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NETTING ANALYSER LIBRARY
Legal collateral opinion – Non Situs Version

1. February, 2013

Dear Sirs,

FOA Collateral Opinion

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Sofia
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Warszawa

You have asked us to give an opinion in respect of the laws of the Republic of Latvia ("**this jurisdiction**") in respect of the Security Interests given under Agreements in the forms specified in Annex 1 to this opinion letter (each an "**Agreement**") or under an Equivalent Agreement (as defined below).

Terms used in this opinion letter and not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

We understand that your fundamental requirement is for the effectiveness of the Security Interest Provisions of the Agreement to be substantiated by a written and reasoned opinion. Our opinion on the validity of the Security Interest Provisions is given in paragraph 3 of this opinion letter.

References herein to "*this opinion*" are to the opinions given in paragraph 3.

1. TERMS OF REFERENCE AND DEFINITIONS

1.1 Subject as provided at paragraph 1.2, this opinion is given in respect of

1.1.1 persons which are Capital companies incorporated under Commercial Law of the

Republic of Latvia,

insofar as each may act as a counterparty (a "**Counterparty**") providing Collateral (as defined in paragraph 1.3) to a member firm of the Futures and Options Association (each a "**Firm**") under an Agreement.

- 1.2 However, this opinion is also given in respect of Counterparties providing Collateral to a Firm that are any of the following, subject to the terms of reference, definitions, modifications and additional assumptions and qualifications set out in the applicable Schedule:

- 1.2.1 Banks/financial institutions incorporated under Law on Credit Institutions (Schedule 1 Credit Institutions);
- 1.2.2 Insurance companies incorporated under Law on Insurance Companies and Supervision Thereof (Schedule 2 Insurance companies);
- 1.2.3 Individuals (Schedule 3 Individuals);
- 1.2.4 Partnerships organised under Civil Law of the Republic of Latvia (Schedule 4 Partnerships);
- 1.2.5 Public persons and institutions, (Schedule 5 Public persons and institutions);
- 1.2.6 Partnerships and Individual Merchants organised under Commercial Law of the Republic of Latvia (Schedule 6 Partnerships and Individual Merchants);
- 1.2.7 Investment companies/investment broker companies under Commercial Law and Law on Investment Companies (for Investment firms) and under Commercial Law and licensed under Financial Instrument Market Law (for investment brokers companies (Schedule 7 Investment management companies/investment broker companies);
- 1.2.8 Private pension funds under Law on Private pension funds (Schedule 8 Private pension funds);

insofar as each may act as a Counterparty to a Firm under an Agreement.

- 1.3 This opinion is given in respect of cash and account-held securities which are the subject of the Security Interest Provisions ("**Collateral**"). The amount and value of such Collateral may fluctuate from time to time on a day to day,

and possibly intra-day basis.

1.4 In this opinion letter:

1.4.1 **"Security Interest"** means the security interest created pursuant to the Security Interest Provisions;

1.4.2 **"Equivalent Agreement"** means an agreement:

- (a) which is governed by the law of England and Wales;
- (b) which has broadly similar function to any of the Agreements listed in Annex 1;
- (c) which contains the Core Provisions (with no amendments, or with Non-material Amendments); and
- (d) which neither contains (nor is modified, amended, or superseded by) any other provision which may invalidate, adversely affect, modify, amend, supersede, conflict with, provide alternatives to, compromise or fetter the operation, implementation, enforceability and effectiveness of all or part of the Core Provisions (in each case, excepting Non-material Amendments);

References to the **"Agreement"** in this letter (other than specific cross references to clauses in such Agreement and references in the first paragraph of this letter) shall be deemed also to apply to an Equivalent Agreement;

1.4.3 A **"Non-material Amendment"** means an amendment having the effect of one of the amendments set out at Annex 3;

1.4.4 **"enforcement"** means, in the relation to the Security Interest, the act of:

- (i) sale and application of proceeds of the sale of Collateral against monies owed, or
- (ii) appropriation of the Collateral,

in either case in accordance with the Security Interest Provisions.

1.4.5 in other instances other than those referred to at 1.4.4 above, references to the word **"enforceable"** and cognate terms are used to refer to the ability of a Party to exercise its contractual rights in accordance with their terms

and without risk of successful challenge. We do not opine on the availability of any judicial remedy.

- 1.4.6 terms defined or given a particular construction in the Agreement have the same meaning in this opinion letter unless a contrary indication appears;
- 1.4.7 any reference to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been amended or re-enacted on or before the date of this opinion letter;
- 1.4.8 certain terms relating specifically to the Agreement or to the provisions thereof are set out at Annex 2; and
- 1.4.9 headings in this opinion letter are for ease of reference only and shall not affect its interpretation.
- 1.4.10 References to "**Core Provisions**" include Core Provisions that have been modified by Non-Material Amendments.
- 1.4.11. "**Insolvency Proceedings**" means insolvency, bankruptcy or analogous proceedings (where, for the purposes of paragraph 3 of this opinion, the occurrence of such proceedings in respect of the Counterparty falls within the definition of Event of Default under the Agreement).

