

## Master Confirmation for Foreign Exchange Exotic Options

The purpose of this Master Confirmation for Foreign Exchange Exotic Options (the "Supplement") is to set forth certain terms, conditions, and definitions that will apply to any foreign exchange exotic option transaction (a "Transaction" or "FX Transaction") listed on Exhibit A hereto, as may be entered into from time to time between UBS AG ("Party A") and [ ] ("Party B") [Enter Counterparty Name OR IF ASSET MANAGER ENTER [NAME] acting solely as [Investment Advisor]/[Asset Manager] for each entity, severally and not jointly (each a "Party B") as set forth in the Schedule to the ISDA Master Agreement referenced in the Addendum hereto, as amended from time to time] provided, however, that nothing herein shall be deemed to obligate the parties to enter into Transactions with each other on these or any other terms. The parties shall confirm Transactions between each other using market-standard methodologies (which may include confirmations through electronic messaging systems, such as the relevant SWIFT Message Type, facsimile transmission, web-based communication, exchange of emails or other means agreed by the parties) (each such confirmation referred to herein as a "Transaction Details Confirmation"). Each Transaction Details Confirmation, regardless of its form or its manner of delivery, shall be subject to, and shall be deemed to include, the terms of this Supplement; in the event of any inconsistency between this Supplement and any such Transaction Details Confirmation, the terms of the Transaction Details Confirmation will control. Each Transaction Details Confirmation relating to a Transaction, including the terms of this Supplement incorporated by reference into such Transaction Details Confirmation, is referred to in this Supplement as the "Confirmation" of that Transaction and constitutes a Confirmation under the Relevant Master Agreement specified below. Absent a written agreement, the noneconomic terms as stated in the supplement will prevail. Any economic terms in the applicable Transaction Detail Confirmation will prevail as stated.

The definitions and provisions contained in the 1998 FX and Currency Option Definitions (as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), EMTA and the Foreign Exchange Committee) and the 2006 ISDA Definitions as supplemented by the Annex in effect on the Trade Date, as amended and supplemented from time to time (the "Definitions") are incorporated into this Supplement. In the event of any inconsistency between the Definitions and this Supplement, this Supplement will prevail. In the event of any inconsistency between 1998 FX and Currency Option Definitions and the 2006 ISDA Definitions, the 1998 FX and Currency Option Definitions will prevail.

Each Confirmation (comprising the Transaction Details Confirmation and the terms of this Supplement incorporated by reference into such Transaction Details Confirmation) will supplement, form part of, and be subject to, and each Transaction shall be a Transaction or FX Transaction under, the Relevant Master Agreement. The term "Relevant Master Agreement" shall mean (i) if the parties have entered into a Master Agreement in a form published by the International Swaps and Derivatives Association, Inc., such Master Agreement, including any schedules or annexes constituting a part thereof, or in the event that there is no Master Agreement between the parties then, the parties agree to use best efforts promptly to negotiate, execute and deliver an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency-Cross Border) (the "ISDA Form"), with such modifications as the parties will in good faith agree. Upon execution and delivery by the parties of such an agreement, this Supplement shall supplement, form part of, and be subject to that agreement. All provisions contained in or incorporated by reference in that agreement upon its execution will govern this Supplement except as expressly modified below. Until the parties execute and deliver that agreement, this Supplement, together with all other documents referring to the ISDA Form confirming Transactions entered into between us (notwithstanding anything to the contrary in a Confirmation), shall supplement, form a part of, and be subject to, an agreement in the form of the ISDA Form as if an agreement had been executed in such form (but without any Schedule, except for the following elections: (i) New York as the governing law, (ii) U.S. Dollars as the Termination Currency (iii) subparagraph (ii) of section 2(c) will not apply, (iv) for purposes of section 6(e), loss and second method shall apply and (v) for purposes of "Withholding Tax imposed on payments to non-US counterparties under the United States Foreign Account Tax Compliance Act": (a) "Indemnifiable Tax" as defined in Section 14 of the ISDA Form shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement

