



Date: XXX
To: XXX
("Counterparty")
Attention: XXX
Email: XXX
Tel: XXX
From: [[UBS AG, London Branch]/[UBS Europe SE]/[other]]
("UBS")
Re: XXX Total Return Swap Transaction
UBS Ref: XXX

Dear Sirs:

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Swap Transaction below entered into between us on the Trade Date specified below (the "**Transaction**"). This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (the "**2006 Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to, the [1992][2002] ISDA Master Agreement between UBS and Counterparty dated as of XXX as amended and supplemented by a Credit Support Annex dated XXX (the "**Credit Support Annex**") and as further amended and supplemented from time to time (the "**Agreement**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The terms of the Transaction to which this Confirmation relates are as follows:

Total Return Swap

1. General Terms:

Initial Reference Security Currency XXX
Nominal Amount:

Outstanding Reference The Initial Reference Security Nominal Amount, as may
Security Nominal Amount: subsequently be reduced by any principal repayments in relation
thereto.

Initial Dirty Proceeds Amount: Currency XXX

Date: XXX
To: XXX
("Counterparty")
Attention: XXX
Email: XXX
Tel: XXX
From: [[UBS AG, London Branch]/[UBS Europe SE]/[other]]
("UBS")
Re: XXX Total Return Swap Transaction
UBS Ref: XXX

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Initial Reference Security Currency XXX
Nominal Amount:

Outstanding Reference The Initial Reference Security Nominal Amount, as may
Security Nominal Amount: subsequently be reduced by any principal repayments in relation
thereto.

Initial Dirty Proceeds Amount: Currency XXX

Trade Date: XXX

Effective Date: XXX

Termination Date: The earlier of:

- (a) XXX, subject to adjustment in accordance with the Modified Following Business Day Convention (the “**Scheduled Termination Date**”); and
- (b) the Credit Event Settlement Date

Calculation Agent: UBS

Business Days: London

Reference Security:

Gilt/US Treasury/XXX: The security identified as follows:

Issuer: [United Kingdom Debt Management Office]

Issue: [UKT] [insert rate]% [insert maturity date]

ISIN/CUSIP: XXX

Coupon: XXX %

Initial Dirty Price: XXX

[2. Initial Exchange :

Initial Exchange: On the Initial Exchange Date:

- (i) UBS shall pay Counterparty the Purchase Price; and
- (ii) Counterparty shall deliver to UBS the Reference Security with a nominal amount equal to the Initial Reference Security Nominal Amount (with full title transfer and free of any encumbrances).

Purchase Price: XXX

Initial Exchange Date: Effective Date]

[2/3.] Payment of Reference Security Amounts:

Reference Security Amounts shall be payable by the Reference Security Amount Payer to the other party on the Reference Security Amount Payer Payment Dates.

Reference Security Amount Payer: UBS

Reference Security Amounts: Any and all amounts whether in respect of principal, interest or otherwise including any recovered "**Withheld Amount**"(meaning any amount withheld or deducted for or on account of any tax) either: (a) actually received by or on behalf of UBS in respect of a nominal amount equal to the Outstanding Reference Security

Nominal Amount of such Reference Security; or (b) to the extent that UBS does not hold the Reference Security, which would be deemed to be actually received by UBS as if it were a holder of a nominal amount equal to the Outstanding Reference Security Nominal Amount of the Reference Security during the period from, but excluding the Effective Date to, but including the Termination Date.

For the avoidance of doubt, as used in this Confirmation, “actually received” with respect to any amount means if such amount is or would be, as the case may be, received net of any Withheld Amount, the amount actually received shall be such net amount such that UBS will only pay Counterparty amounts equal to amounts UBS has received in its capacity as the holder of the Reference Security, and any Withheld Amount in respect of any amounts payable under the terms of the Reference Security will reduce, by an amount equal to such Withheld Amount, any amounts payable by UBS to Counterparty under this Transaction.

Further, for the avoidance of doubt, amounts received in respect of the Reference Security by any custodian, agent, manager or other entity appointed by or acting on behalf of UBS shall, for the purposes of this Confirmation, be treated as having been actually received by UBS.

