.401(a)(9)-2 of the Treasury Regulations), the provisions of which are incorporated herein by reference.

- (a) Latest Date of Payment. Effective January 1, 1997, a Participant's benefits shall be distributed to such Participant not later than April 1st of the calendar year following the later of (1) the calendar year in which the Participant attains age 70 1/2 or (2) the calendar year in which the Participant retires; provided, however, that this clause (2) not apply in the case of a Participant who is a "5% owner" at any time during the Plan Year ending with or within the calendar year in which the Participant attained age 70 1/2.
- (b) Additional Limitations After Death of Participant. If the Participant dies before distribution of any of the Participant's benefits has begun, then the entire interest of the Participant will be distributed within five years after the Participant's death. If the designated beneficiary is the surviving spouse of the Participant, then the distributions under this Section 6.9(b) will not be required earlier than the date on which the Participant would have attained age 70 1/2.
- (c) Death Distribution Provisions. Upon the death of the Participant, the following distribution provisions shall take effect:
 - (1) If the Participant dies after distribution of the Participant's interest has commenced, the remaining portion of such interest will continue to be distributed at least as rapidly as under the method of distribution being used prior to the Participant's death.
 - (2) If the Participant dies before distribution of the Participant's interest commences, the Participant's entire interest will be distributed no later than five years after the Participant's death.

6.10 Withholding Taxes.

An Employer may withhold from a Member's Covered Compensation and the Trustee may withhold from any payment under this Plan any taxes required to be withheld with respect to contributions or benefits under this Plan and such sum as such Employer or Trustee may reasonably estimate as necessary to cover any taxes for which they may be liable and which may be assessed with respect to contributions or benefits under this Plan.

6.11 Distributions Under Qualified Domestic Relations Orders.

Upon receipt by the Plan of a domestic relations order and a subsequent determination by the Plan Administrator that the order is a Qualified Domestic Relations Order, as defined in Section 2.1(ccc) of the Plan, the Plan Administrator may in its sole discretion, allow for the payment of benefits (except from the Employer Retirement Contributions Account) to each alternate payee under the order to be made as soon as practicable after the date the order

becomes effective. Notwithstanding the foregoing, payment of benefits from the Employer Retirement Contributions Account to the alternate payee may be made in accordance with the terms of the order at the same time the Participant is entitled to receive a distribution, but if the Participant is not entitled to a distribution due to the 5-year period provided in Section 6.4(a)(2) above, then not earlier than 5 years after the order is determined to be qualified and is certified. Provided, however, that if the distribution to the alternate payee is being made before the Participant in the order attains the earliest retirement age as defined in the Plan, and the present value is greater than \$5,000, the alternate payee must consent in writing to such earlier distribution. For purposes hereof, the term "alternate payee" shall mean the spouse, former spouse, child or other dependent of a Participant who is recognized by a domestic relations order as having a right to receive all, or a portion of, the benefits payable under the Plan with respect to such Participant.

End of Article 6

Article 7. Investment Elections

7.1 Investment of Specified Contributions.

Each Member shall elect the manner in which his Section 401(k) Contributions and Rollover Contributions Accounts and any future contributions thereto, shall be invested, in any one or more of the Investment Funds. At the time the Merged Plans are combined, the Trustee shall transfer the Accounts from the Merged Plans to similar types of investments.

7.2 Investment Elections.

Each Member may make the election described in Section 7.1 in the manner determined by the Plan Administrator upon becoming a Member. The elections made under Section 7.1 may be changed as of any day upon prior notice for future contributions to the Plan.

7.3 Investment Transfers.

Each Member may elect with prior notice to have the assets allocated to his Section 401(k) Contributions and Rollover Contributions Account, in any Investment Fund transferred to any one or more other Investment Funds. Such transfer shall be effective as soon as practicable after notice of the transfer is given. Notwithstanding the foregoing, the Plan Administrator may impose restrictions on transfers to and from an Employer securities fund and any fund consisting of a guaranteed interest contract.

7.4 Transfer of Assets.

The Plan Administrator shall direct the Trustee to transfer moneys or other property from the appropriate Investment Fund to the other Investment Fund as may be necessary to carry out the aggregate transfer transactions after the Plan Administrator has caused the necessary entries to be made in the Participants' or Members' Accounts in the Investment Funds and has reconciled offsetting transfer elections, in accordance with uniform rules therefor established by the Plan Administrator.

7.5 Investment of Matching and Employer Retirement Contributions Account.

All Matching Contributions made on or after the Effective Date shall be invested primarily in AFG Common Stock or GAFRI Common Stock unless otherwise directed by the Administrative Plan Committee. All Employer Retirement Contributions shall be invested primarily in GAFRI Securities unless otherwise directed by the Administrative Plan Committee.

7.6 Diversification.

Any fully vested Member who has attained age 55 may elect within the period as determined by the Plan Administrator after the close of the Plan Year after which the Member attains age 55 and continuing for the five succeeding Plan Years to direct the Plan as to the investment of at least 25% of the GAFRI Securities, including AFG Common Stock, held in his Accounts (to the extent such 25% exceeds the amount to which a prior election under this Section applies). In the case of the election year in which the Member can make his last election, the preceding sentence shall be applied by substituting "50%" for "25%". The Member's direction (a) shall be provided to the Plan Administrator in a manner specified; and (b) shall be effective no later than 180 days after the close of the Plan Year to which the direction applies. If the Member elects to diversify, the Plan Administrator shall transfer such applicable percentage of GAFRI Securities, including AFG Common Stock, from such Member's Accounts as directed by such Member. The earnings on any amount diversified will automatically be reinvested in the same manner.

End of Article 7

Article 8. Accounts and Records of the Plan

8.1 Accounts and Records.

The Accounts and records of the Plan shall be maintained by the Plan Administrator and shall accurately disclose the status of the Accounts of each Member or his beneficiary in the Plan. Each Member shall be advised from time to time, at least once during each Plan Year, as to the status of his Account.

8.2 Trust Fund.

Each Member shall have an undivided proportionate interest in the Trust Fund which shall be measured by the proportion that the market value of his Account bears to the total market value of all Accounts as of the date that such interest is being determined.

8.3 Valuation and Allocation of Expenses.

As of each Valuation Date, the Trustee shall determine the fair market value of the Trust Fund after first deducting any expenses which have not been paid by an Employer. Unless paid by an Employer and subject to such limitations as may be imposed by the Act or other applicable law, all costs and expenses incurred in connection with the general administration of the Plan and the Trust Fund shall be chargeable to the Trust Fund. The value of GAFRI Securities, including AFG Common Stock and GAFRI Common Stock held by the Trust Fund, shall be its Fair Market Value.

8.4 Allocation of Earnings and Losses.

As of each Valuation Date, the Plan Administrator, with the assistance of the Trustee, shall allocate the net income and gains or losses of each Investment Fund of the Trust Fund since the preceding Valuation Date to each Member's Account in the same proportion that the market value of his Account in such Investment Fund bears to the total market value of all Members' Accounts in such Investment Fund; and, for this purpose, the Plan Administrator shall adopt uniform rules which conform to applicable law and generally accepted accounting practices.

End of Article 8

Article 9. Financing

9.1 Financing.

GAFRI shall enter into a Trust Agreement in order to implement and carry out the provisions of the Plan and to finance the benefits under the Plan. All rights which may accrue to any person under the Plan shall be subject to all the terms and provisions of such Trust Agreement. GAFRI may modify the Trust Agreement in accordance with the terms of that Trust Agreement from time to time to accomplish the purposes of the Plan.