entered into in connection with the implementation of such Sections of the Code (a "FATCA Withholding Tax"), (b) for the avoidance of doubt, a FATCA Withholding Tax is a Tax the deduction or withholding of which is required by applicable law for the purposes of Section 2(d) of the ISDA Form, and (c) if the parties each independently decide to adhere to any ISDA Protocol on FATCA Withholding Tax, upon effective adherence by both parties, the provisions of such Protocol shall supersede the foregoing provision) on the Trade Date of the first such Transaction between the parties. In the event of any inconsistency between the provisions of that agreement and this Supplement, this Supplement will prevail for the purpose of this Transaction.

The terms of each Transaction to which this Supplement relates are as follows:

**1. Trade terms:**

Reference Number:	As Specified in the Transaction Details Confirmation
Trade Date:	As specified in the Transaction Details Confirmation.
Option Buyer:	As specified in the Transaction Details Confirmation.
Option Seller:	As specified in the Transaction Details Confirmation.
Currency Option Style:	Any one of the Currency Option Styles set forth in Exhibit A and As specified in the Transaction Details Confirmation.
Currency Pair:	As specified in the Transaction Details Confirmation.
Call Currency and Amount:	As specified in the Transaction Details Confirmation.
Put Currency and Amount:	As specified in the Transaction Details Confirmation.
Strike Price:	As specified in the Transaction Details Confirmation.
Initial Spot Exchange Rate:	As specified in the Transaction Details Confirmation.
Outstrike Price or Instrike Price:	As specified in the Transaction Details Confirmation.
Expiration Date and Time:	As specified in the Transaction Details Confirmation.
Automatic Exercise:	Applicable (unless otherwise stated in the Transaction Details Confirmation)
Settlement Method:	Physical or Cash (or as set forth in the Transaction Details Confirmation)
Settlement Date:	As specified in the Transaction Details Confirmation;
Premium:	As specified in the Transaction Details Confirmation.
Premium Payment Date:	As specified in the Transaction Details Confirmation.
Event Period Start Time and Date:	Trade Date Time Transaction is entered into (unless otherwise stated in Exhibit A or the Transaction Details Confirmation)

Event Period End Time and Date:	Expiration Date and Time (unless otherwise stated in Exhibit A the Transaction Details Confirmation)
Calculation Agent	UBS
Barrier Determination Agent:	UBS

## 2. Additional Definitions applicable to each Transaction:

**Event Period:** means the period commencing at the Event Period Start Time and Date and ending at the Event Period End Time and Date.

**Barrier Event:** means that, at any time during the Event Period, the Spot Exchange Rate (in comparison to the Initial Spot Exchange Rate) is equal to or beyond the Outstrike Price or Instrike Price, as appropriate, as determined by the Calculation Agent in accordance with the criteria for the occurrence of a barrier event set forth in the Barrier Options Disclosure and as set forth in Exhibit A hereto.

**Spot Exchange Rate:** means the price in the Spot Market for one or more actual foreign exchange transactions involving the Currency Pair (or cross-rates constituting such Currency Pair) as determined by the Calculation Agent.

**Spot Market:** means the global spot foreign exchange market, open continuously from 5:00 a.m. Sydney time on a Monday in any week to 5:00 p.m. New York time on the Friday of that week.

**Barrier Options Disclosure:** The document entitled "Barrier Options Disclosure" previously provided to you is incorporated into this confirmation by this reference and made a part hereof. Additional copies of this document are available on request.

## 3. Additional Terms applicable to each Transaction

**Notification of event:** The Calculation Agent shall promptly notify the other party (or parties if the Calculation Agent is not a party) of the occurrence of an event relating to the Transaction. A failure to give such notice shall not prejudice or invalidate the occurrence or effect of an event.