To the extent permitted by any relevant authority, UBS shall use reasonable endeavours to recover and account to Counterparty any Withheld Amount to the extent that UBS actually holds the Reference Security; and if requested by UBS, Counterparty shall at its own cost, if necessary, assist UBS in respect of such recovery.

Reference Security Amount
Payer Payment Dates:

[Two Business Days] following each date on which a Reference Security Amount is actually received by UBS if UBS actually holds the Reference Security or is deemed to be actually received if UBS does not actually hold the Reference Security.

[3/4.] Funding Amounts:

Funding Amounts shall be payable by Counterparty to UBS.

Business Day Convention: [Modified Following]

Business Days: London

[Fixed Amounts:

Notional Amount: Initial Dirty Proceeds Amount

Fixed Rate: XXX per cent per annum

Fixed Rate Day Count
Fraction: Actual/365 (fixed)

Fixed Amount: An amount determined in accordance with the following:
(Notional Amount*Fixed Rate*Fixed Rate Day Count Fraction)

Fixed Rate Payer Payment Dates: Termination Date, subject to adjustment in accordance with the Business Day Convention]

[OR]

[Floating Amounts:

Notional Amount: Initial Dirty Proceeds Amount

Floating Rate Option: XXX

Spread: [plus/minus] XXX%.

Designated Maturity: XXX months[, subject to Linear Interpolation in respect of the initial Calculation Period]

Floating Rate Day Count Fraction: Actual/365 (fixed)

Floating Rate Payer Payment Dates: Termination Date, subject to adjustment in accordance with the Business Day Convention

Compounding: [Applicable]

Floating Rate Payer Compounding Dates: XXX and XXX in each year, from and including XXX to and including the Termination Date, subject to adjustment in accordance with the Business Day Convention

Reset Dates: The first day of each Compounding Period]

For the avoidance of doubt, the initial Calculation Period will commence on and include the Effective Date and the final Calculation Period will end on but exclude the Termination Date.

[4/5.] Payment of Final Payment Amount:

Provided there has been no occurrence of a Transaction Event Determination Date (as defined in Section [5/6] (*Credit Event Provisions*) of this Confirmation), the Final Payment Amount Payer shall, on the Final Payment Amount Payment Date, pay to the other party the Final Payment Amount. For the avoidance of doubt, upon the occurrence of a Transaction Event Determination Date, no Final Payment Amount shall be determined nor paid from one party to the other.

Final Payment Amount Payment Date: Scheduled Termination Date.

Final Payment Amount Payer: If the Final Payment Amount is greater than zero, UBS shall pay the Final Payment Amount to Counterparty.
If the Final Payment Amount is less than zero, Counterparty shall pay the absolute value of the Final Payment Amount to UBS.

Final Payment Amount:	(Final Dirty Price * Outstanding Reference Security Nominal Amount) – (Initial Dirty Price * Initial Reference Security Nominal Amount).
Final Dirty Price:	The closing price of the Reference Security (expressed as a percentage) as determined by [FTSE-Tradeweb] (the “ Official Determiner ”) (or any successor thereto) and published on the Reference Source [•] Business Day[s] prior to the Scheduled Termination Date (the “ Determination Date ”), provided that if on the Determination Date such price is not determined by the Official Determiner (or any successor thereto), the Final Dirty Price shall be determined on the Scheduled Termination Date pursuant to the Fallback Pricing Method. For the avoidance of doubt the Final Dirty Price shall be inclusive of both accrued but unpaid interest and inflation accrual on the Reference Security, as applicable.
Reference Source:	[Bloomberg TWMD page, the equivalent Reuters page] or any successor page or source to such pages.
Fallback Pricing Method:	The Calculation Agent shall request that three leading dealers of international standing selected by it (which can include UBS or any of its affiliates) and Counterparty provide firm bid quotations for a nominal amount of the Reference Security equal to the Outstanding Reference Security Nominal Amount as of the Scheduled Termination Date. The Final Dirty Price shall be the highest firm bid quotation obtained at which UBS can transact such a sale, acting in good faith and a commercially reasonable manner. In the event that [only one such firm bid quotation is available, the Calculation Agent shall use that price and in the event that] no such firm bid quotations are available, the Calculation Agent shall determine the price acting in good faith and in a commercially reasonable manner.