2. **ASSUMPTIONS**

We assume the following:

- 2.1 That the Agreements are legally binding and enforceable against both Parties under their governing laws.
- 2.2 That the Security Interest Provisions are enforceable under the governing law of the Agreement to create a Security Interest.
- 2.3 That the Security Interest Provisions are effective under the law of the place where the Collateral is located to create an enforceable security interest.
- 2.4 That each Party has the capacity, power and authority under all applicable law(s) to enter into the Agreement; to perform its obligations under the Agreement; and that each Party has taken all necessary steps to execute, deliver and perform the Agreement.
- 2.5 That each Party has obtained, complied with the terms of

and maintained all authorisations, approvals, licences and consents required to enable it lawfully to enter into and perform its obligations under the Agreement and Transactions and to ensure the legality, validity, enforceability or admissibility in evidence of the Agreement in this jurisdiction.

- 2.6 That the Agreement has been properly executed by both Parties.
- 2.7 That the Agreement is entered into prior to the commencement of any Insolvency Proceedings in respect of either Party.
- 2.8 The Agreement has been entered into, and each of the transactions referred to therein is carried out, by each of the parties thereto in good faith, for the benefit of each of them respectively, on arms' length commercial terms and for the purpose of carrying on, and by way of, their respective businesses.
- 2.9 That the Agreement accurately reflects the true intentions of each Party.
- 2.10 That no provisions of the Agreement, or a document of which the Agreement forms part, or any other arrangement between the Parties, invalidate the enforceability or effectiveness of the Security Provisions or the Rehypothecation Clause under the governing law of the Agreement.
- 2.11 That there is no other agreement, instrument or other arrangement between the Firm and the Counterparty which modifies or supersedes the Agreement.
- 2.12 That all acts, conditions or things required to be fulfilled, performed or effected in connection with the Agreement and the creation and perfection of the security interests thereunder pursuant to laws of any jurisdiction other than this jurisdiction have been duly fulfilled, performed and effected.
- 2.13 That there are no provisions of the laws of any jurisdiction (apart from this jurisdiction) which would be contravened by the execution or the delivery of the Agreement.
- 2.14 That any accounts and the assets expressed to be subject to a Security Interest pursuant to the Security Provisions shall at all relevant times be located outside this jurisdiction.
- 2.15 That any cash comprising the Collateral is in a currency that is freely transferable internationally under the laws of all relevant jurisdictions.

- 2.16 That no provision of the Agreement that is necessary for the giving of our opinions and advice in this opinion letter has been altered in any material respect. In our view, an alteration contemplated in the definition of "Equivalent Agreement" above would not constitute a material alteration for this purpose. We express no view whether an alteration not contemplated in the definition of Equivalent Agreement would or would not constitute a material alteration of the Agreement.

3. **OPINIONS**

On the basis of the foregoing terms of reference and assumptions and subject to the qualifications set out in paragraph 4 below, we are of the following opinion.

3.1 **Valid Security Interest**

- 3.1.1 Following the occurrence of an Event of Default, including as a result of the opening of any Insolvency Proceedings, the Non-Defaulting Party would be entitled to enforce the Security Interest in respect of the Collateral.
- 3.1.2 There is no rule of the laws of this jurisdiction which would impose a moratorium or stay which would prevent, delay or otherwise affect the right of the Non-Defaulting Party to enforce the Security Interest in respect of the Collateral.
- 3.1.3 Following exercise of the Firm's rights under the Security Interest Provisions, the Firm's rights in respect of the proceeds of realisation of the Collateral would rank ahead of the interests of the Counterparty and any other person therein.

3.2 **Further acts**

No further acts, conditions or things would be required by the law of this jurisdiction to be done, fulfilled or performed under the laws of this jurisdiction in order to enable the Non-Defaulting Party to enforce the Security Interest in respect of the Collateral.

4. **QUALIFICATIONS**

The opinions in this opinion letter are subject to the following qualifications:

The valid Security Interest is in place provided that there is an agreement between Parties, which falls under definition of the Law on Financial Collateral. In order for the Law to be applicable according to the Article 3 of the Law on Financial Collateral such arrangement shall be made between two or more Parties, where the Firm or the

Counterparty is one of the following persons:

1) the Republic of Latvia and a derived public person thereof, a direct and indirect State administrative institution, a local government institution or persons of another EU Member State comparable thereto;

2) the Bank of Latvia, central banks of other EU Member States, the European Central Bank, the Bank for International Settlements, the International Monetary Fund and the European Investment Bank;