**Exercise:** A Transaction may be exercised or deemed exercised only if a Barrier Event does or does not occur as set forth in Exhibit A hereto. In any event, the party obligated to pay the Premium must pay it on the Premium Payment Date and in no event will all or any portion of the Premium be refundable.

**Settlement:** Unless otherwise agreed, a Transaction, if exercised, shall be settled on its Settlement Date by the payment by each Party to the other as set forth in Exhibit A hereto.

Neither party may transfer any of its rights or obligations under any Transaction without the prior written consent of the non-transferring party.

## 4. Exchange of

**Transaction Details Confirmation:** For each Transaction entered into hereunder, Party A shall promptly send to Party B a Transaction Details Confirmation ("TDC" or "confirmation"), via electronic transmission, web-based communication, e-mail or facsimile transmission. Party B agrees to respond to such TDC by close of business the next Business Day, but in no event later than the time frames set forth under Part 6(b), after execution of the Transaction, either confirming agreement thereto or requesting a correction of any error(s) contained therein. Failure by Party B to respond within such period shall not affect the validity or enforceability of such Transaction and shall be deemed to be an affirmation of the terms contained in such TDC, absent manifest error ("Deemed Acceptance"). The parties agree that any such exchange or Deemed Acceptance of electronic transmission, web-based communication, telexes or facsimile transmissions shall constitute a Confirmation of such Transaction for all purposes hereunder.

(b) **Confirmation Time Frames:**

The parties agree that if (I) either Party A or Party B is subject to CFTC oversight and the Applicable DF Laws, then the provisions of subsection (b)(I) shall apply, (II) either Party A or Party B is subject to EMIR Timely Confirmation Rules (as defined in the Annex), then the provisions of subsection (b)(II) shall apply, and (III) (A) either Party A or Party B is subject to both CFTC oversight and the Applicable DF laws and EMIR Timely Confirmation Rules, or (B) one party is subject to CFTC oversight and the Applicable DF Laws and the other party is subject to the EMIR Timely Confirmation Rules then the shorter of (b)(i) and (b)(ii) shall apply:

(i) If Party B is a Swap Dealer (“SD”) Major Swap Participant (“MSP”) or a Financial Entity, the time frame within which you must respond to a confirmation is:

Day of Execution	Confirmation Deadline
1/1/13-8/31/13	end of 3rd Business Day following the Day of Execution
9/1/13-8/31/14	end of 2nd Business Day following the Day of Execution
9/1/14 and on	end of 1st Business Day following the Day of Execution

If Party B is not a SD, MSP or a Financial Entity, the time frame within which you must respond to a confirmation is:

Day of Execution	Confirmation Deadline
1/1/13-8/31/13	end of 7th Business Day following the Day of Execution
9/1/13-8/31/14	end of 4th Business Day following the Day of Execution
9/1/14 and on	end of 2nd Business Day following the Day of Execution

“Financial Entity” means: an entity that is not an SD or MSP but is one of the following: (1) A commodity pool as defined in the Commodity Exchange Act, as amended from time to time; (2) A private fund as defined in Section 202(a) of the Investment Advisors Act of 1940; (3) An employee benefit plan as defined in paragraphs (3) and (32) of section 3 of the Employee Retirement Income and Security Act of 1974; (4) A person predominantly engaged in activities that are in the business of banking, or in activities that are financial in nature as defined in Section 4(k) of the Bank Holding Company Act of 1956; and (5) A security-based swap dealer or a major security-based swap participant.

“Day of Execution” means: the calendar day of the party to the swap transaction that ends latest, provided that if a swap transaction is (A) entered into after 4:00 pm in the place of a party, or (B) entered into on a day that is not a business day in the place of a party, then such swap transaction shall be deemed to have been entered into by that party on the immediately succeeding business day of that party, and the day of execution shall be determined with reference to such business day;

“Business Day”, for purposes of this Section 6(b), means: any day other than a Saturday, Sunday, or legal holiday.

(ii) The terms of the Annex shall apply.