In addition to the Final Payment Amount provision above, if Counterparty notifies UBS on or prior to the Determination Date that it elects to buy the Reference Security in an amount equal to the corresponding Outstanding Reference Security Nominal Amount from UBS at the corresponding Final Dirty Price, UBS shall sell an amount of the Reference Security equal to the Outstanding Reference Security Nominal Amount to Counterparty against payment by Counterparty of an amount equal to the sum of (i) the product of the Outstanding Reference Security Nominal Amount of the Reference Security and (ii) its Final Dirty Price for settlement on the Scheduled Termination Date (“**Counterparty Bond Purchase**”).

For the avoidance of doubt, any Counterparty Bond Purchase shall be a “Transaction” under the Agreement.

[5/6.] Credit Event Provisions:

[The 2014 Credit Derivatives Definitions] (published on []) and [*update Matrix reference*] as published by ISDA (the “**2014 Definitions**”) shall apply only for the purpose of this Section [5/6] and the determination of the occurrence of a Transaction Event Determination Date. For the avoidance of doubt, these provisions are only included for the purposes of determining whether a Transaction Event Determination Date has occurred and any provisions of the 2014 Definitions which relate to “Settlement” shall not apply in respect of this Transaction (“**2014 Settlement Not Applicable**”). In the event of any inconsistency between the terms of the 2014 Definitions and this Confirmation, the terms set out in this Confirmation shall apply. Capitalised terms used in this Section [5/6] but not otherwise defined shall have the same meaning as set out in the 2014 Definitions.

Notwithstanding 2014 Settlement Not Applicable, if an Event Determination Date [or Non-Standard Event Determination Date] [*drafting note: applies to less liquid CDS names in respect of which an auction will*

not be held.] has occurred on or prior to the Scheduled Termination Date of this Transaction in respect of a [notional reference credit default swap with Buyer deemed to be UBS, based on the then market standard terms incorporated in single name credit default swaps on the Reference Entity] in accordance with the 2014 Definitions, as soon as reasonably practicable thereafter, UBS shall notify Counterparty of the relevant date of the Event Determination Date [or Non-Standard Event Determination Date, as the case may be] (such notice the “**Transaction Event Determination Date Notice**” and the date of such notification, the “**Transaction Event Determination Date**”).

In the Transaction Event Determination Date Notice, UBS shall specify an amount payable to Counterparty equal to the sum of the prices (inclusive of accrued but unpaid interest) at which UBS is able to transact a sale of a principal amount equal to the Outstanding Reference Security Nominal Amount (the “**Sale Process**”) against payment to UBS by Counterparty of an amount equal to the sum of the Notional Amount and any Break Costs on a date no later than [•] Business Days following the Transaction Event Determination Date (the “**Credit Event Settlement Date**”). Counterparty shall have the right to participate in the Sale Process. If Counterparty elects to participate in the Sale Process, any transaction in connection with the Sale Process shall be a “Transaction” under the Agreement.

This Transaction shall terminate on the Credit Event Settlement Date with no further payment due by either party to the other, save for payment of any amounts already due and payable but which remain unpaid and an amount equal to any Funding Amounts accrued between [the Fixed Rate Payer Payment Date] [Floating Rate Payer Payment Date], preceding the Transaction Event Determination Date and the Transaction Event Determination Date, as determined by the Calculation Agent in good faith and a commercially reasonable manner.

[Reference Entity: [United Kingdom of Great Britain and the Northern Ireland]

Break Costs: the aggregate costs incurred by UBS upon terminating, due to the occurrence of the Transaction Event Determination Date, any hedging arrangement entered into in connection with the Transaction and the costs, charges, fees, howsoever described, incurred by UBS upon terminating any of its term funding transactions that were entered into in connection with the Transaction, including, but not limited to, any internal funding transaction entered into as if it were entered into with an external third party funding provider.

[6/7.] Collateral

UBS and Counterparty shall deliver credit support to the other party pursuant to the terms of the Credit Support Annex.