9.2 Contributions.

The Employers shall make such contributions to the Trust Fund as are required by the provisions of the Plan, subject to the right of GAFRI to amend, modify, or terminate the Plan.

9.3 Nonreversion.

No Employer shall have any right, title, or interest in the contributions made to the Trust Fund, and no part of the Trust Fund shall revert to any Employer, except the following:

- (a) If a contribution is made to the Trust Fund by an Employer by a mistake of fact, then such contribution may be returned to such Employer within one year after the payment of the contribution; and if any part or all of a contribution is disallowed as a deduction under Section 404 of the Code, then to the extent such contribution is disallowed as a deduction it may be returned to such Employer within one year after the disallowance.
- (b) If the Internal Revenue Service initially determines that the Plan does not meet the requirements of Section 401 of the Code, the Plan shall be null and void from the Effective Date, and any contributions shall be returned to all contributors within one year following the

determination that the Plan does not meet such requirements, but only if the application for qualification is made by the time prescribed by law for filing GAFRI's return for the taxable year in which the Plan is adopted or such later date as the Secretary of Treasury may prescribe, unless GAFRI elects to make the changes to the Plan necessary to receive a determination from the Internal Revenue Service that the requirements of Section 401 of the Code are met.

9.4 Rights in the Trust Fund.

Persons eligible for benefits under the Plan are entitled to look only to the Trust Fund for the payment of such benefits and have no claim against any Employer, the Plan Administrator, or any other person. No person has any right or interest in the Trust Fund except as expressly provided in the Plan.

End of Article 9

Article 10. Administration

10.1 Plan Administrator and Fiduciary.

The Plan shall be administered by GAFRI or by a committee appointed by the Board for this purpose. The committee shall be composed of as many members but no less than two as the Board may appoint from time to time and shall hold office at the pleasure of the Board. Any member of the committee may resign by delivering his written resignation to the Board. Vacancies in the committee arising by resignation, death, removal, or otherwise shall be filled by the Board. GAFRI or the committee appointed by the Board as Plan Administrator shall be the administrator of the Plan within the meaning of Section 3(16)(A) of the Act, a fiduciary with respect to the Plan within the meaning of Section 3(21)(A)(i) and (iii) of the Act, and the named fiduciary under Section 402 of the Act. It shall also be the Plan Administrator for purposes of the Plan. Further, such committee shall have such power and authority that the Board may grant it from time to time.

10.2 Compensation and Expenses.

Any person acting on behalf of the Plan Administrator shall serve without compensation for services as such if he is receiving full-time pay from an Employer or nonparticipating Affiliate as an Employee. Any other person may receive compensation for services to be paid from the Trust Fund to the extent not paid by the Employers. Any person may receive reimbursement by the Trust Fund to the extent not paid by the Employers of expenses properly and actually incurred.

10.3 Manner of Action.

If a committee is appointed as Plan Administrator, a majority of the members of the committee at the time in office shall constitute a quorum for the transaction of business. All resolutions adopted and other actions taken by the committee at any meeting shall be by a majority vote of those present at any such meeting unless there are only two Members of the committee in which case all resolutions and other actions shall be unanimous. Upon the unanimous concurrence in writing of the members at the time in office, action of the committee may be taken otherwise than at a meeting.

10.4 Chairman, Secretary, and Employment of Specialists.

The members of the committee may elect one of their members as chairman and may elect a secretary who may, but need not, be a member of the committee. They may authorize one or more of their members or any agent to execute or deliver any instrument or instruments on their behalf, and may employ such counsel, auditors, and other specialists, and such clerical, medical, actuarial, and other services as they may require in carrying out the provisions of the Plan. Such expenses shall be paid by the Trust Fund to the extent not paid by the Employers.

10.5 Assistance.

The Plan Administrator may appoint one or more individuals and delegate such of its power and duties as it deems desirable to any such individual, in which case every reference herein made to the committee shall be deemed to mean or include the individuals as to matters within their jurisdiction. Such individuals shall be such officers or other employees of the Employers and such other persons as the committee may appoint.

10.6 Records.

All resolutions, proceedings, acts, and determinations of the committee shall be recorded by the secretary thereof or under his supervision, and all such records, together with such documents and instruments as may be necessary for the administration of the Plan, shall be preserved in the custody of GAFRI.

10.7 Rules.

Subject to the limitations contained in the Plan, the committee shall be empowered from time to time in its discretion to adopt bylaws and establish rules for the conduct of its affairs and the exercise of the duties imposed upon it under the Plan.

10.8 Administration.

The Plan Administrator shall be responsible for the administration of the Plan. The Plan Administrator shall have all such powers as may be necessary to carry out the provisions hereof and may, from time to time, establish rules for the administration of the Plan and the transaction of the Plan's business. In making any such determination or rule, the Plan Administrator shall pursue uniform policies as from time to time established by it and shall not discriminate in favor of or against any Member. The Plan Administrator shall have the exclusive right to make any finding of fact necessary or appropriate for any purpose under the Plan including, but not limited to, the determination of the eligibility for and the amount of any benefit payable under the Plan. The Plan Administrator shall have the exclusive right to interpret the terms and provisions of the Plan and to determine any and all questions arising under the Plan or in connection with the administration thereof, including, without limitation, the right to remedy or resolve possible ambiguities, inconsistencies, or omissions, by general rule or particular decision. The Plan Administrator shall make, or cause to be made, all reports or other filings necessary to meet both the reporting and disclosure requirements and other filing requirements of the Act which are the responsibility of "plan administrators" under the Act. To the extent permitted by law, all findings of fact, determinations, interpretations, and decisions of the committee shall be conclusive and binding upon all persons having or claiming to have any interest or right under the Plan. Benefits under this Plan will be paid only if the Plan Administrator decides in its discretion that the applicant is entitled to them.

10.9 No Enlargement of Employee Rights.

Nothing contained in the Plan shall be deemed to give any Employee the right to be retained in the service of an Employer or to interfere with the right of an Employer to discipline, discharge, or retire any Employee at any time.

10.10 Initial Claims Procedure.

(a) Claim.

- (1) Filing. In order to present a complaint regarding the nonpayment of a Plan benefit or a portion thereof (a "Claim"), a Participant or beneficiary under the Plan (a "Claimant") or his duly authorized representative must file such Claim by mailing or delivering a writing stating such Claim to the department, officer, or Employee responsible for employee benefit matters of the Employer.
- (2) Acknowledgment. Upon such receipt of a Claim, the Plan Administrator shall furnish to the Claimant a written acknowledgment which shall inform such Claimant of the time limit set forth in (b)(1) below and of the effect, pursuant to (b)(3) below, of failure to decide the Claim within such time limit.

(b) Initial Decision.

- (1) Time Limit. The Plan Administrator shall decide upon a Claim within a reasonable period of time after receipt of such Claim; provided, however, that such period shall in no event exceed 90 days, unless special circumstances require an extension of time for processing. If such an extension of time for processing is required, then the Claimant shall, prior to the termination of the initial 90-day period, be furnished a written notice indicating such special circumstances and the date by which the Plan Administrator expects to render a decision. In no event shall an extension exceed a period of 90 days from the end of the initial period.
- (2) Notice of Denial. If the Claim is wholly or partially denied, then the Plan Administrator shall furnish to the Claimant, within the time limit applicable under (1) above, a written notice setting forth in a manner calculated to be understood by the

Claimant:

- (A) the specific reason or reasons for such denial;
 - (B) specific reference to the pertinent Plan provisions on which such denial is based;
 - (C) a description of any additional material or information necessary for such Claimant to perfect his Claim and an explanation of why such material or information is necessary; and
 - (D) appropriate information as to the steps to be taken if such Claimant wishes to submit his Claim for review pursuant to Section 10.11, including notice of the time limits set forth in subsection 10.11(b)(2).
- (3) Deemed Denial for Purposes of Review. If a Claim is not granted and if, despite the provisions of (1) and (2) above, notice of the denial of a Claim is not furnished within the time limit applicable under (1) above, then the Claimant may deem such Claim denied and may request a review of such deemed denial pursuant to the provisions of Section 10.11.