3) the following multilateral development banks:

a) the International Bank for Reconstruction and Development,

b) the International Finance Corporation,

c) the Inter-American Development Bank,

d) the Asian Development Bank,

e) the African Development Bank,

f) the Council of Europe Resettlement Fund,

g) the Nordic Investment Bank,

h) the Caribbean Development Bank,

i) the European Bank for Reconstruction and Development,

j) the European Investment Fund, and

k) the Inter-American Investment Corporation;

4) the following financial institutions, the supervision of which is performed by the competent financial and capital market supervisory authorities of the Republic of Latvia or other EU Member States:

a) credit institutions (as defined by the Law on Credit institutions and/or EU Directive 2006/48/EC),

b) investment broker companies (as defined by the Financial Instruments Market Law) or investment firms (as defined by EU Directive 2004/39/EC),

c) insurance companies (as defined by Law on Insurance Companies and Supervision Thereof),

d) investment funds or collective investment

undertakings comparable thereto (as defined by the Law on Investment management companies and in accordance with Article 1(2) of the Directive 2009/65/EC),

e) investment management companies (as defined by Law on Investment management companies and/or by EU Directive 85/611/EEC), and

f) other financial institutions (any institutions subject to supervisory by the financial and capital market supervisory authorities of the Republic of Latvia or any other EU Member State as defined in applicable laws, such as pension funds, payment institutions, electronic money institutions); and

5) the Latvian Central Depository, a central depository of another EU Member State, central counterparty or settlement agent.

The financial institutions the supervision of which is performed by the competent financial and capital market supervisory authorities other EU Member States are defined in the laws of the relevant EU Member State.

If the Firm is not incorporated in the EU, but has a branch that falls within any of the categories listed at paragraph 4) a) to f) of the Article 3 of the Law on Financial Collateral, the Firm will be covered by the definition in the Article 3 of the Law on Financial Collateral, under the condition that the financial collateral arrangement has been entered into by such branch subject to the supervision by the competent financial and capital market supervisory authorities of the Republic of Latvia or other EU Member States.

If the Firm falls under the above mentioned defined categories of persons, or if the Counterparty is one of the above defined persons, than the Law on Financial Collateral is applicable and the other Party to such collateral arrangement (Security Interest) can be any natural or legal persons or associations of such persons.

For the Security Interest to be enforceable additional provisions of Article 4 of the Law on Financial Collateral shall be observed, where it is stated that following conditions must be fulfilled:

- 1) entering into financial collateral agreement between the Parties and;
- 2) transfer of such collateral into the possession of the collateral taker or an authorised person thereof, where the collateral taker or the authorised person

thereof is holding, registering or otherwise governing such collateral.

It must also be noted that the above mentioned transfer of the collateral according to Article 10 of the Law on Financial Collateral must be made:

1. in the case of winding-up proceedings of a collateral provider in accordance with a decision of the participants thereof regarding the termination of operation (voluntary liquidation) – no later than within any time period prior to the day when an announcement of the Enterprise Register regarding the termination of operation and initiation of the winding-up proceedings of the collateral provider is published;
2. in the case of winding-up proceedings of a collateral provider, on the basis of a decision of an administrative institution or a court adjudication – no later than within any time period prior to the day when an announcement of the Enterprise Register regarding the termination of operation and initiation of the winding-up proceedings of the collateral provider is published;
3. in the case of measures of insolvency proceedings – no later than within any time period prior to the publication of an announcement regarding the insolvency of a collateral provider made in accordance with the procedures specified by regulatory enactments; or
4. no later than within the time period determined by the regulatory enactment regulating the winding-up proceedings or measures of insolvency proceedings of commercial companies (also credit institutions) prior to the day of initiation of such proceedings and measures, within which it may be requested to declare the entered into transactions null and void.

The Security Interest will be considered valid and binding to third persons also in cases when the financial collateral has been transferred after the setting in of the time periods referred to above if the financial collateral taker proves that he or she did not know and could not have known regarding the initiation of the winding-up proceedings or measures of insolvency proceedings.

In case where the above mentioned preconditions for a financial collateral to be in force are not met, the Security Interest after initiation of the Insolvency proceedings against a counterparty according to insolvency laws as applicable in the Republic of Latvia, under certain circumstances can be challenged, declared invalid.

According to the Article 2 of the Insolvency Law all the provisions of the law will be applied also to the persons, subjects to the financial collateral arrangement, as long as the Law on Financial

Collateral does not prescribe otherwise. In case of insolvency of the Counterparty located in Latvia the Insolvency law provisions will be applied and the only limitations of the application of such provisions when it comes to financial collateral arrangement is defined by the law with a reference to the Law on Financial Collateral.

In our opinion the Transactions effected on market most probably could not be considered as extortionate credit arrangements. Such cautious view is expressed in particular due to lack of practice in this area on application of legal rules to the Transactions in question.

