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NETTING ANALYSER LIBRARY Legal collateral opinion – Non Situs Version

Dear Sirs

FOA Collateral Opinion

You have asked us to give an opinion in respect of the laws of the Republic of Lithuania ("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.



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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 companies/corporations incorporated under the Law on Companies of the Republic of Lithuania,

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 the Law on Banks of the Republic of Lithuania and the Law on Financial Institutions of the Republic of Lithuania (Schedule 1);
- 1.2.2 Investment firms/Financial brokerage firms incorporated under the Law on Markets in Financial Instruments of the Republic of Lithuania (Schedule 2);
- 1.2.3 Partnerships organised under the Civil Code of the Republic of Lithuania (Schedule 3);
- 1.2.4 Insurance companies/Reinsurance companies incorporated under the Law on Insurance of the Republic of Lithuania (Schedule 4);
- 1.2.5 Individuals (Schedule 5);
- 1.2.6 Investment funds organized under the Law on Collective Investment Undertakings of the Republic of Lithuania (Schedule 6);
- 1.2.7 Sovereign, Central bank and State governing bodies (Schedule 7);
- 1.2.8 Management companies incorporated under the Law on Collective Investment Undertakings of the Republic of Lithuania (Schedule 8);
- 1.2.9 Charitable and support funds organised under the Law on Charitable and Support Funds of the Republic of Lithuania (Schedule 9);
- 1.2.10 Pension entities (Schedule 10); and
- 1.2.11 Credit unions incorporated under the Law on Credit Union of the Republic of Lithuania (Schedule 11),

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.

1.5 References to "**Core Provisions**" include Core Provisions that have been modified by Non-Material Amendments as defined herein.

1.6 "**Insolvency Proceedings**" means insolvency, bankruptcy, restructuring, appointment of the temporary management body, following a relevant recommendation after an investigation into activities 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, bankruptcy, restructuring, appointment of the temporary management body, following a relevant recommendation after an investigation into activities or analogous 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 any cash refers only to money which is represented by a credit to an account, or similar claims on repayment of money, thus explicitly excluding banknotes.
- 2.17 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.

We are of the opinion, the right of re-use/re-hypothecation clause is irrelevant to our opinion as collateral is not located in this jurisdiction.

4. **QUALIFICATIONS**

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

- 4.1 The two major laws involved, the Law on Financial Collateral Arrangements of the Republic of Lithuania and the Law on Settlement Finality in Payment and Securities Settlement Systems of the Republic of Lithuania, are mostly a word by word implementation into local law of the relevant EU directives. Furthermore, the local capital markets law is mostly an implementation of the relevant provisions of various EU capital markets law legal acts. However, capital markets in the Republic of Lithuania are little developed and there is little relevant court practice. Consequently, uncertainty remains as regards the future interpretation of local laws by courts.
- 4.2 Based on existing court practice in the Republic of Lithuania, we recommend making explicit reference to the Law on Financial Collateral Arrangements of the Republic of Lithuania in all contractual documents relating to financial collateral. One case is currently awaiting the decision of the Lithuanian Supreme Court. The courts of the Republic of Lithuania in two lower instances held that without such explicit reference the Non-Defaulting party could not rely on the specific protection afforded by the Law on Financial Collateral Arrangements of the Republic of Lithuania. We do not expect a decision in this case before 2014.

To eliminate the risk of non-application of the Law on Financial Collateral Arrangements of the Republic of Lithuania we are of the opinion the following reference should be included in the contract documentation:

“This Agreement is subject to the Law on Financial Collateral Arrangements of the Republic of Lithuania.”

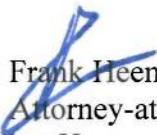
- 4.3 With regard to our opinion in paragraph 3.1.3, we point out that currently a case is pending before the Constitutional Court of the Republic of Lithuania. The judgment might affect our opinion, as according to one of the views presented to the Constitutional Court of the Republic of Lithuania one creditor cannot enjoy higher ranking than others based on the Law of Financial Collateral Arrangements of the Republic of Lithuania, since this would violate certain constitutional principles. The decision of the Constitutional Court of the Republic of Lithuania is not expected before 2014.
- 4.4 For the purpose of clarification also with regard to the Schedules, we are of the opinion that pledges, arrests or other restrictions in effect against a Defaulting Party’s

property in this jurisdiction would not affect a Firm's entitlement to exercise its rights in paragraph 3.1 above.