10.11 Claim Review Procedure.

(a) Claimant's Rights. If a Claim is wholly or partially denied under Section 10.10, then the Claimant or his duly authorized representative shall have the following rights:

- (1) to obtain, subject to (b) below, a full and fair review by the Plan Administrator;
- (2) to review pertinent documents; and
- (3) to submit issues and comments in writing.

(b) Request for Review.

- (1) Filing. To obtain a review pursuant to (a) above, a Claimant entitled to such a review or his duly authorized representative shall, subject to (2) below, mail or deliver a written request for such a review (a "Request for Review") to the department, officer, or Employee responsible for employee benefit matters of the Employer.
- (2) Time Limits for Requesting a Review. A Request for Review must be mailed or delivered within 60 days after receipt by the Claimant of written notice of the denial of the Claim or within such longer period as is reasonable and related to the nature of the benefit which is the subject of the Claim and to other attendant circumstances.
- (3) Acknowledgment. Upon such receipt of a Request for Review, the Plan Administrator shall furnish to the Claimant a written acknowledgment which shall inform such Claimant of the time limit set forth in (c)(1) below and of the effect, pursuant to (c)(3) below, of failure to furnish a decision on review within such time limit.

(c) Decision on Review.

(1) Time Limit.

- (A) General. If, pursuant to (b) above, a review is requested, then, except as otherwise provided in (B) below, the Plan Administrator or its delegate (but only if such delegate has been given the authority to make a final decision on the Claim) shall make a decision promptly and no later than 60 days after receipt of the Request for Review; except that, if special circumstances require an extension of time for processing, then the decision shall be made as soon as possible but not later than 120 days after receipt of the Request for Review. The Plan Administrator must furnish the Claimant written notice of any extension prior to its commencement.
- (B) Regularly Scheduled Meetings. Anything to the contrary in (A) above notwithstanding, if the decision on review is to be made by a committee which holds regularly scheduled meetings at least quarterly, then its decision on review

shall be made no later than the date of the meeting which immediately follows the receipt of the Request for Review; provided, however, if such Request for Review is received within 30 days preceding the date of such meeting, then such decision on review shall be made no later than the date of the second meeting which follows such receipt; and provided further that, if special circumstances require a further extension of time for processing, and if the Claimant is furnished written notice of such extension prior to its commencement, then such decision on review shall be rendered no later than the third meeting which follows such receipt.

- (2) Notice of Decision. The Plan Administrator or its delegate shall furnish to the Claimant, within the time limit applicable under (1) above, a written notice setting forth in a manner calculated to be understood by the Claimant:
 - (A) the specific reason or reasons for the decision on review; and
 - (B) specific reference to the pertinent Plan provisions on which the decision on review is based.
- (3) Deemed Denial. If, despite the provisions of (1) and (2) above, the decision on review is not furnished within the time limit applicable under (1) above, then the Claimant shall be deemed to have exhausted his remedies under the Plan and he may deem the Claim to have been denied on review.

10.12 Notice of Address and Missing Persons.

Each person entitled to benefits under the Plan must file with the Plan Administrator, his post office address and each change of post office address in any manner prescribed by the Plan Administrator. Any communication, statement, or notice addressed to such a person at his latest reported post office address will be binding upon him for all purposes of the Plan and neither the Plan Administrator nor the Employers or Trustee shall be obliged to search for or ascertain his whereabouts. In the event that such person cannot be located, the Plan Administrator may direct that such benefit and all further benefits with respect to such person shall be discontinued, all liability for the payment thereof shall terminate and the balance in such Member's Account, except for any amounts representing the Member's interest in GAFRI Securities, including AFG Common Stock, shall be deemed a Forfeiture allocated pursuant to Section 4.7; provided, however, that in the event of the subsequent reappearance of the Member or beneficiary prior to termination of the Plan, the benefits which were due and payable and which such person missed shall be paid in a single sum and the future benefits (not including any earnings or losses thereon) due such person shall be reinstated in full. GAFRI Securities, including AFG Common Stock, shall be transferred to the transfer agent responsible for such shares, and such transfer agent shall follow its normal procedures for individuals with shares who can not be located without any further obligation for payment by the Plan Administrator.

10.13 Data and Information for Benefits.

All persons claiming benefits under the Plan must furnish to the Plan Administrator or its designated agent such documents, evidence, or information as the Plan Administrator or its designated agent consider necessary or desirable for the purpose of administering the Plan; and such person must furnish such information promptly and sign such documents as the Plan Administrator or its designated agent may require before any benefits become payable under the Plan.

10.14 Indemnity.

The Employer indemnifies and saves harmless individual Trustee(s), individual Plan Administrators and the members of any committee including the Administrative Plan Committee, from and against any and all loss resulting from liability to which the individual Trustee(s), individual Plan Administrators and the members of any committee, including the Administrative Plan Committee, may be subjected by reason of any act or conduct (except willful or reckless misconduct) in their official capacities in the administration of this Plan or Trust Fund or both, including all expenses reasonably incurred in their defense, in case the Employer fails to provide such defense. The indemnification provisions of this Section shall not relieve individual Trustee(s), individual Plan Administrator(s), or any members of any committee, including the Administrative Plan Committee, from any liability he may have under the Act for breach of fiduciary duty.

10.15 Effect of a Mistake.

In the event of a mistake or misstatement as to the eligibility, participation, or service of any Member, or the amount of payments made or to be made to a Member or beneficiary, the Plan Administrator shall, if possible, cause to be withheld or accelerated or otherwise make adjustment of such amounts of payments as will in its sole judgment result in the Member or beneficiary receiving the proper amount of payments under this Plan.

10.16 Self-Interest.

A member of the committee who is also a Member shall not vote on any question relating specifically to himself.

End of Article 10

Article 11. Amendment and Termination

11.1 Amendment and Termination.

- (a) Right to Amend. GAFRI does hereby expressly and specifically reserve the sole and exclusive right at any time by action of the Board to amend, modify, or terminate the Plan. Any such amendment, modification or termination shall be in a writing authorized by the Board and signed by an officer of GAFRI. GAFRI's right of amendment, modification, or termination as aforesaid shall not require the assent, concurrence, or any other action by any other Employer notwithstanding that such action by GAFRI may relate in whole or in part to persons in the employ of an Employer.
- (b) Adopting Employers. While each Employer contemplates carrying out the provisions of the Plan indefinitely with respect to its Employees, no Employer shall be under any obligation or liability whatsoever to maintain the Plan for any minimum or other period of time.
- (c) Notification Upon Termination. Upon any termination of the Plan in its entirety, or with respect to any Employer, GAFRI shall give written notice thereof to the Plan Administrator, the Trustee, and any Employer involved.
- (d) Effect On Termination. Except as provided by law, upon any termination of the Plan, no Employer with respect to whom the Plan is terminated (including GAFRI) shall thereafter be under any obligation, liability, or responsibility whatsoever to make any contribution or payment to the Trust Fund, the Plan, any Member, any beneficiary, or any other person, trust or fund whatsoever, for any purpose whatsoever under or in connection with the Plan.