There are no other material issues relevant to the issues addressed in this opinion letter which we draw to your attention.

This opinion is given for the sole benefit of the Futures and Options Association and such of its members (excluding associate members) as subscribe to the Futures and Options Association's opinions library (and whose terms of subscription give them access to this opinion). This opinion may not be relied upon by any other person unless we otherwise specifically agree with that person in writing, although we consent to it being shown to such Futures and Options Association members' affiliates (being members of such persons' groups, as defined by the UK Financial Services and Markets Act 2000) and to any competent authority supervising such member firms and their affiliates in connection with their compliance with their obligations under prudential regulation.

Yours faithfully,



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SCHEDULE 1
CREDIT INSTITUTIONS

Subject to the modifications and additions set out in this Schedule 1 Credit Institutions, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Credit Institutions. For the purposes of this Schedule 1 Credit Institutions, "Credit Institution" means a capital company, which accepts deposits and other repayable funds from an unlimited circle of clients, issues credits in its own name and provides other financial services (definition in accordance with the Law on Credit Institutions).

Except where the context otherwise requires, references in this Schedule to "*paragraph*" are to paragraphs in the opinion letter (but not to its Annexes or Schedules) and references to "*sections*" are to sections of this Schedule.

1. MODIFICATIONS TO TERMS OF REFERENCE AND DEFINITIONS

No modifications

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions

3. MODIFICATIONS TO OPINIONS

On the basis of the terms of reference and assumptions and subject to the qualifications (in each case set out in this opinion letter as modified, or added to, by this Schedule), we are of the following opinion.

No modifications

4. ADDITIONAL QUALIFICATIONS

The opinions in this opinion letter are subject to the following additional qualifications.

No additional qualifications

5. MODIFICATIONS TO QUALIFICATIONS

Furthermore, the qualifications at paragraph 4 are deemed modified as follows.

Qualifications with a reference to the Article 2 of the Insolvency Law do not apply. But the same reasoning applies based on Article 10² of the Law on Credit Institutions.

SCHEDULE 2
INSURANCE COMPANIES

Subject to the modifications and additions set out in this Schedule 2 Insurance companies, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Insurance companies. For the purposes of this Schedule 2 Insurance companies, "**Insurance company**" means commercial company in the legal form of Joint Stock Company or European Company or mutual insurance cooperative association, which according to the Law on Insurance Companies and Supervision Thereof is licensed to provide insurance services.

Except where the context otherwise requires, references in this Schedule to "*paragraph*" are to paragraphs in the opinion letter (but not to its Annexes or Schedules) and references to "*sections*" are to sections of this Schedule.

1. **MODIFICATIONS TO TERMS OF REFERENCE AND DEFINITIONS**

No modifications

2. **ADDITIONAL ASSUMPTIONS**

We assume:

No additional assumptions

3. **MODIFICATIONS TO OPINIONS**

On the basis of the terms of reference and assumptions and subject to the qualifications (in each case set out in this opinion letter as modified, or added to, by this Schedule), we are of the following opinion.

No modifications

4. **ADDITIONAL QUALIFICATIONS**

The opinions in this opinion letter are subject to the following additional qualifications.

No additional qualifications

5. **MODIFICATIONS TO QUALIFICATIONS**

Furthermore, the qualifications at paragraph 4 are deemed modified as follows.

No modifications.

SCHEDULE 3
INDIVIDUALS

Subject to the modifications and additions set out in this Schedule 3 Individuals, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Individuals. For the purposes of this Schedule 3 Individuals, "**Individuals**" means any natural person having legal capacity and capacity to act in accordance with the Civil Law of Latvia.

Except where the context otherwise requires, references in this Schedule to "*paragraph*" are to paragraphs in the opinion letter (but not to its Annexes or Schedules) and references to "*sections*" are to sections of this Schedule.

1. MODIFICATIONS TO TERMS OF REFERENCE AND DEFINITIONS

No modifications

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions

3. MODIFICATIONS TO OPINIONS

On the basis of the terms of reference and assumptions and subject to the qualifications (in each case set out in this opinion letter as modified, or added to, by this Schedule), we are of the following opinion.

No modifications

4. ADDITIONAL QUALIFICATIONS

The opinions in this opinion letter are subject to the following additional qualifications.

No additional qualifications

5. MODIFICATIONS TO QUALIFICATIONS

Furthermore, the qualifications at paragraph 4 are deemed modified as follows.

Although there is no practice in this area, some degree of uncertainty exists as to the possibility that the Transactions can be considered as extortionate credit arrangements in case one of the Counterparties is a consumer. This is particular evidenced by the inclusion of the provision in the Law on Financial Collateral, where it is stated the provisions do apply to the extent they are not

in violation with the respective laws on consumer protection.