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,


Frank Heemann
Attorney-at-law (Rechtsanwalt)
bnt Heemann Klauberg Krauklis APB

**SCHEDE 1
BANKS/FINANCIAL INSTITUTIONS**

Subject to the modifications and additions set out in this Schedule 1 BANKS/FINANCIAL INSTITUTIONS, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Banks/Financial Institutions. For the purposes of this Schedule 1 BANKS/FINANCIAL INSTITUTIONS, "Bank" means a credit institution established in the Republic of Lithuania that bears a license to conduct and that actually conducts the accepting of deposits and other repayable funds from non-professional market participants, and that conducts the lending of such funds, as well as bears the risk and responsibility related to such activity, as defined in the Law on Banks of the Republic of Lithuania; "Financial Institution" means a financial undertaking or a credit institution as defined in the Law on Financial Institutions of the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATIONS

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

No additional qualifications are necessary.

5. MODIFICATIONS TO QUALIFICATIONS

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

No modifications to qualifications are necessary.

SCHEDULE 2
INVESTMENT FIRMS/FINANCIAL BROKERAGE FIRMS

Subject to the modifications and additions set out in this Schedule 2 INVESTMENT FIRMS/FINANCIAL BROKERAGE FIRMS, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Investment firms/Financial Brokerage Firms. For the purposes of this Schedule 2 INVESTMENT FIRMS/FINANCIAL BROKERAGE FIRMS, "**Investment Firm**" means Investment Firm with variable capital or Closed-End Investment Company as defined in the Law on Collective Investment Undertakings of the Republic of Lithuania; "**Financial Brokerage Firm**" means a legal entity whose regular business is the provision of one or more investment services to third parties and/or the performance of one or more types of investment activities on a professional basis, both as defined in the Law on Markets in Financial Instruments of the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATIONS

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

No additional qualifications are necessary.

5. MODIFICATIONS TO QUALIFICATIONS

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

No modifications to qualifications are necessary.

**SCHEDULE 3
PARTNERSHIPS**

Subject to the modifications and additions set out in this Schedule 3 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 3 PARTNERSHIPS, "Partnership" means an arrangement between two or more partners, who agree to combine their assets, labour and knowledge to achieve a particular legitimate goal or to engage in a particular activity as defined in the Civil Code of the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATIONS

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

We are of the opinion it is highly unlikely a Partnership would be entering into an Agreement, therefore we advise to conduct an additional assessment on a case-by-case basis should a potential counterparty be a Partnership. Such a case-by-case assessment would also take into account that Partnership may either amount to a legal entity or not, depending on the particular partnership agreement in question. Our opinion would be conditional upon such a case-by-case analysis.

5. MODIFICATIONS TO QUALIFICATIONS

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

No modifications to qualifications are necessary.

SCHEDULE 4
INSURANCE COMPANIES/REINSURANCE COMPANIES

Subject to the modifications and additions set out in this Schedule 4 INSURANCE COMPANIES/REINSURANCE COMPANIES, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Insurance companies/Reinsurance companies. For the purposes of this Schedule 4 INSURANCE COMPANIES/REINSURANCE COMPANIES, "**Insurance Company**" means an entity licensed for the provision of insurance activity under the Law on Insurance of the Republic of Lithuania; "**Reinsurance Company**" means an entity licensed for the provision of reinsurance activity under the Law on Insurance of the Republic of Lithuania, as they are defined in the Law on Insurance of the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATION

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

No additional qualifications are necessary.

5. MODIFICATIONS TO QUALIFICATIONS

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

No modifications to qualifications are necessary.

**SCHEDULE 5
INDIVIDUALS**

Subject to the modifications and additions set out in this Schedule 5 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 5 INDIVIDUALS, "Individual" means a private person (as opposed to a legal entity or any arrangement without a separate legal personality) being a subject to the Law on Personal Bankruptcy of the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Enforcement of the Security Interest in respect of the Collateral against this type of counterparty will be subject to the Law on Personal Bankruptcy of the Republic of Lithuania as opposed to the enforcement of the Security Interest in respect of the Collateral under the Law on Financial Collateral Arrangements of the Republic of Lithuania and the Law on Settlement Finality in Payment and Securities Settlement Systems of the Republic of Lithuania following such time as the Law on Personal Bankruptcy of the Republic of Lithuania comes into effect (see section 4 below), Personal bankruptcy against this type of counterparty will be subject to the Law on Personal Bankruptcy of the Republic of Lithuania.