11.2 Limitations on Amendments.

The provisions of this Article are subject to and limited by the following restrictions:

- (a) No amendment shall operate either directly or indirectly to give any Employer any interest whatsoever in any funds or property held by the Trustee under the terms hereof, or to permit the corpus or income of the Trust Fund to be used for or diverted to purposes other than the exclusive benefit of Members or their beneficiaries.
- (b) No amendment shall increase duties or responsibilities of the Trustee, the Plan Administrator or any member of an Administrative Plan Committee without the written consent of the affected Trustee, Plan Administrator, or member of the Administrative Plan Committee.
- (c) No such amendment shall operate either directly or indirectly to reduce, eliminate or make subject to Employer discretion any accrued benefit subject to the protection of Section 411(d)(6) of the Code, except to the extent permitted under Treasury Regulations Section 1.411(d)-4 or deprive any Member of his vested and nonforfeitable interest as of the time of such amendment.
- (d) In the event the vesting schedule of this Plan is amended, any Employee who has completed at least 3 Years of Service, as defined in subsection 2.1(nnn), may elect to have his vested account balance computed under the Plan without regard to such amendment by notifying the Plan Administrator in writing during the election period hereinafter described. The election period shall begin on the date such amendment is adopted and shall end no earlier than the latest of the following dates:
 - (1) The date which is 60 days after the day such amendment is

adopted;

(2) The date which is 60 days after the day such amendment becomes effective; or

(3) The date which is 60 days after the day the Participant is given written notice of such amendment by the Plan Administrator.

Any election made pursuant to this Section 11.2(d) shall be irrevocable. The Plan Administrator, as soon as practicable, shall forward a true copy of any amendment to the vesting schedule to each affected Participant, together with an explanation of the effect of the amendment, the appropriate form upon which the Participant may make an election to remain under the vesting schedule provided under the Plan prior to the amendment, and notice of the time within which the Participant must make an election to remain under the prior vesting schedule.

11.3 Effect of Bankruptcy and Other Contingencies Affecting an Employer.

In the event an Employer terminates its connection with the Plan, or in the event an Employer is dissolved, liquidated, or shall by appropriate legal proceedings be adjudged a bankrupt, or in the event judicial proceedings of any kind result in the involuntary dissolution of an Employer, the Plan shall be terminated with respect to such Employer. The merger, consolidation, or reorganization of an Employer, or the sale by it of all or substantially all of its assets, shall not terminate the Plan if there is delivery to such Employer by the Employer's successor or by the purchaser of all or substantially all of the Employer's assets, of a written instrument requesting that the successor or purchaser be substituted for the Employer and agreeing to perform all the provisions hereof which such Employer is required to perform. Upon the receipt of said instrument, with the approval of GAFRI, the successor or the purchaser shall be substituted for such Employer herein, and such Employer shall be relieved and released from any obligations of any kind, character, or description herein or in any trust agreement imposed upon it.

End of Article 11

Article 12. ESOP Provisions

This Article 12, except for Sections 12.12 and 12.13 shall only be applicable if the Trustee borrows funds pursuant to Section 12.4. In addition, this Article 12 shall only be applicable if the Administrative Plan Committee designates the Trustee's borrowing of funds as an ESOP Loan and shall not be applicable to any other borrowing of funds by the Trustee for any other purpose other than an ESOP Loan.

12.1 Establishment of ESOP Fund.

If the Trustee borrows funds pursuant to Section 12.4, GAFRI establishes an Employee Stock Ownership Plan as defined in Section 4975(e)(7) of the Code with respect to that part of the Plan consisting of Matching Contributions made on or after such loan and those Employer Retirement Contributions made after such date.

12.2 Investment in GAFRI Common Stock.

If the Trustee borrows funds pursuant to Section 12.4, all Matching Contributions and Employer Retirement Contributions shall be invested primarily in GAFRI Common Stock at the direction of the Trustee unless used to repay an ESOP Loan. The proceeds of any ESOP Loan shall be invested solely in GAFRI Common Stock.

12.3 Allocation of Employer Contributions.

All Matching Contributions and Retirement Contributions shall be allocated in accordance with Article 4 unless used to repay an ESOP Loan. If Matching Contributions and Retirement Contributions are used to repay an ESOP Loan, an Employer shall contribute such amounts of Matching Contributions and Retirement Contributions as may be required (after taking into consideration Earnings used for such purposes) to repay the principal amount of and interest on an ESOP Loan and cause the release from the Suspense Account shares of GAFRI Common Stock with a Fair Market Value equal to the amount of the liability for the Matching Contributions, under Section 4.1(c), and Employer Retirement Contributions under Section 4.6. Such shares of GAFRI Common Stock then shall be allocated to a Participant's Account in accordance with Article 4 as if the shares had been contributed by an Employer under Sections 4.2 and 4.6.

12.4 ESOP Loans and Suspense Accounts.

- (a) Any GAFRI Common Stock that is acquired with the proceeds of an ESOP Loan shall be held in a Suspense Account and shall not be allocated to the Accounts pursuant to Article 4 of Participants until its release from such Suspense Account.
- (b) If an ESOP Loan provides for annual payments of principal and interest at a cumulative rate that is not less rapid at any time than level annual payments of such amounts for ten years and satisfies such other requirements as may be set forth in the Code and regulations thereunder, the following number of shares of GAFRI Common Stock acquired with the proceeds of an ESOP Loan shall be released by the Trustee at the direction of the Plan Administrator from the Suspense Account for each Plan Year during the duration of the relevant ESOP Loan: the number of shares so acquired and held in the Suspense Account immediately before release, multiplied by a fraction, the numerator of which is the principal paid with respect to the relevant ESOP Loan for the year and the denominator of which is the principal to be paid in respect of the relevant ESOP Loan for the current and all future years. In all other cases, the number of shares to be released shall be determined in such other manner as is permitted by applicable law.

In the case of a variable rate ESOP Loan, the determination of whether an ESOP Loan provides for annual payments of principal and interest at the cumulative rate referred to in the preceding paragraph shall be made as of the date such ESOP Loan is made (and no subsequent determination shall be required), assuming for purposes of such determination that the term of the ESOP Loan was for ten years at a fixed interest rate equal to the rate mutually agreed upon for this purpose by the borrower and independent third-party commercial lenders (whether or not such fixed interest rate is actually in effect). All ESOP Loans entered into simultaneously shall be treated as one ESOP Loan for purposes of the preceding sentence.

- (c) Earnings paid during a Plan Year on GAFRI Common Stock held in the Suspense Account shall, at the direction of the Plan Administrator, be used to pay any installments of principal and interest due during such Plan Year on an ESOP Loan and, to the extent not so used, shall be allocated among the Accounts of Participants pursuant to Article 4.

12.5 Required Terms of ESOP Loan.

The Trustee may borrow funds (including a borrowing from GAFRI or other Employers) to acquire GAFRI Common Stock under the Plan or repay a prior ESOP Loan incurred to acquire GAFRI Common Stock, subject to the following conditions:

- (a) Any ESOP Loan to the Trust Fund shall be approved by the Administrative Plan Committee.
- (b) The term of the ESOP Loan shall be for a definite period.
- (c) The interest rate on the ESOP Loan may not exceed a reasonable rate of interest.
- (d) Any collateral pledged to the creditor by the Trust Fund shall consist only of the GAFRI Common Stock purchased with the borrowed funds or the GAFRI Common Stock used as collateral on a prior ESOP Loan that is being repaid with the proceeds of the current ESOP Loan.
- (e) Under the terms of the ESOP Loan, the creditor shall have no recourse against the Trust Fund except with respect to any collateral given for the ESOP Loan and Earnings attributable thereto, and contributions made hereunder (other than contributions of GAFRI Common Stock) to meet obligations under the ESOP Loan and Earnings attributable to the investment of such contributions.
- (f) The ESOP Loan shall be repaid only from amounts lent to the Trust Fund, from amounts contributed under the Plan (other than contributions of GAFRI Common Stock) to meet obligations under the ESOP Loan and Earnings attributable to the investment thereof, and from Earnings attributable to any GAFRI Common Stock held in the Suspense Account.
- (g) In the event of default under the ESOP Loan, the value of the assets of the Trust Fund transferred in satisfaction of the ESOP Loan may not exceed the amount of the default.