**5. Account Details**

Account for payments to Party A: [Enter Institution’s Information]

Account for payments to Party B:

Please Advise

**6. Representations:**

(i) Each party will be deemed to represent to the other party on the Trade Date that (in the absence of a written agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction):

(A) Non-Reliance. Each party is acting for its own account, and has made its own independent decisions to enter into a Transaction and that such Transaction is appropriate or proper for it based upon its own Judgment and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into such Transaction; it being understood that information and explanation relating to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into such Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of any Transaction.

(B) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of each Transaction. Each party is also capable of assuming and assumes, the risks of each Transaction.

(C) Status of the Parties. Neither party is acting as a fiduciary or an adviser to the other in respect of any Transaction.

References in this clause to "a party" shall, in the case of UBS AG and where the context so allows, include references to any affiliate of UBS AG.

(ii) Each party represents and warrants that, with respect to itself, it is an "eligible contract participant" as that term is defined in 1(a)(18) of the Commodity Exchange Act as amended from time to time..

8. Notwithstanding anything to the contrary in any Agreement or in any non-disclosure, confidentiality or similar agreement between the parties to such Agreement, Party B hereby consent to the disclosure of information to the extent required by Title VII, Wall Street Transparency and Accountability Act of 2010 of the Dodd Frank Wall Street Reform and Consumer Protection Act, and the applicable law amended thereby and/or the regulations issued pursuant thereto (the "Applicable DF Laws") thereunder which mandate reporting of transaction and similar information. Party B acknowledge that disclosures made pursuant to this paragraph may include, without limitation, the disclosure of trade information including a party's identity (by name, identifier or otherwise) to a swap data repository and relevant regulators and that such disclosures could result in certain anonymous Swap transaction and pricing data becoming available to the public. Party B further acknowledge that, for

purposes of complying with regulatory reporting obligations, a swap data repository may engage the services of a global trade repository regulated by one or more governmental regulators, provided that such regulated global trade repository is subject to comparable confidentiality provisions as is a swap data repository registered with the Commodity Futures Trading Commission (the "CFTC"). For the avoidance of doubt, to the extent that applicable non-disclosure, confidentiality, bank secrecy or other law imposes non-disclosure requirements on transaction and similar information required to be disclosed pursuant to Applicable DF Laws, but permits a party to waive such requirements by consent, the consent and acknowledgements provided herein shall be a consent by us for purposes of such other applicable law.

**9 Broker Details:**

**10. Account Details:**

UBS:

Counterparty:

Contact Confirmation Control (telephone: [ ]) with any questions regarding this Confirmation.

11. **Governing Law/Jurisdiction:** This Master Confirmation shall be governed by the law, and the provisions on submission to jurisdiction, elected in the Master Agreement or, if the parties have not executed a Master Agreement, as set forth in the third paragraph of this Master Confirmation.

This supplement shall be effective as of \_\_\_\_\_[date]

For and on behalf of  
UBS AG, Stamford Branch

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Signed For And On Behalf Of X  
OR [NAME] as agent for and on behalf of each Party B

Name:  
Title:

Name:  
Title:

**EXHIBIT A**

List of Currency Option Styles subject to the Master Confirmation

**Knock Out Option**

Outstrike Price:	As Specified In the Transaction Details Confirmation
Barrier Event:	A Knock Out Event
Exercise:	A knock Out Option may be exercised or deemed exercised if a Barrier Event does not occur
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

**Double Knock Out Option**

Outstrike Price:	Shall be replaced by Outstrike Price A and Outstrike Price B
Outstrike Price A:	As Specified In the Transaction Details Confirmation
Outstrike Price B:	As Specified In the Transaction Details Confirmation
Barrier Event:	A Knock Out Event
Exercise:	A Double knock Out Option may be exercised or deemed exercised if a Barrier Event does not occur, i.e., neither outstrike Price A nor Outstrike Price B occurs
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