**SCHEDULE 4
PARTNERSHIPS**

Subject to the modifications and additions set out in this Schedule 4 Partnerships, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Partnerships. For the purposes of this Schedule 4 Partnerships, "Partnerships" means "an association of two or more persons based on a partnership contract for the attaining of a common goal through united efforts or resources" in accordance with the Civil Law of the Republic of Latvia.

Except where the context otherwise requires, references in this Schedule to "*paragraph*" are to paragraphs in the opinion letter (but not to its Annexes or Schedules) and references to "*sections*" are to sections of this Schedule.

1. MODIFICATIONS TO TERMS OF REFERENCE AND DEFINITIONS

No modifications

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions

3. MODIFICATIONS TO OPINIONS

On the basis of the terms of reference and assumptions and subject to the qualifications (in each case set out in this opinion letter as modified, or added to, by this Schedule), we are of the following opinion.

No modifications

4. ADDITIONAL QUALIFICATIONS

The opinions in this opinion letter are subject to the following additional qualifications.

No additional qualifications

5. MODIFICATIONS TO QUALIFICATIONS

Furthermore, the qualifications at paragraph 4 are deemed modified as follows.

No modifications

SCHEDULE 5

PUBLIC PERSONS AND INSTITUTIONS

Subject to the modifications and additions set out in this Schedule 5 Public persons and institutions, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Public persons and institutions. For the purposes of this Schedule 5 Public persons and institutions, "**Public persons and institutions**" means the Republic of Latvia as the initial legal person governed by public law and derived public persons (**public person**). And an authority which acts on behalf of a public person and to which authority whose competence in State administration is specified by a regulatory enactment, financial resources are allocated to implement its activities and which has its own personnel (**institution**) in accordance with State Administration Structure Law of the Republic of Latvia.

Except where the context otherwise requires, references in this Schedule to "*paragraph*" are to paragraphs in the opinion letter (but not to its Annexes or Schedules) and references to "*sections*" are to sections of this Schedule.

1. MODIFICATIONS TO TERMS OF REFERENCE AND DEFINITIONS

No modifications

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions

3. MODIFICATIONS TO OPINIONS

On the basis of the terms of reference and assumptions and subject to the qualifications (in each case set out in this opinion letter as modified, or added to, by this Schedule), we are of the following opinion.

No modifications

4. ADDITIONAL QUALIFICATIONS

The opinions in this opinion letter are subject to the following additional qualifications.

No additional qualifications

5. MODIFICATIONS TO QUALIFICATIONS

Furthermore, the qualifications at paragraph 4 are deemed modified as follows.

No modifications

SCHEDULE 6
PARTNERSHIPS AND INDIVIDUAL MERCHANTS

Subject to the modifications and additions set out in this Schedule 6 Partnerships and Individual Merchants, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Partnerships and Individual Merchants. For the purposes of this Schedule 6 Partnerships and Individual Merchants, "**Partnerships and Individual Merchants**" means Partnerships and Individual Merchants in accordance with the Commercial Law of the Republic of Latvia, registered in the Commercial Registry of the Republic of Latvia.

Except where the context otherwise requires, references in this Schedule to "*paragraph*" are to paragraphs in the opinion letter (but not to its Annexes or Schedules) and references to "*sections*" are to sections of this Schedule.

1. MODIFICATIONS TO TERMS OF REFERENCE AND DEFINITIONS

No modifications

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions

3. MODIFICATIONS TO OPINIONS

On the basis of the terms of reference and assumptions and subject to the qualifications (in each case set out in this opinion letter as modified, or added to, by this Schedule), we are of the following opinion.

No modifications

4. ADDITIONAL QUALIFICATIONS

The opinions in this opinion letter are subject to the following additional qualifications.

No additional qualifications

5. MODIFICATIONS TO QUALIFICATIONS

Furthermore, the qualifications at paragraph 4 are deemed modified as follows.

No modifications

SCHEDULE 7
INVESTMENT MANAGEMENT COMPANIES/INVESTMENT
BROKER COMPANIES

Subject to the modifications and additions set out in this Schedule 7 Investment management companies/investment broker companies, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Investment management companies/investment broker companies. For the purposes of this Schedule 7 Investment management companies/investment broker companies, "**Investment management companies/investment broker companies**" means capital companies registered as joint stock companies under Commercial Law of the Republic of Latvia and licensed in accordance with the Law on Investment management companies (**Investment management companies**) and capital companies registered under Commercial Law of the Republic of Latvia and licensed in accordance with the Financial Instruments Market Law (**Investment broker companies**).

Except where the context otherwise requires, references in this Schedule to "*paragraph*" are to paragraphs in the opinion letter (but not to its Annexes or Schedules) and references to "*sections*" are to sections of this Schedule.