12.6 Termination of Suspense Account.

In the event that the Plan is terminated in its entirety, the Trustee shall, at the direction of the Administrative Plan Committee:

- (a) To the extent necessary to satisfy any then outstanding ESOP Loan, sell shares of GAFRI Common Stock held in the Suspense Account and pay over to the creditor under Section 12.5 the proceeds of the sale of such shares of GAFRI Common Stock;
- (b) Release any remaining shares of GAFRI Common Stock held in the Suspense Account to the Accounts of Participants in accordance with Article 4; and
- (c) Determine the balance in each Participant's Accounts.

12.7 Allocation of Earnings on Stock.

Earnings on GAFRI Common Stock allocated to a Member's Account under Article 4 shall, at the discretion of the Administrative Plan Committee, be (a) used for the purchase of GAFRI Common Stock, which stock shall be credited to the Member's Account; (b) paid to the Member at the same time and in the same manner as such dividends are paid to other shareholders of GAFRI Common Stock; or (c) paid to the Trust Fund and distributed therefrom to Members within 90 days after the last day of the Plan Year in which so paid.

12.8 Valuation of GAFRI Securities.

For purposes of the Plan, the value of GAFRI Securities, including AFG Common Stock, held by the Trust Fund shall be its Fair Market Value.

12.9 Voting Rights.

Each Member (or, in the event of his death, his beneficiary) shall have the right to direct the Trustee as to the manner in which voting rights appurtenant to GAFRI Common Stock and AFG Common Stock allocated to his Account are to be exercised on each matter brought before an annual or special stockholders' meeting of GAFRI or AFG and on each matter as to which shareholder authorization of corporation account is solicited by written consent. Before each such meeting or solicitation, the Plan Administrator shall cause to be furnished to each Member (or the beneficiary thereof) a copy of the proxy or other solicitation material, together with a form requesting confidential directions on how the shares allocated to such Member's Account shall be voted on each such matter. Upon timely receipt for such directions, the Trustee shall on each such matter vote as directed the number of shares (including fractional shares) of GAFRI Common Stock or AFG Common Stock allocated to such Member's Account. The directions received by the Trustee from Members shall be held by the Trustee in confidence and shall not be divulged or released to any person, including officers or Employees of GAFRI, AFG or any Affiliate. The Trustee (a) shall vote shares of allocated GAFRI Common Stock or AFG Common Stock for which it has not received timely directions on a particular matter in the same proportion as directed shares are voted, and (b) shall vote unallocated shares of GAFRI Common Stock or AFG Common Stock at the direction of the Plan Administrator, which, in so directing, shall act solely in accordance with the principles set forth in Article 10.

12.10 Rights on Tender or Exchange Offer.

Each Member (or, in the event of his death, his beneficiary) shall have the right, to the extent of the number of shares of GAFRI Common Stock or AFG Common Stock allocated to his Account, to instruct the Trustee in writing as to the manner in which to respond to a tender or exchange offer with respect to shares of such GAFRI Common Stock or AFG Common Stock. The Plan Administrator shall use its best efforts to timely distribute or cause to be distributed to each Member (or beneficiary thereof) such information as will be distributed to stockholders of GAFRI or AFG Common Stock in connection with any such tender offer or exchange offer. Upon timely receipt of such instructions, the Trustee shall respond as instructed with respect to shares of such GAFRI Common Stock or AFG Common Stock. The instructions received by the Trustee from Members shall be held by the Trustee in confidence and shall not be divulged or released to any person, including officers or Employees of GAFRI, AFG or any Affiliate. If the Trustee does not receive timely instruction from a Member (or beneficiary) as to the manner in which to respond to such a tender or exchange offer, such Member (or beneficiary) shall be deemed to have instructed the Trustee not to tender or exchange the shares allocated to his Account, and the Trustee shall not tender or exchange any such shares. The Trustee shall tender or exchange unallocated shares of GAFRI Common Stock or AFG Common Stock only if so directed by the Plan Administrator, which, in so directing, shall act solely in accordance with the principles set forth in Article 10.

12.11 Diversification.

The provisions of Section 7.6 shall continue to be applicable to satisfy

the diversification requirement if the Trustee borrows funds pursuant to Section 12.4.

12.12 Put Option.

(a) In the event that GAFRI Securities, including AFG Common Stock, ceases to be readily tradable on an established securities market within the meaning of Section 409(h) of the Code, shares of GAFRI Securities, including AFG Common Stock, that are distributed (in accordance with the provisions of this Plan) from a Member's Account shall be subject to a "put" option at the time of distribution. The "put" option shall be exercisable by the Member or beneficiary, by the donees of either, or by a person (including an estate or its distributee) to whom the GAFRI Securities, including AFG Common Stock, passes by reason of the Member's or beneficiary's death. The "put" option shall provide that for a period of at least 60 consecutive days immediately following the date the shares are distributed to the holder of the option, and for another 60-consecutive-day period during the Plan Year next following the Plan Year in which the shares were distributed, the holder of the option shall have the right to cause GAFRI, by notifying it in writing, to purchase such shares at their Fair Market Value, or at such greater price as GAFRI may agree. GAFRI shall allow the Administrative Plan Committee to direct the Trustee to assume the rights and obligations of GAFRI at the time the "put" option is exercised, insofar as the repurchase of GAFRI Securities, including AFG Common Stock, is concerned; provided, however, that the purchase price paid by the Trustee may not exceed said Fair Market Value. If the Plan Administrator so directs the Trustee, GAFRI agrees to take such action as may be necessary to permit the Trustee to consummate such repurchase, including but not limited to, providing or arranging for the financing of such repurchase. The period during which the "put" option is exercisable shall not include any period during which the holder is unable to exercise such "put" option because GAFRI is prohibited from honoring it by federal or state law. The terms of payment for the purchase of such shares of GAFRI Securities, including AFG Common Stock, shall be as set forth in the "put" and may be either in a lump sum or in installments, as determined by the Administrative Plan Committee. An installment obligation issued pursuant to the exercise of such "put" option shall --

- (1) bear a reasonable rate of interest, as determined by the Administrative Plan Committee;
- (2) require equal annual payments;
- (3) have a payment period not longer than the period beginning with the date the "put" option is exercised and ending with the date that is the earlier of (A) ten years from the date of such exercise and (B) the later of (i) the date on which there is no longer an outstanding balance on the ESOP Loan and (ii) five years from the date of such exercise;
- (4) require that any payments pursuant to the installment obligation begin to be made no later than 30 days after the date the "put" option is exercised; and
- (5) contain such other terms not inconsistent with applicable law as the Administrative Plan Committee may deem appropriate.