4. ADDITIONAL QUALIFICATIONS

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

The Law on Personal Bankruptcy of the Republic of Lithuania comes into effect on 1 March 2013. This being the first-time introduction of the concept of personal bankruptcy into the legal system of the Republic of Lithuania, there is no experience as to how the procedures will work in practice.

5. **MODIFICATIONS TO QUALIFICATIONS**

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

The qualifications from the opinion letter are not applicable.

SCHEDULE 6 INVESTMENT FUNDS

Subject to the modifications and additions set out in this Schedule 6 INVESTMENT FUNDS, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Investment Funds. For the purposes of this Schedule 6 INVESTMENT FUNDS, "**Investment Fund**" means a fund not constituting a separate legal entity, the assets of which are mutually owned by legal entities or individuals and is managed by a collective investment undertaking's management company on trust, compliant with the terms and conditions established in the Law on Collective Investment Undertakings of the Republic of Lithuania and rules of the investment fund, as defined under the Law on Collective Investment Undertakings of the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATIONS

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

If upon dissolution of an Investment Fund, its assets are insufficient to cover the liabilities it had, the management company of this fund must fulfil those liabilities itself, unless the regulating authority grants a confirmation, that the management company of this dissolved fund has properly fulfilled its obligations under the Law on Collective Investment Undertakings of the Republic of Lithuania and rules of the Investment Fund.

5. **MODIFICATIONS TO QUALIFICATIONS**

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

No modifications to qualifications are necessary.

SCHEDULE 7
SOVEREIGN, CENTRAL BANK AND STATE GOVERNING BODIES

Subject to the modifications and additions set out in this Schedule 7 SOVEREIGN, CENTRAL BANK AND STATE GOVERNING BODIES, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Sovereign, Central Bank of the Republic of Lithuania, State Governing Bodies of the Republic of Lithuania, namely the ministries and budgetary institutions, all in their capacities to represent the Republic of Lithuania. For the purposes of this Schedule 7 SOVEREIGN, CENTRAL BANK AND STATE GOVERNING BODIES, "Sovereign" means the Republic of Lithuania acting through the ministries, State Governing Bodies of the Republic of Lithuania; "Central Bank" means the Central Bank of the Republic of Lithuania owned by the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATIONS

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

No additional qualifications are necessary.

5. MODIFICATIONS TO QUALIFICATIONS

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

No modifications to qualifications are necessary.

SCHEDULE 8 MANAGEMENT COMPANIES

Subject to the modifications and additions set out in this Schedule 8 MANAGEMENT COMPANIES, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Management Companies. For the purposes of this Schedule 8 MANAGEMENT COMPANIES, "**Management Company**" means a company the major activities of which are the management of investment funds or the management of investment companies as defined in the Law on Collective Investment Undertakings of the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATIONS

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

No additional qualifications are necessary.

5. MODIFICATIONS TO QUALIFICATIONS

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

No modifications to qualifications are necessary.

SCHEDULE 9

CHARITABLE AND SUPPORT FUNDS

Subject to the modifications and additions set out in this Schedule 9 CHARITABLE AND SUPPORT FUNDS, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Charitable and Support Funds. For the purposes of this Schedule 9 CHARITABLE AND SUPPORT FUNDS, "**Charitable and Support Fund**" means a limited liability public legal entity with its own proper name, the main goals of which are provision of charity or (and) support and other relief under the Law on Charity and Support of the Republic of Lithuania, as well as the Law on Charitable and Support Funds of the Republic of Lithuania, if charity or (and) support and other relief is provided to individuals and legal entities in the following areas: science, culture, education, art, religion, sports, health protection, social care, environmental protection and in other areas beneficial to the society and recognised as altruistic, as defined under the Law on Charitable and Support Funds of the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATIONS

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

No additional qualifications are necessary.

5. MODIFICATIONS TO QUALIFICATIONS

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

No modifications to qualifications are necessary.

