

INVESTMENT ADVISORY AGREEMENT

This Investment Advisory Agreement ("Agreement") made this 12th day of January, 1999, by and between Kenneth L. Lay & Linda P. Lay (the "Client"), and FAYEZ SAROFIM & CO., a Texas corporation ("Sarofim"),

W I T N E S S E T H:

WHEREAS, the Client has entered into a Custodial Agreement (the "Custodial Agreement") with Goldman Sachs & Co. (the "Custodian"), has established an account with the Custodian (the "Account"), and has placed the securities, funds, assets, and other properties listed on Exhibit A attached hereto in the Account; and

W I T N E S S E T H:

WHEREAS, the Client desires to make, constitute and appoint Sarofim as investment manager with respect to the investment of such securities, funds, assets, and other properties; any additional securities, funds, assets and other properties which may subsequently be added to the Account and accepted by Sarofim; any income therefrom, accretions thereto, or mutations thereof (all such securities, funds, assets, other properties, income, accretions, and mutations being hereinafter collectively referred to as the "Property"); and

WHEREAS, Sarofim desires to accept appointment as and to act as investment manager with respect to the investment of all of the Property;

NOW, THEREFORE, in consideration of the premises and the mutual promises contained in this Agreement, the parties agree as follows:

1. Client Appoints Investment Manager. Upon and subject to the terms and conditions of this Agreement, the Client hereby makes, constitutes, appoints, and retains Sarofim as investment manager with respect to the investment of all of the Property. In consideration of this appointment,

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GOVERNMENT  
EXHIBIT  
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Sarofim agrees to act as investment manager with respect to the investment of all of the Property. This appointment of Sarofim as investment manager shall commence as of the date of this Agreement.

2. Representations by Investment Manager. Sarofim represents and warrants that it is, and that at all times during the term of this Agreement it will be, duly registered with the Securities and Exchange Commission pursuant to the Investment Advisors Act of 1940, as amended.

3. Representations by Client. The Client represents and confirms that the terms of this Agreement do not violate any obligation by which the Client is bound, whether arising by contract, operation of law, or otherwise.

4. Duties and Powers of Investment Manager. For so long as the appointment of Sarofim as investment manager made pursuant to this Agreement shall continue, Sarofim shall have full and absolute discretionary power to manage the Property in accordance with the terms of this Agreement and applicable law. In particular, Sarofim shall have the following duties and powers:

(a) Sarofim shall regularly and continuously collect information pertaining to investments, securities, the economy, and other matters pertinent to making the determinations required of it in subparagraph (b) of this paragraph 4.

(b) Sarofim shall regularly and continuously review the assets, securities, funds and other properties included in the Account to determine in Sarofim's sole discretion based on the information available to it, including any information or advice given to Sarofim by the Client pursuant to the provisions of paragraph 5(e) of this Agreement, the advisability in the interest of the Client of (i) retaining some or all of the Property, (ii) selling, exchanging,

redeeming, liquidating or disposing of some or all of the Property,  
(iii) investing some or all of the proceeds from such sale, exchange,  
redemption, liquidation or disposition in other assets, securities or  
properties, or (iv) investing some or all of the funds included in the  
Property in other assets, securities or properties.

(c) Sarofim shall place orders directly with brokers, dealers, or  
other persons to sell, exchange, redeem, liquidate, or dispose of any of  
assets, securities, or other properties which from time to time Sarofim  
determines should be disposed of.

(d) Whenever Sarofim determines that proceeds from sales,  
exchanges, redemptions, liquidations, or dispositions or other funds in  
the Account should be invested in other assets, securities, or  
properties, Sarofim shall make such investments by placing orders  
directly with brokers, dealers, or other persons.

(e) Whenever Sarofim determines to place orders for the execution  
of portfolio transactions for the Client, Sarofim shall have full power  
in its sole discretion to select any broker, dealer, or other person to  
execute such transactions and to establish the price and trade  
conditions, including brokerage commissions. Without limiting the  
generality of the preceding sentence, Sarofim may allocate such  
transactions to such brokers and dealers for execution on such markets,  
at such prices, and at such commission rates, as in the good faith  
judgment of Sarofim will be in the best interest of the Client, taking  
into consideration in the selection of such brokers and dealers not only  
the available prices and rates of brokerage commissions, but also other  
relevant factors (such as, without limitation, execution capabilities,  
research and other services provided by such brokers or dealers which