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1st August, 2001

International Swaps and Derivatives Association, Inc.
600 Fifth Avenue, 27th Floor
Rockefeller Center
New York, New York 10022
U.S.A.

Ladies and Gentlemen:

2001 ISDA Credit Support Protocol

We have acted as your counsel as to matters of English law in connection with the 2001 ISDA Credit Support Protocol (the "Protocol") that you ("ISDA") are publishing today.

The Protocol has been developed to enable parties to an ISDA Master Agreement¹ of which a 1995 Credit Support Annex (Bilateral Form - Transfer English Law) or a 1994 ISDA Credit Support Annex (Bilateral Form New York Law) (each an "ISDA CSA" and the former the "English ISDA CSA") is a part to confirm their intentions in respect of certain potential amendments to the standard form of each ISDA CSA published by ISDA.

An ISDA CSA supplements, forms part of and is subject to the ISDA Master Agreement. The English ISDA CSA is intended to be used in conjunction with a 1992 Master Agreement subject to English law (an "English ISDA Master Agreement"). The ISDA Master Agreement expressly contemplates that it may be amended and supplemented from time to time. Its modular architecture provides an open-ended framework to facilitate the ongoing trading relationship of the parties. Section 9(b) of the 1992 ISDA Master Agreement provides that an amendment or modification of the agreement may be made if it is in writing, and Section 9(e) contemplates amendments and modifications that are executed and delivered in counterparts².

Consistent with these provisions of the ISDA Master Agreement, the Protocol provides a mechanism utilising standardised counterparts to facilitate multiple bilateral amendments to an existing ISDA Master Agreement of which an ISDA CSA is a part. By executing and delivering to ISDA, as agent, an Adherence Letter, a party to such ISDA Master Agreement may adhere to the Protocol. The Adherence Letter must be substantially in the form attached as an exhibit to the Protocol, and it appoints ISDA as the relevant Adhering Party's agent for the limited purposes of the Protocol. In each Adherence Letter, a

¹ This term refers to, as the case may be, the 1992 ISDA Master Agreement (Multicurrency--Cross Border) (the "1992 Master Agreement"), the 1992 ISDA Master Agreement (Local Currency--Single Jurisdiction), the 1987 ISDA Interest Rate and Currency Exchange Agreement and the 1987 ISDA Interest Rate Swap Agreement.

² This is implied in the agreements published in 1987 by provisions permitting counterparts executions of both the agreements and related confirmations.

A list of the names of partners and their professional qualifications is open to inspection at the above office. The partners are either solicitors in the United Kingdom or lawyers registered in other jurisdictions.

ALLEN & OVERY

To: International Swaps and Derivatives Association, Inc.
Page: 2

1st August, 2001

party may only elect one or more of the amendments contemplated in the Protocol. A party may not specify additional provisions, conditions or limitations in its Adherence Letter or otherwise.

A party is required to deliver to ISDA both a manually signed original Adherence Letter and a conformed copy. ISDA intends to display electronically on its website a record, as well as a conformed copy, of each Adherence Letter it receives.

The elections that may be made are set out in the Annexes to the Protocol. Where two parties submit qualifying Adherence Letters, they may effect one or more amendments to any ISDA CSA between them. As between any two parties, the scope of any modification to an ISDA CSA is determined by the elections made by both parties. If either party has specified a preference that less than all the Annexes to the Protocol are applicable, the ISDA CSA will be modified only by the amendments contained in each Annex to the Protocol elected by both parties. If both parties have specified a preference that all the Annexes to the Protocol are applicable, the ISDA CSA will be modified by the amendments contained in each of the Annexes to the Protocol.

Adherence to the Protocol is open until 31st January, 2002. That adherence, once effective, is expressed in Section 5(c) of the Protocol to be irrevocable except that, by subsequently delivering a qualifying notice, a party may designate a Cut-off Date as the last date on which any counterparty may adhere to the Protocol in respect of any ISDA CSA between them.

On the basis of the foregoing, and having regard to such legal considerations as we deem relevant and subject as set out below, we are of the opinion that:

- (a) the delivery to ISDA, as agent, of an Adherence Letter by each of the two parties to an English ISDA Master Agreement of which an English ISDA CSA is a part on the terms set out in the Protocol will be sufficient under English law to confirm or vary terms of that English ISDA Master Agreement as contemplated by the Protocol;
- (b) where the parties have each specified in their Adherence Letters a preference that different Annexes to the Protocol are applicable, an English ISDA Master Agreement between them of which an English ISDA CSA is a part will be confirmed or varied only by the amendments set out in the Annexes, if any, which they have both specified as applicable;
- (c) each affected English ISDA Master Agreement confirmed or varied by amendments set out in Annexes to the Protocol specified by both parties as described in (b) above will be enforceable as so amended (in this opinion the term "enforceable" means that the relevant document is of a type and form enforced by the English courts; it is not certain that each obligation or document would be enforced in accordance with its terms in every circumstance, enforcement being subject to, among other things, the nature of the remedies available in the English courts (equitable remedies, such as an order for specific performance or the issue of an injunction, being available only at the discretion of the court), the acceptance by such courts of jurisdiction, the power of such courts to stay proceedings, the provisions of the Limitation Act 1980 and all limitations resulting from the laws of bankruptcy, insolvency, liquidation or other laws affecting generally the enforcement of creditors' rights); and
- (d) the limited ability of a party to revoke its adherence to the Protocol in accordance with the procedures set out in Section 5(c) of the Protocol would be recognised under English law.

ALLEN & OVERY

To: International Swaps and Derivatives Association, Inc.

1st August, 2001

Page: 3

This opinion relates only to an affected English ISDA Master Agreement, is confined solely to the laws of England and we have made no investigation and no opinion is expressed or implied as to the laws of any other jurisdiction. We have assumed that no foreign law qualifies or affects our opinion as set out above. This opinion is also subject to the following assumptions:

- (i) each affected English ISDA Master Agreement has been duly authorised and executed by each party and constitutes the legal, valid and binding obligation of each party to that English ISDA Master Agreement as at the date of each Adherence Letter;
- (ii) each Adhering Party is able lawfully to adhere to the Protocol on the terms set out in the Protocol, and its adherence to the Protocol is duly authorised and each Adherence Letter and any Revocation Notice is duly executed and delivered;
- (iii) the Protocol reflects correctly the commercial intentions of each Adhering Party;
- (iv) each party has complied with the terms set out in the Protocol, including delivery of an Adherence Letter substantially in the form attached as an exhibit to the Protocol;
- (v) insofar as the Protocol relates to investment business in the United Kingdom, any party that adheres to the Protocol and is carrying on, or purporting to carry on, such investment business is an authorised person or an exempted person in respect of that business under the Financial Services Act 1986; and
- (vi) insofar as performance in any jurisdiction outside of England is contemplated, such performance will not be illegal or invalid by virtue of the laws of that jurisdiction.

Capitalised terms used herein but not defined shall have the meanings given them in the Protocol.

This opinion is rendered solely to ISDA for distribution to its members and each other party adhering to the Protocol. This opinion may not be distributed to any other person without our prior written consent, except that we consent to ISDA including a copy of this opinion on the 2001 ISDA Credit Support Protocol page of its website for information purposes only. This opinion may also be shown by an ISDA member or another party adhering to the 2001 ISDA Credit Support Protocol to a competent regulatory authority for such person for information purposes only, on the basis that we assume no responsibility to such authority or any other person as a result or otherwise.

Yours faithfully,



Allen & Overy