1. MODIFICATIONS TO TERMS OF REFERENCE AND DEFINITIONS

No modifications

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions

3. MODIFICATIONS TO OPINIONS

On the basis of the terms of reference and assumptions and subject to the qualifications (in each case set out in this opinion letter as modified, or added to, by this Schedule), we are of the following opinion.

No modifications

4. ADDITIONAL QUALIFICATIONS

The opinions in this opinion letter are subject to the following additional qualifications.

No additional qualifications

5. MODIFICATIONS TO QUALIFICATIONS

Furthermore, the qualifications at paragraph 4 are deemed modified as follows.

No modifications

**SCHEDULE 8
PRIVATE PENSION FUNDS**

Subject to the modifications and additions set out in this Schedule 8 Private pension funds, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Private pension funds. For the purposes of this Schedule 8 Private pension funds, "**Private pension fund**" means a joint stock company registered in the Commercial Register in accordance with the Commercial Law and licensed in accordance with the Law on Private pension funds, which accumulates and invests contributions of monetary means made by the pension plan participants themselves or voluntarily made in their favour in order to ensure an old age supplementary pension capital to such participants.

Except where the context otherwise requires, references in this Schedule to "*paragraph*" are to paragraphs in the opinion letter (but not to its Annexes or Schedules) and references to "*sections*" are to sections of this Schedule.

1. MODIFICATIONS TO TERMS OF REFERENCE AND DEFINITIONS

No modifications

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions

3. MODIFICATIONS TO OPINIONS

On the basis of the terms of reference and assumptions and subject to the qualifications (in each case set out in this opinion letter as modified, or added to, by this Schedule), we are of the following opinion.

No modifications

4. ADDITIONAL QUALIFICATIONS

The opinions in this opinion letter are subject to the following additional qualifications.

No additional qualifications

5. MODIFICATIONS TO QUALIFICATIONS

Furthermore, the qualifications at paragraph 4 are deemed modified as follows.

No modifications.

**ANNEX 1
FORM OF FOA AGREEMENTS**

1. Professional Client Agreement (2007 Version), including Module G (*Margin and Collateral*) (the "**Professional Client Agreement 2007**")
2. Professional Client Agreement (2009 Version), including Module G (*Margin and Collateral*) (the "**Professional Client Agreement 2009**")
3. Professional Client Agreement (2011 Version) including Module G (*Margin and Collateral*) (the "**Professional Client Agreement 2011**")
4. Retail Client Agreement (2007 Version) including Module G (*Margin and Collateral*) (the "**Retail Client Agreement 2007**")
5. Retail Client Agreement (2009 Version) including Module G (*Margin and Collateral*) (the "**Retail Client Agreement 2009**")
6. Retail Client Agreement (2011 Version) including Module G (*Margin and Collateral*) (the "**Retail Client Agreement 2011**")
7. Eligible Counterparty Agreement (2007 Version) including Module G (*Margin*) (the "**Eligible Counterparty Agreement 2007**")
8. Eligible Counterparty Agreement (2009 Version) including Module G (*Margin*) (the "**Eligible Counterparty Agreement 2009**")
9. Eligible Counterparty Agreement (2011 Version) including Module G (*Margin*) (the "**Eligible Counterparty Agreement 2011**")

For the avoidance of doubt none of the forms of the Agreements listed at this Annex 1 include or incorporate the Title Transfer Securities and Physical Collateral Annex to the Netting Modules published by the Futures and Options Association.

Where the form of any Agreement listed in this Annex 1 (as published by the Futures and Options Association) (the "**FOA Published Form Agreement**") expressly contemplates the election of certain variables and alternatives, the Agreements listed above shall be deemed to include any such document in respect of which the parties have made such expressly contemplated elections (and have made any deletions required by such elections, where such deletions are expressly contemplated in the event of such election by the applicable FOA Published Form Agreement).

Each of the Agreements listed in this Annex 1 may be deemed to include Agreements identical to the relevant FOA Published Form Agreement, save for the substitution of Two Way Clauses in place of the equivalent terms in the FOA Published Form Agreement.