(b) The "put" option provided for by this Section shall continue to apply to shares of GAFRI Securities, including AFG Common Stock, purchased by the Trustee with the proceeds of an ESOP Loan, notwithstanding any amendment to or termination of this Plan that causes the Plan to cease to be an employee stock ownership plan within the meaning of Section 4975(e)(7) of the Code and notwithstanding the absence of an outstanding balance on an ESOP Loan at the time of the distribution of such shares.

12.13 Non-traded Stock.

In the event that any GAFRI Securities, including AFG Common Stock, cease to be readily tradable on an established securities market within the meaning of Section 409(h) of the Code, any such GAFRI Securities, including AFG Common Stock, that are distributed (in accordance with the provisions of this Plan) from a Member's Account shall be subject to a right of first refusal on the part of the Plan and of GAFRI, in that order, in the event that distributee of said securities desires to sell all or any part of the same to a purchaser other than the Plan or GAFRI. Said right shall consist of an obligation of the distributee to inform the Plan Administrator, in writing, of his intention to sell the said securities upon terms (described in said notice) that have been offered by a third party purchaser in good faith, followed by the right of the Plan (and if

the Plan declines said right, GAFRI) to purchase said securities at a price equal to the greater of (a) the then Fair Market Value of said securities or (b) the purchase price offered by said purchaser, and otherwise upon terms no less favorable to the seller than in the above described good faith offer. The right of first refusal shall lapse 14 days after the distributee has given the written notice referred to above. In the event that GAFRI Securities, including AFG Common Stock, again become readily tradable on an established securities market, this Section shall not apply.

12.14 Stock not Subject to "Put" or "Call".

Except as otherwise provided in Sections 12.12 and 12.13, no GAFRI Common Stock or other security purchased with the proceeds of an ESOP Loan under the Plan shall be subject to a "put", "call" or other option or to a "buy sell" or similar arrangement during the time such GAFRI Common Stock or other security is held by the Trust Fund or at the time of its distribution to a Member, notwithstanding any amendment to or termination of this Plan that causes the Plan to cease to be an employee stock ownership plan within the meaning of Section 4975(e)(7) of the Code during or at such times.

End of Article 12

Article 13. Top-Heavy Provisions

13.1 Application of Top-Heavy Provisions.

(a) Single Plan Determination. Except as provided in Subsection 13.1(b)(2), if as of a Determination Date, the sum of the amount of the Code Section 416 Accounts of Key Employees and the beneficiaries of deceased Key Employees exceeds 60% of the amount of the Code Section 416 Accounts of all Employees and beneficiaries (excluding former Key Employees), the Plan is top-heavy and the provisions of this Article shall become applicable.

(b) Aggregation Group Determination.

(1) If as of a Determination Date this Plan is part of an Aggregation Group which is top-heavy, the provisions of this Article shall become applicable. Top-heaviness for the purpose of this Subsection shall be determined with respect to the Aggregation Group in the same manner as described in Section 13.1(a) above.

(2) If this Plan is top-heavy under Section 13.1(a), but the Aggregation Group is not top-heavy, this Article shall not be applicable.

(c) Plan Administrator. The Plan Administrator shall have responsibility to make all calculations to determine whether this Plan is top-heavy.

13.2 Definitions.

(a) "Aggregation Group" means this Plan and all other plans maintained by the Employers and nonparticipating Affiliates which cover a Key Employee at any time during the five-year period ending on the Determination Date (regardless of whether the plan has terminated), and any other plan which enables a plan covering a Key Employee to meet the requirements of Sections 401(a)(4) or 410 of the Code. In addition, at the election of the Plan Administrator, the Aggregation Group may be expanded to include any other qualified plan maintained by an Employer or nonparticipating Affiliate if such expanded Aggregation Group meets the requirements of Sections 401(a)(4) and 410 of the Code.

(b) "Determination Date" means the last day of the Plan Year immediately preceding the Plan Year for which top-heaviness is to be determined or, in the case of the first Plan Year of a new plan, the last day of such Plan Year.

(c) "Key Employee" means any Employee, former Employee, or beneficiary of such Employee, who at any time during the current Plan Year, or any of the four preceding Plan Years, is, or was any of the following:

(1) An officer of an Employer (as determined under Treasury Regulations under Section 416 of the Code) having Adjusted Compensation greater than 50% of the amount under Section 415(b)(1)(A) of the Code, including permitted cost of living increases.

(2) One of the ten Employees both (A) having Adjusted Compensation

greater than the amount under Section 415(c)(1)(A) of the Code, including permitted cost of living increases and (B) owning both more than a 1/2% interest and the largest interests in any Employer or nonparticipating Affiliate.

- (3) A 5% owner of any Employer or nonparticipating Affiliate. A 5% owner means any person who owns more than 5% of the outstanding stock of any Employer or nonparticipating Affiliate or stock possessing more than 5% of the total combined voting power of all stock of any Employer or nonparticipating Affiliate. If the Employer or nonparticipating Affiliate is not a corporation, 5% owner means any person who owns more than 5% of the capital or profits interest in the Employer or nonparticipating Affiliate.
- (4) A 1% owner of any Employer or nonparticipating Affiliate having Adjusted Compensation of more than \$150,000. A 1% owner means any person who owns more than 1% of the outstanding stock of any Employer or nonparticipating Affiliate or stock possessing more than 1% of the total combined voting power of all stock of any Employer or nonparticipating Affiliate. If the Employer or nonparticipating Affiliate is not a corporation, a 1% owner means any person who owns more than 1% of the capital or profits interest in the Employer or nonparticipating Affiliate.

In determining the Employee's Adjusted Compensation under Subsection (1) above, compensation from every Individual Employer or nonparticipating Affiliate shall be taken into account. In determining an Employee's percentage of ownership in an Employer or nonparticipating Affiliate, the ownership attribution rules of Section 318 of the Code shall apply, except that Section 318(a)(2)(C) shall be applied by substituting 5% for 50%.

(d) "Section 416 Account" means the sum of the following:

- (1) The amount credited as of a Determination Date to a Member's or beneficiary's Account, under the Plan and under any other qualified defined contribution plan which is part of an Aggregation Group (including amounts to be credited as of the Determination Date but which have not yet been contributed). The present value of the accrued benefit for any individual (other than a Key Employee) under a defined benefit plan shall be as determined using the single accrual method for all plans of each Employer and Affiliates or if no such single method exists, using a method which results in benefits accruing not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.
- (2) The present value of the accrued benefit credited to a Member or beneficiary under a qualified defined benefit plan which is part of an Aggregation Group. The present value of the accrued benefit for any individual (other than a Key Employee) under a defined benefit plan shall be as determined using the single accrual method for all plans of an Employer and Affiliates or if no such single method exists, using a method which results in benefits accruing not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.
- (3) The amount of distributions to the Member or beneficiary during the five-year period ending on the Determination Date other than a distribution which is a tax-free rollover contribution (or similar transfer) that is not initiated by the Member or that is contributed to a plan which is maintained by an Employer or nonparticipating Affiliate.

Reduced by the following:

- (4) The amount of rollover contributions (or similar transfers) and interest thereon credited as of a Determination Date under the Plan or a plan forming part of an Aggregation Group which is attributable to a rollover contribution (or similar transfer) accepted after December 31, 1983, initiated by the Member and derived from a plan not maintained by an Employer or nonparticipating Affiliate.

The Account of a Member who was a Key Employee and who subsequently meets none of the conditions of Section 13.2(c) for the Plan Year containing the Determination Date is not a Code Section 416 Account and shall be excluded from all computations under this Article 13. Furthermore, if a Member has not performed any Service during the five year period ending on the Determination Date, any Account of such Member (and any accrued benefit for such Member) shall not be taken

into account in computing top-heaviness under this Article 13.