SCHEDULE 10 PENSION ENTITIES

Subject to the modifications and additions set out in this Schedule 10 PENSION ENTITIES, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Pension Entities. For the purposes of this Schedule 10 PENSION ENTITIES, "**Pension Fund**" means the entirety of pension assets mutually owned by individuals voluntarily gathering pensions and contributing to the fund, the management of which is handed to the management company of the pension fund and which is invested according to its proper rules, "**Pension Fund Management Company**" means a company licensed by the relevant authority to engage in pension gathering activity. Both are defined in the Law on Additional Voluntary Pension Gathering of the Republic of Lithuania.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATIONS

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

No additional qualifications are necessary.

5. MODIFICATIONS TO QUALIFICATIONS

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

No modifications to qualifications are necessary.

SCHEDULE 11 CREDIT UNIONS

Subject to the modifications and additions set out in this Schedule 11 CREDIT UNIONS, the opinions, assumptions and qualifications set out in this opinion letter will also apply in respect of Parties which are Credit Unions. For the purposes of this Schedule 11 CREDIT UNIONS, "**Credit Union**" as defined in the Law on Credit Unions of the Republic of Lithuania means a credit institution that satisfies the economic and social needs of its members and that holds a licence to engage and that actually engages in the receipt of deposits and other repayable funds from the non-professional market participants specified by the Law on Credit Unions of the Republic of Lithuania, and in the lending of the funds, and that is also authorised to engage in the provision of other financial services stipulated by the Law on Credit Unions of the Republic of Lithuania to the persons specified therein and assuming related risks and responsibility.

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 to terms of reference and definitions are necessary.

2. ADDITIONAL ASSUMPTIONS

We assume:

No additional assumptions are necessary.

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.

Our opinion as expressed in the opinion letter is applicable to this type of counterparty.

4. ADDITIONAL QUALIFICATIONS

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

No additional qualifications are necessary.

5. MODIFICATIONS TO QUALIFICATIONS

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

No modifications to qualifications are necessary.

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);

(e) 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).

8. "**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.

ANNEX 3
NON-MATERIAL AMENDMENTS

1. Any change to the numbering or order of a provision or provisions or the drafting style thereof (e.g., addressing the other party as “you”, “Counterparty”, “Party A/Party B”) provided in each case that the plain English sense and legal effect both of each such provision and of the Agreement as a whole (including the integrity of any cross references and usage of defined terms) remains unchanged.
2. Any change to a provision or provisions by defining certain key terms (e.g., party, exchange, currency, defaulting party or non-defaulting party) and using these terms in large caps throughout the Agreement provided in each case that the plain English sense and legal effect both of each such provision and of the Agreement as a whole (including the integrity of any cross references and usage of defined terms) remains unchanged.
3. An addition to the list of events that constitute an Event of Default (e.g. without limitation, the failure to deliver securities or other assets, a force majeure, cross default or downgrading event the death or incapacity of a Party or its general partner any default under a specified transaction or a specified master agreement), such change may or may not be coupled with a grace period or the serving of a written notice on the Defaulting Party by the Non-Defaulting Party, such change may be expressed to apply to one only of the Parties.
4. Any change to an Insolvency Event of Default (i) introducing a grace period for the filing of a petition for bankruptcy proceedings (of e.g. 15 or 30 days), (ii) modifying or deleting any such grace period, (iii) requiring that the filing of the petition is not frivolous, vexatious or otherwise unwarranted or (iv) that the non-defaulting party has reasonable grounds to conclude that the performance by the defaulting party of its obligations under the Agreement, Transactions, or both, is endangered.
5. Any change to an Insolvency Event of Default more particularly describing (i) the relevant procedures that would or would not constitute such event of default or termination event (ii) the relevant officers the appointment of which would or would not constitute such Insolvency Event of Default.
6. Any change to an Insolvency Event of Default extending its scope to events occurring with respect to the credit support provider, an affiliate, a custodian or trustee of a Party.
7. Any change to an Insolvency Event of Default replacing such event of default with a provision aligned to Section 5(a)(vii) of the 1992 or 2002 ISDA Master Agreement (or relevant part thereof).
8. Any change to the Agreement requiring the Non-defaulting Party when exercising its rights under the Security Interest Provisions (or other provisions) or making determinations to act in good faith and/or a commercially reasonable manner.
9. Any change clarifying that the Non-defaulting Party must, or may not, notify the other party of its exercise of rights under the Security Interest Provisions or other provision.