**Kick Out at the End Option**

Outstrike Price:	As Specified In the Transaction Details
Event Period Start Time and Date:	Not Applicable
Event Period End Time and Date:	Expiration Date and Time as set forth in the Transaction Details Confirmation
Barrier Event:	Kick Out At The End Event
Exercise:	A kick Out at the End Option may be exercised or deemed exercised if a Barrier Event does not occur at the Expiration Date at the Expiration Time
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

### **Knock In Option**

Instrike Price:	As Specified In the Transaction Details
Barrier Event::	A Knock In Event
Exercise:	A knock In Option may be exercised or deemed exercised if a Barrier Event does occur
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

### **Double Knock In Option**

Instrike Price:	Shall be replaced by Instrike Price A and Instrike Price B
Instrike Price A:	As Specified In the Transaction Details Confirmation
Instrike Price B:	As Specified In the Transaction Details Confirmation
Barrier Event:	A Knock In Event
Exercise:	A Double knock In Option may be exercised or deemed exercised if a Barrier Event does occur, i.e., either Instrike Price A or Instrike Price B occurs
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

### **Knock Out Kick In Option**

Outstrike/Instrike Price:	As Specified In the Transaction Details
Outstrike Price:	As Specified in the Transaction Details Confirmation
Instrike Price	As Specified in the Transaction Details Confirmation
Barrier Event:	A Knock Out Event and a Knock In Event
Exercise:	A Knock Out Kick In Option may be exercised or deemed exercised if (i) a Knock In Event occurs during the Event Period and (ii) no Knock Out Event occurs during the Event Period
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may

### **Kick In at the End Option**

Instrike Price:	As Specified In the Transaction Details
Event Period Start Time and Date:	Not Applicable
Event Period End Time and Date:	Expiration Date and Time as set forth in the Transaction Details Confirmation
Barrier Event:	A Kick In At The End Event
Exercise:	A kick In at the End Option may be exercised or deemed exercised if a Barrier Event does not occur at the Expiration Date at the Expiration Time

Settlement: Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

### **Knock Out Forward Option**

Outstrike Price: As Specified In the Transaction Details

Option Buyer: Refers to Buyer of Currency A  
Option Seller: Refers to Seller of Currency A  
Call Currency and Amount: Is replaced by Notional Amount and Currency A as Specified in the Transaction Details Confirmation

Put Currency and Amount: Is replaced by Notional Amount and Currency B as Specified in the Transaction Details Confirmation

Strike Price: Is replace by Forward Price as set for in the Transaction Details Confirmation

Barrier Event: A Knock Out Event  
Exercise: If at any time during the Event Period, a Barrier Event occurs, as reasonably determined by UBS, the Forward will automatically terminate, and all rights and obligations of both parties with regard to the terminated Forward will be immediately cancelled.

Settlement: If a Knock Out Event does not occur, the Forward will be settled on the Settlement Date with the payment by each party to the other of the relevant Notional Amount as the case may be.

### **Kick Into Forward Option**

Instrike Price: As Specified In the Transaction Details

Premium Payer: As Specified in the Transaction Details Confirmation

Barrier Event: A Kick In Event  
Exercise: The Option shall be exercisable if and only if no Barrier Event occurs. If at any time during the Event Period, a Barrier Event occurs, as reasonably determined by UBS, the Option will become void and will be automatically replaced with a forward (as set forth below) as of the date and time of the occurrence of the Barrier Event. and all rights and obligations of both parties with regard to the terminated Option will be immediately cancelled.

Automatic Replacement by Forward Contract: If a Barrier Event occurs, the Option will be replaced, as of the date and time of such occurrence, by a forward foreign exchange transaction (the "Forward Foreign Exchange Transaction") having the following terms: on the Settlement Date the Option Buyer shall pay the Option Seller the Put Currency Amount and the Option Seller shall pay the Option Buyer the Call Currency Amount; the exchange price shall be the

Strike Price; the Currency Option Style and Expiration Date and Time shall be of no further effect. Other than as provided herein, no payment shall be required of either party in connection with such replacement.