13.3 Vesting Requirements.

In any Plan Year in which the Plan is a top-heavy plan, and in which a Participant performs at least one Hour of Service, a Participant shall have a vested and nonforfeitable interest in that portion of his Matching Contributions and Employer Retirement Contributions in accordance with the following schedule:

Years of Service -----	Vested Percentage -----
Less than 3 years	0%
3 years or more	100%

13.4 Minimum Contribution.

- (a) General. If this Plan is determined to be top-heavy under the provisions of Section 13.1 with respect to a Plan Year, the sum of Employer contributions (including contributions under a salary reduction agreement) and forfeitures under all qualified defined contribution plans allocated to the Accounts of each Member in the Aggregation Group who is not a Key Employee and is an Employee on the last day of the Plan Year shall not be less than 3% of such Member's Adjusted Compensation. This Section 13.4 shall not be applicable with respect to a Member who is also covered under a defined benefit plan maintained by GAFRI or an Affiliate which provides the benefit specified by Section 416(c)(1) of the Code. Neither elective deferrals nor Matching Contributions may be taken into Account for the purposes of satisfying the minimum top-heavy contribution requirements.
- (b) Exception. The contribution rates specified in Section 13.4(a) shall not exceed the percentage at which Employer contributions and forfeitures are allocated under the plans of the Aggregation Group to the Account of the Key Employee for whom such percentage is the highest for the Plan Year. For the purpose of this Section 13.4(b), the percentage for each Key Employee shall be determined by dividing the Employer contributions and forfeitures for the Key Employee by the amount of his total Adjusted Compensation for the year not in excess of the Compensation Limit.
- (c) Multiple Defined Contribution Plans. If during the Plan Year an Employer maintains two or more defined contribution plans, one of which is a money purchase pension plan, the minimum contribution required by this Section on behalf of a Participant who is not a Key Employee and who participates in both the money purchase pension plan and this Plan shall be provided under this Plan only to the extent that this minimum contribution is not provided under the money purchase pension plan. If an Employer maintains during a Plan Year two or more defined contribution plans, neither of which is a money purchase pension plan, the minimum contribution required by this Section on behalf of a Participant who is not a Key Employee and who participates in such other plans and this Plan shall be provided under this Plan only to the extent such other plans do not require a contribution that would satisfy the minimum contribution requirements of this Section.
- (d) Combination with a Defined Benefit Plan. Effective for Plan Years beginning after December 31, 1986, the accrued benefit of a Participant other than a Key Employee shall be determined (1) under the method, if any, which uniformly applies for accrual purposes under all defined benefit plans of the Employer, or (2) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Section 411(b)(1)(C) of the Code.
- (e) Participants Eligible for Allocation of Minimum Contribution. In any Plan Year in which the Plan is a top-heavy plan, minimum contributions and forfeitures under this Section shall be allocated to the Employer Contribution Account of each Participant who was an Employee on the last day of the Plan Year. An Employee who is not a Key Employee shall be eligible to receive a minimum contribution under this Section even though he would otherwise be excluded from Participation in the Plan (or accrue no benefit under the Plan) either (1) because his Adjusted Compensation is less than a stated amount or (2) because of a failure to make mandatory Employee contributions, if any are required. Notwithstanding the foregoing, Employer contributions and Forfeitures shall be allocated to the Accounts of those Participants who have had a Severance from Service with an Employer during the Plan Year because that Participant has died, become Disabled, or retired after attaining Retirement.

13.5 Limit on Annual Additions: Combined Plan Limit.

- (a) General. If this Plan is determined to be top-heavy under Section 13.1, Section 4.8 of this Plan shall be applied by substituting 1.0 for 1.25 in applying the provisions of Sections 415(e)(2) and (e)(3) of the Code. The transitional rule of Section 415(e)(6)(B)(i) of the Code shall be applied by substituting "\$41,500" for "\$51,875."
- (b) Exception. Section 13.5(a) shall not be applicable if:
 - (1) Section 13.4 is applied by substituting "4%" for "3%" for Participants participating only in a defined contribution plan maintained by an Employer, and
 - (2) this Plan would not be top-heavy if "90%" is substituted for "60%" in Section 13.1.
- (c) Transitional Rule. If, but for this Section 13.5(c), Section 13.4(a) would begin to apply with respect to the Plan, the application of Section 13.4(a) shall be suspended with respect to a Member so long as there are the following:
 - (1) no Employer contributions, forfeitures, or voluntary nondeductible contributions allocated to such Member, and
 - (2) no accruals under a qualified defined benefit plan for such Member.

13.6 Limit on Annual Adjusted Compensation Taken into Account.

During any Plan Year in which the Plan is determined to be top-heavy under Section 13.1, the annual Adjusted Compensation of each Member that may be taken into account under the Plan shall not exceed the Compensation Limit.

13.7 Collective Bargaining Agreements.

The requirements of Sections 13.3, 13.4, and 13.6 shall not apply with respect to any Employee included in a unit of Employees covered by a collective bargaining agreement between Employee representatives and an Employer or nonparticipating Affiliate if retirement benefits were the subject of good faith bargaining between such Employee representatives and such Employer or nonparticipating Affiliate.

End of Article 13

Article 14. Participation In and Withdrawal
From the Plan by an Employer

14.1 Participation in the Plan.

Each Affiliate whose employees were covered under the AAG 401(k) Plan or the AAG ESORP on December 31, 2000, shall continue as an Employee under the Plan on the Effective Date. Any Affiliate which desires to become an Employer hereunder may elect, with the consent of the Board, to become a party to the Plan and Trust Agreement by adopting the Plan for the benefit of its eligible Employees, effective as of the date specified in such adoption and by completion of the following:

- (a) by filing with GAFRI a certified copy of a resolution of its board of directors to that effect, and such other instruments as GAFRI may require; and
- (b) by GAFRI's filing with the then Trustee a copy of such resolution, together with a certified copy of resolutions of the Board approving such adoption.

The adoption resolution or decision may contain such specific changes and variations in Plan terms and provisions applicable to such adopting Employer and its Employees as may be acceptable to GAFRI. However, the sole, exclusive right of any other amendment of whatever kind or extent to the Plan or Trust Agreement is reserved by GAFRI. The adoption resolution or decision shall become, as to such adopting organization and its employees, a part of this Plan as then amended or thereafter amended. It shall not be necessary for the adopting organization to sign or execute the original or then amended Plan and Trust Agreement documents. The coverage date of the Plan for any such adopting organization shall be that stated in the resolution or decision of adoption, and from and after such effective date, such adopting organization shall assume all the rights, obligations, and liabilities of an individual Employer entity hereunder and under the Trust Agreement. The administrative powers and control

of GAFRI, as provided in the Plan and Trust Agreement, including the sole right to amend, and of appointment and removal of the Plan Administrator, the Trustee, and their successors, shall not be diminished by reason of the participation of any such adopting organization in the Plan and Trust Agreement.

14.2 Withdrawal from the Plan.

Any Employer, by action of its board of directors or other governing authority, may withdraw from the Plan and Trust Agreement after giving 90 days' notice to GAFRI, provided GAFRI consents to such withdrawal.

14.3 Other Termination.

Any Employer shall cease to be an Employer, and its Employees shall cease to be Employees, as of any date it ceases to be an Affiliate of GAFRI unless such Employer and GAFRI agree that it will continue. Any Employer shall cease to be an Employer, and its Employees shall cease to be Employees as of any other date that GAFRI may designate by action of its Board.