ANNEX 2
DEFINED TERMS RELATING TO THE AGREEMENTS

1. The "**Eligible Counterparty Agreements**" means each of the Eligible Counterparty Agreement 2007, the Eligible Counterparty Agreement 2009 and the Eligible Counterparty Agreement 2011 (each as listed and defined at Annex 1).
2. The "**Professional Client Agreements**" means each of the Professional Client Agreement 2007, the Professional Client Agreement 2009 and the Professional Client Agreement 2011 (each as listed and defined at Annex 1).
3. The "**Retail Client Agreements**" means each of the Retail Client Agreement 2007, the Retail Client Agreement 2009 and the Retail Client Agreement 2011 (each as listed and defined at Annex 1).
4. An "**Equivalent 2011 Agreement without Core Rehypothecation Clause**" means an Equivalent Agreement in the form of the Eligible Counterparty Agreement 2011, Retail Client Agreement 2011 or Professional Client Agreement 2011 but which does not contain the Rehypothecation Clause.
5. "**Core Provisions**" means:
 - (a) with respect to all Equivalent Agreements, the Security Interest Provisions; and
 - (b) with respect to Equivalent Agreements that are in the form of the Eligible Counterparty Agreement 2011, Retail Client Agreement 2011 or Professional Client Agreement 2011 (but not with respect to an Equivalent 2011 Agreement without Core Rehypothecation Clause), the Rehypothecation Clause.
6. "**Rehypothecation Clause**" means:
 - (i) in the case of Agreements in the form of the Professional Client Agreement 2011, clause 8.13 (**Rehypothecation**);
 - (ii) in the case of Agreements in the form of the Retail Client Agreement 2011, clause 8.15 (**Rehypothecation**);
 - (iii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2011, clause 7.13 (**Rehypothecation**); and
 - (iv) in the case of an Equivalent Agreement, a clause that is identically the same in form

and language as a clause referred to in any of the foregoing paragraphs (i) to (iii) of this definition (except insofar as variations may be required for internal cross-referencing purposes);

7. "Security Interest Provisions" means:

- (a) the "Security Interest Clause", being:
 - (i) in the case of Agreements in the form of the Professional Client Agreement 2007, clause 8.6 (**Security interest**);
 - (ii) in the case of Agreements in the form of the Professional Client Agreement 2009, clause 8.6 (**Security interest**);
 - (iii) in the case of Agreements in the form of the Professional Client Agreement 2011, clause 8.7 (**Security interest**);
 - (iv) in the case of Agreements in the form of the Retail Client Agreement 2007, clause 8.8 (**Security interest**);
 - (v) in the case of Agreements in the form of the Retail Client Agreement 2009, clause 8.8 (**Security interest**);
 - (vi) in the case of Agreements in the form of the Retail Client Agreement 2011, clause 8.9 (**Security interest**);
 - (vii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2007, clause 7.6 (**Security interest**);
 - (viii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2009, clause 7.6 (**Security interest**);
 - (ix) in the case of Agreements in the form of the Eligible Counterparty Agreement 2011, clause 7.7 (**Security interest**); and
 - (x) in the case of an Equivalent Agreement, a clause that is identically the same in form and language as a clause referred to in any of the foregoing paragraphs (i) to (ix) of this definition (except insofar as variations may be required for internal cross-referencing purposes);

- (b) the "**Power to Charge Clause**", being:
- (i) in the case of Agreements in the form of the Professional Client Agreement 2007, clause 8.10 (**Power to charge**);
 - (ii) in the case of Agreements in the form of the Professional Client Agreement 2009, clause 8.10 (**Power to charge**);
 - (iii) in the case of Agreements in the form of the Professional Client Agreement 2011, clause 8.10 (**Power to charge**);
 - (iv) in the case of Agreements in the form of the Retail Client Agreement 2007, clause 8.12 (**Power to charge**);
 - (v) in the case of Agreements in the form of the Retail Client Agreement 2009, clause 8.12 (**Power to charge**);
 - (vi) in the case of Agreements in the form of the Retail Client Agreement 2011, clause 8.12 (**Power to charge**);
 - (vii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2007, clause 7.10 (**Power to charge**);
 - (viii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2009, clause 7.10 (**Power to charge**);
 - (ix) in the case of Agreements in the form of the Eligible Counterparty Agreement 2011, clause 7.10 (**Power to charge**); and
 - (x) in the case of an Equivalent Agreement, a clause that is identically the same in form and language as a clause referred to in any of the foregoing paragraphs (i) to (ix) of this definition (except insofar as variations may be required for internal cross-referencing purposes);
- (c) the "**Power of Sale Clause**", being:
- (i) in the case of Agreements in the form of the Professional Client Agreement 2007, clause 8.11 (**Power of sale**);
 - (ii) in the case of Agreements in the form of the Professional Client Agreement 2009,

clause 8.11 (*Power of sale*);

- (iii) in the case of Agreements in the form of the Professional Client Agreement 2011, clause 8.11 (*Power of sale*);
 - (iv) in the case of Agreements in the form of the Retail Client Agreement 2007, clause 8.13 (*Power of sale*);
 - (v) in the case of Agreements in the form of the Retail Client Agreement 2009, clause 8.13 (*Power of sale*);
 - (vi) in the case of Agreements in the form of the Retail Client Agreement 2011, clause 8.13 (*Power of sale*);
 - (vii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2007, clause 7.11 (*Power of sale*);
 - (viii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2009, clause 7.11 (*Power of sale*);
 - (ix) in the case of Agreements in the form of the Eligible Counterparty Agreement 2011, clause 7.11 (*Power of sale*); and
 - (x) in relation to an Equivalent Agreement, a clause that is identically the same in form and language as the clauses referred to in any of the foregoing paragraphs (i) to (ix) of this definition (except insofar as variations may be required for internal cross-referencing purposes);
- (d) the "**Power of Appropriation Clause**", being:
- (i) in the case of Agreements in the form of the Professional Client Agreement 2007, clause 8.12 (*Power of appropriation*);
 - (ii) in the case of Agreements in the form of the Professional Client Agreement 2009, clause 8.12 (*Power of appropriation*);
 - (iii) in the case of Agreements in the form of the Professional Client Agreement 2011, clause 8.12 (*Power of appropriation*);
 - (iv) in the case of Agreements in the form of the Retail Client Agreement 2007, clause