[For so long as this Transaction is in effect, Paragraph 11(b)(iii)(A) of the Credit Support Annex to the ISDA Master Agreement shall be amended as follows:

“**Independent Amount**” means with respect to Counterparty, the aggregate of (i) such amount as set out in the Credit Support Annex plus (ii) any other additional amounts specified as an Independent Amount in respect of Counterparty in respect of any Transaction other than the Transaction entered into between XXX and UBS with a Trade Date of XXX and with UBS Ref: [●] (the “[DATE] Transaction”) which is outstanding at the relevant Valuation Date (as set out in the relevant Confirmation) plus (iii) in respect of the [DATE] Transaction only (and as each of the following terms is defined in the [DATE] Transaction), an amount equal to [•]% of the Notional Amount.”]

[7/8.] Additional Representations

Each party represents to the other party on the Trade Date that:-

- (a) It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction, it being understood that information and explanations related to the terms and conditions of a Transaction will not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of this Transaction.
- (b) It is relying exclusively on its own information and credit analysis with respect to the Reference Security. It has not relied upon (i) the views or advice of the other party or any Affiliate of the other party; (ii) any information with respect to the Reference Security and/or the Reference Entity provided by the other party or any Affiliate of the other party; or (iii) any representations or warranties (written or oral) of the other party other than representations and warranties made by the other party in this Confirmation. For the avoidance of doubt, neither the other party nor any of the other party's Affiliates has made any representation whatsoever with respect to the Reference Security or any guarantor of any Reference Security (a "Guarantor") and/or the Reference Entity on which it is relying or is entitled to rely.

[8/9.] Additional Agreements

Each party agrees with the other party that, so long as either party has or may have any obligation under this Transaction:

- (a) This Transaction does not create either a direct or indirect obligation of the Reference Entity or any Guarantor or a direct or indirect participation in any obligation of the Reference Entity or any Guarantor owing to such party.
- (b) This Transaction does not create any rights or impose any obligations in respect of any entity that is not a party to this Transaction.
- (c) Each party and its Affiliates and the Calculation Agent may deal in each Reference Security and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the Reference Entity, any Affiliate of the Reference Entity, any other person or entity having obligations relating to the Reference Entity or any Guarantor and may act with respect to such business in the same manner as each of them would if this Transaction did not exist, regardless of whether any such action might have an adverse effect on the Reference Entity, the Reference Security, any Guarantor or the position of the other party to this Transaction or otherwise (including, without limitation, any action which might constitute or give rise to a Transaction Event Determination Date).
- (d) Each party and its Affiliates and the Calculation Agent may, whether by virtue of the types of relationships described herein or otherwise, at the date hereof or at any time hereafter, be in possession of information in relation to the Reference Entity, the Reference Security or any Guarantor that is or may be material in the context of this Transaction and that may or may not be publicly available or known to the other party and this Transaction does not create any obligation on the part of such party, its Affiliates or the Calculation Agent to disclose to the other party any such relationship or information (whether or not confidential).

[9/10.] Notice and Account Details: [TO BE UPDATED]

Telephone and/or

Facsimile Numbers and

Contact Details for Notices [**check contact details to ensure they are for the correct UBS entity**]:

UBS: [[UBS AG, London Branch]/[UBS Europe SE]/[*other*]]
[5 Broadgate
London EC2M 2QS]

[Email: ol-aso-trs@ubs.com

Email: alm-gt-mo@ubs.com

Tel: (44) 20 75688118]

Counterparty: [fill in]

Account Details

Account Details of UBS: To be notified

Account Details of the
Counterparty: To be notified

[10/11.] Offices:

Counterparty: XXX

UBS: [London] [Frankfurt] [Other]

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us.

Yours sincerely,

[[UBS AG, London Branch]/[UBS Europe SE]/[other]]

By _____ By _____

Name

Name

Title : [Director]

Title : [Director]

Confirmed as of the date
First above written:

XXX

By: _____
Name:
Title:

By: _____
Name:
Title:

[[UBS AG, London Branch, 5 Broadgate, London EC2M 2QS]/[UBS Europe SE, Bockenheimer Landstrasse 2-4, 60306, Frankfurt am Main]/[other]][UBS AG is a member of the London Stock Exchange and is regulated in the UK by the Financial Conduct Authority.]

[UBS Europe SE is authorised and regulated by the German federal financial supervisory authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) and the European Central Bank.]

[insert relevant language for other UBS entity if applicable]

UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying any transactions to which this Confirmation relates ("**Underlying Assets**"). UBS's hedging activities related to this Transaction may have an impact on the price of any Underlying Asset.