14.4 Distribution.

Upon any withdrawal or other termination of an Employer, distribution of assets held for affected Participants and Members may be implemented through continuation of the Trust Fund, or transfer to another trust fund exempt from tax under Section 501 of the Code, or to a group annuity contract qualified under Section 401 of the Code, or distribution may be made as an immediate cash payment in accordance with the directions of the Plan Administrator; provided, however, that no such action shall divert any part of such fund to any purpose other than the exclusive benefit of the Employees of such Employer.

End of Article 14

Article 15. Miscellaneous

15.1 Section 16(b) Restrictions.

Section 16 Participants may generally acquire or dispose of GAFRI Common Stock or AFG Common Stock under the Plan to the same extent as Participants who are not under Section 16. However, Section 16 Participants are restricted in their ability to conduct "discretionary transactions." Discretionary transactions are transactions by Section 16 Participants involving voluntary fund switches or voluntary cash withdrawals relating to an issuer equity securities fund. For a discretionary transaction to be exempt from Section 16 liability, it must be effected by an election made at least six months following the date of the Section 16 Participant's most recent "opposite-way" election under any plan of GAFRI or AFG. "Same-way" elections are not subject to this six-month condition, nor are non-plan elections taken into consideration.

Section 16(b) of the Exchange Act provides that if a Section 16 Participant makes any purchase and sale, or sale and purchase, of shares for his AFG Common Stock Fund, GAFRI Common Stock Fund and/or his GAFRI and/or AFG Retirement Fund within a six month period, all profit resulting from the transactions must be turned over to GAFRI. The subsequent sale of the shares will constitute a "sale" for purposes of Section 16(b).

15.2 Beneficiary Designation.

- (a) Each Member may designate, on a form provided for that purpose by the Plan Administrator, a beneficiary or beneficiaries to receive his interest in the Plan in the event of his death, but such designation shall not be effective for any purpose until it has been filed by him during his lifetime with the Plan Administrator. The beneficiary of each Member who is married shall be the surviving spouse of such Member, unless such spouse consents in writing to the designation of another beneficiary or beneficiaries. Each Member may, from time to time, in a manner approved by and filed with the Plan Administrator, change his beneficiary or beneficiaries; provided, that such change shall not become effective unless the spouse of any married Member consents thereto. All designation of beneficiary forms from the Merged Plan shall continue to be applicable to such Accounts in this Plan unless changed in accordance with this Section 15.2. In the event that the Member fails to designate a beneficiary, or if for any reason such designation shall be legally ineffective, or if all designated beneficiaries predecease him or die simultaneously with him, the Plan Administrator shall designate the surviving spouse as the beneficiary. If there is no surviving spouse, then the Trustee shall pay the Member's benefits to the legal representative or representatives of the estate of the Member. The Plan Administrator, in its sole discretion, shall direct the Trustee as to whom the Trustee shall make

payment of the distribution.

- (b) The written consent described in Section 15.2(a) shall acknowledge the effect of such election and shall be witnessed by a Plan representative designated by the Plan Administrator or a notary public.

15.3 Incompetency.

Whenever and as often as any person entitled to receive a distribution under the Plan shall be under a legal disability or, in the sole judgment of the Plan Administrator, shall otherwise be unable to care for such distributions to his own best interest and advantage, the Plan Administrator, in the exercise of its discretion, may direct such distributions to be made in any one or more of the following ways:

- (a) directly to such person;
- (b) to his spouse;
- (c) to his legal guardian or conservator; or
- (d) any other person to be held and used for his benefit.

The decision of the Plan Administrator shall, in each case, be final and binding upon all parties, and any distribution made pursuant to the power herein conferred on the Plan Administrator shall, to the extent so made, be a complete discharge of the obligations under the Plan of the Employers, the Trustee, and the Plan Administrator in respect of such person.

15.4 Nonalienation.

Except as provided below and in Section 401(a)(13)(C) of the Code, benefits payable to a Participant at any time under the Plan shall not be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, garnishment, or encumbrance of any kind by the Participant. Any attempt of a Participant to alienate, sell, transfer, assign, pledge, or otherwise encumber any such benefit, whether presently or thereafter payable, shall be void. No benefit shall in any manner be liable for or subject to the debts or liabilities of any Member or any person entitled to any benefit. The Plan Administrator shall establish procedures to determine whether domestic relations orders are Qualified Domestic Relations Orders and to administer distributions under such Qualified Domestic Relations Orders. This provision shall not be interpreted to limit the ability of the Trustee to borrow money on behalf of the Plan and alienate, assign, pledge or encumber in any manner the assets of the Plan in accordance with the other provisions of this Plan or the Trust.

15.5 Applicable Law.

The Plan and all rights hereunder shall be governed by and construed in accordance with the laws of the State of Ohio to the extent such laws have not been preempted by applicable federal law.

15.6 Severability.

If a provision of this Plan shall be held illegal or invalid, the illegality or invalidity shall not affect the remaining parts of the Plan and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included in this Plan.

15.7 No Guarantee.

Neither the Plan Administrator, GAFRI, the Employers, nor the Trustee in any way guarantees the Trust Fund from loss or depreciation nor the payment of any money which may be or become due to any person from the Trust Fund. Nothing herein contained shall be deemed to give any Participant, Member, or beneficiary an interest in any specific part of the Trust Fund or any other interest except the right to receive benefits out of the Trust Fund in accordance with the provisions of the Plan and the Trust Agreement.

15.8 Merger, Consolidation, or Transfer.

In the case of any merger or consolidation of the Plan with, or in the case of any transfer of assets or liabilities of the Plan to or from, any other plan, each Member shall receive a benefit immediately after the merger, consolidation, or transfer (if the Plan had then terminated) which is equal to or greater than the benefit he would have been entitled to receive immediately before the merger, consolidation, or transfer (if the Plan had then terminated). GAFRI shall have the power to direct such a merger, consolidation or transfer and the Trustee shall follow such instructions as it may receive from GAFRI in order to implement the transaction. GAFRI may direct that the Plan accept transfers of

assets and benefit liabilities from other qualified plans and mergers of other qualified plans into the Plan. In the event of any such transfer or merger, the Plan Assets received shall be held in such subaccounts as are appropriate to reflect the vesting provisions, distribution limitations and optional forms of benefit applicable to the transferred or merged benefits. GAFRI shall amend the Plan as necessary to reflect the appropriate vesting and optional forms of benefit applicable with respect to such transferred benefits and to make such other amendments as it deems necessary or appropriate in order to maintain the qualified status of the Plan.

15.9 Internal Revenue Service Approval.

It is the intention of AFG to obtain a ruling or rulings by the District Director of Internal Revenue Service as to the following:

- (a) the Plan, as in effect from time to time, with respect to all Employers, meets the requirements of Section 401(a) of the Code; and
- (b) any and all contributions made by any Employer under the Plan are deductible for income tax purposes under Section 404(a) or any other applicable provisions of the Code.

End of Article 15

IN WITNESS WHEREOF, GREAT AMERICAN FINANCIAL RESOURCES, INC. has caused this instrument to be executed by its duly authorized officers effective as of January 1, 2001, except where otherwise noted.

GREAT AMERICAN FINANCIAL RESOURCES, INC.

By: _____

Its: _____

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference of our report dated March 19, 2001, with respect to the consolidated financial statements and schedules of American Financial Group, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2000, in the Registration Statement (Form S-8 No. 333_____) of American Financial Group, Inc. for the registration of 250,000 shares of Common Stock pertaining to the Great American Financial Resources, Inc. Retirement and Savings Plan filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Cincinnati, Ohio
November 29, 2001