8.14 (***Power of appropriation***);

- (v) in the case of Agreements in the form of the Retail Client Agreement 2009, clause 8.14 (***Power of appropriation***);
 - (vi) in the case of Agreements in the form of the Retail Client Agreement 2011, clause 8.14 (***Power of appropriation***);
 - (vii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2007, clause 7.13 (***Power of appropriation***);
 - (viii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2009, clause 7.13 (***Power of appropriation***);
 - (ix) in the case of Agreements in the form of the Eligible Counterparty Agreement 2011, clause 7.12 (***Power of appropriation***); and
 - (x) in the case of an Equivalent Agreement, a clause that is identically the same in form and language as a clause referred to in any of the foregoing paragraphs (i) to (ix) of this definition (except insofar as variations may be required for internal cross-referencing purposes);
- (c) the "**Lien Clause**", being:
- (i) in the case of Agreements in the form of the Professional Client Agreement 2007, clause 8.13 (***General lien***);
 - (ii) in the case of Agreements in the form of the Professional Client Agreement 2009, clause 8.13 (***General lien***);
 - (iii) in the case of Agreements in the form of the Professional Client Agreement 2011, clause 8.14 (***General lien***);
 - (iv) in the case of Agreements in the form of the Retail Client Agreement 2007, clause 8.15 (***General lien***);
 - (v) in the case of Agreements in the form of the Retail Client Agreement 2009, clause 8.15 (***General lien***);
 - (vi) in the case of Agreements in the form of the Retail Client Agreement 2011, clause

8.16 (**General lien**);

- (vii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2007, clause 7.12 (**General lien**);
 - (viii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2009, clause 7.12 (**General lien**);
 - (ix) in the case of Agreements in the form of the Eligible Counterparty Agreement 2011, clause 7.14 (**General lien**); and
 - (x) in the case of an Equivalent Agreement, a clause that is identically the same in form and language as a clause referred to in any of the foregoing paragraphs (i) to (ix) of this definition (except insofar as variations may be required for internal cross-referencing purposes); and
- (f) the "**Client Money Additional Security Clause**", being:
- (i) in the case of Agreements in the form of the Professional Client Agreement 2007, clause 7.8 (**Additional security**) at module F Option 4 (where incorporated into such Agreement);
 - (ii) in the case of Agreements in the form of the Professional Client Agreement 2009, clause 7.9 (**Additional security**) at module F Option 1 (where incorporated into such Agreement);
 - (iii) in the case of Agreements in the form of the Professional Client Agreement 2011, clause 7.9 (**Additional security**) at module F Option 1 (where incorporated into such Agreement);
 - (iv) in the case of Agreements in the form of the Retail Client Agreement 2007, clause 7.8 (**Additional security**) at module F Option 4 (where incorporated into such Agreement);
 - (v) in the case of Agreements in the form of the Retail Client Agreement 2009, clause 7.9 (**Additional security**) at module F Option 1 (where incorporated into such Agreement);

- (vi) in the case of Agreements in the form of the Retail Client Agreement 2011, clause 7.9 (**Additional security**) at module F Option 1 (where incorporated into such Agreement);
- (vii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2007, clause 6.8 (**Additional security**) at module F Option 4 (where incorporated into such Agreement);
- (viii) in the case of Agreements in the form of the Eligible Counterparty Agreement 2009, clause 6.9 (**Additional security**) at module F Option 1 (where incorporated into such Agreement);
- (ix) in the case of Agreements in the form of the Eligible Counterparty Agreement 2011, clause 6.9 (**Additional security**) at module F Option 1 (where incorporated into such Agreement); and
- (x) in the case of an Equivalent Agreement, a clause that is identically the same in form and language as the clauses referred to in any of the foregoing paragraphs (i) to (ix) of this definition (except insofar as variations may be required for internal cross-referencing purposes).

"Two Way Clauses" means each of the Futures and Options Association's Short-Form Two-Way Clauses 2007, the Short-Form Two-Way Clauses 2009, the Short-Form Two-Way Clauses 2011, the Long-Form Two-Way Clauses 2007, the Long-Form Two-Way Clauses 2009 and the Long-Form Two-Way Clauses 2011.