Settlement:

If a Kick Out Event does not occur, the Option will be settled on the Settlement Date by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

### **Lock In Option**

Call Currency and Amount:

Not Applicable

Put Currency and Amount:

Not Applicable

Strike Price:

Not Applicable

Barrier Price:

Is replaced by Lock In Strike Price as Specified in the Transaction Details Confirmation

Lock In Amount:

As Specified in the Transaction Details Confirmation

Barrier Event:

Is replaced by Lock In Event and the definition of a Barrier Event shall remain applicable except that each reference to a Barrier Price shall be replaced by a reference to a Lock In Strike Price.

Exercise:

A Lock In Option may be exercised or deemed exercised if a Lock In Event does occur

Settlement:

If a Lock In Event occurs the Option Seller shall pay the Lock In Amount to the Option Buyer. If the Lock In Event does not occur during the Event Period, the Option shall expire and neither party shall have any obligation to pay the other party in respect of the Option, with the exception of the Premium.

### **One Touch Option**

Call Currency Amount:

Not Applicable

Put Currency Amount:

Not Applicable

Strike Price:

Not Applicable

Barrier Price:

Is replaced by One Touch Strike Price as Specified in the Transaction Details Confirmation

One Touch Amount:

As Specified in the Transaction Details Confirmation

Barrier Event:

Is replaced by One Touch Event and the definition of a Barrier Event shall remain applicable except that each reference to a Barrier Price shall be replaced by a reference to a One Touch Strike Price.

Exercise:

A One Touch Option may be exercised or deemed exercised only if a One Touch Event occurs during the Event Period.

Settlement Date:

One (1) or two (2) Business Days, as Specified in the Transaction Details Confirmation, from the date that a One Touch Event occurs.

Settlement:	If a One Touch Event occurs the Option Seller shall pay the One Touch Amount to the Option Buyer. If the One Touch Event does not occur during the Event Period, the Option shall expire and neither party shall have any obligation to pay the other party in respect of the Option, with the exception of the Premium.
Business Day Convention Applicable to Settlement:	Following

**One Touch with Outstrike Option**

Call Currency Amount:	Not Applicable
Put Currency Amount:	Not Applicable
Strike Price:	Not Applicable
Outstrike Price:	Is replaced by One Touch Strike Price and Outstrike Price as Specified in the Transaction Details Confirmation
One Touch Amount:	As Specified in the Transaction Details Confirmation
Barrier Event:	A Knock Out Event
One Touch Event	Shall have the same definition as a Barrier Event except that each reference to a Barrier Price shall be replaced by a reference to a One Touch Strike Price.
Exercise:	A One Touch with Outstrike Option may be exercised or deemed exercised only if (i) a One Touch Event occurs during the Event Period and (ii) a Barrier Event does not occur before a One Touch Event occurs during the Event Period.
Settlement Date:	One (1) or two (2) Business Days, as Specified in the Transaction Details Confirmation, from the date that a One Touch Event occurs.
Settlement:	If a One Touch Event occurs and a Barrier Event does not occur before a One Touch Event occurs, the Option Seller shall pay the One Touch Amount to the Option Buyer. Otherwise the Option shall expire and neither party shall have any obligation to pay the other party in respect of the Option, with the exception of the Premium.
Business Day Convention Applicable to Settlement:	Following

**Lock In with Outstrike Option**

Call Currency Amount:	Not Applicable
Put Currency Amount:	Not Applicable
Strike Price:	Not Applicable
Outstrike Price:	Is replaced by Lock In Strike Price and Outstrike Price as Specified in the Transaction Details Confirmation
Lock In Amount:	As Specified in the Transaction Details Confirmation
Barrier Event:	A Knock Out Event
Lock In Event	Shall have the same definition as a Barrier Event except that each reference to a Barrier Price shall

Exercise:	be replaced by a reference to a Lock In Strike Price. A Lock In with Outstrike Option may be exercised or deemed exercised only if (i) a Lock In Event occurs during the Event Period and (ii) a Barrier Event does not occur before a Lock In Event occurs during the Event Period.
Settlement:	If a Lock In Event occurs and a Barrier Event does not occur before a Lock In Event occurs the option Seller shall pay the Lock In Amount to the Option Buyer. Otherwise the Option shall expire and neither party shall have any obligation to pay the other party in respect of the Option, with the exception of the Premium.

### **Double Lock In Option**

Call Currency and Amount:	Not Applicable
Put Currency and Amount:	Not Applicable
Strike Price:	Not Applicable
Outstrike Price/Instrike Price:	Is replaced by Lock In Strike Price A and Lock In Strike Price B.
Lock In Strike Price A:	As Specified in the Transaction Details Confirmation
Lock In Strike Price B:	As Specified in the Transaction Details Confirmation
Lock In Amount:	As Specified in the Transaction Details Confirmation
Barrier Event:	Is replaced by Lock In Event and the definition of a Barrier Event shall remain applicable except that each reference to a Barrier Price shall be replaced by a reference to a Lock In Strike Price.
Exercise:	A Double Lock In Option may be exercised or deemed exercised if either Lock In Strike Price A or Lock In Strike Price B occurs
Settlement:	If a Lock In Event occurs the Option Seller shall pay the Lock In Amount to the Option Buyer. If neither Lock In Event occurs during the Event Period, the Option shall expire and neither party shall have any obligation to pay the other party in respect of the Option, with the exception of the Premium.

### **Double One Touch Option**

Call Currency and Amount:	Not Applicable
Put Currency and Amount:	Not Applicable
Strike Price:	Not Applicable
Outstrike Price/Instrike Price:	Is replaced by One Touch Strike Price A and One Touch Strike Price B.
One Touch Strike Price A:	As Specified in the Transaction Details Confirmation
One Touch Strike Price B:	As Specified in the Transaction Details Confirmation

One Touch Amount:	As Specified in the Transaction Details Confirmation
Barrier Event:	Is replaced by One Touch Event and the definition of a Barrier Event shall remain applicable except that each reference to a Barrier Price shall be replaced by a reference to a One Touch Strike Price.
Exercise:	A Double One Touch Option may be exercised or deemed exercised if either One Touch Strike Price A or One Touch Strike Price B occurs
Settlement:	If a One Touch In Event occurs the Option Seller shall pay the One Touch Amount to the Option Buyer. If neither One Touch Event occurs during the Event Period, the Option shall expire and neither party shall have any obligation to pay the other party in respect of the Option, with the exception of the Premium.

### **Lock Out Option**

Call Currency and Amount:	Not Applicable
Put Currency and Amount:	Not Applicable
Strike Price:	Not Applicable
Outstrike Price/Instrike Price:	Is replaced by Lock Out Strike Price as Specified in the Transaction Details Confirmation
Lock Out Amount:	As Specified in the Transaction Details Confirmation
Barrier Event:	Is replaced by Lock Out Event and the definition of a Barrier Event shall remain applicable except that each reference to a Barrier Price shall be replaced by a reference to a Lock Out Strike Price.
Exercise:	A Lock Out Option may be exercised or deemed exercised if a Lock Out Event does not occur
Settlement:	If a Lock Out Event does not occur the Option Seller shall pay the Lock Out Amount to the option Buyer. If the Lock Out Event does occur during the Event Period, the Option shall expire and neither party shall have any obligation to pay the other party in respect of the Option, with the exception of the Premium.

### **Double Lockout Option**

Call Currency and Amount:	Not Applicable
Put Currency and Amount:	Not Applicable
Strike Price:	Not Applicable
Outstrike Price/Instrike Price:	Is replaced by Lock Out Strike Price A and Lock Out Strike Price B.
Lock Out Strike Price A:	As Specified in the Transaction Details Confirmation
Lock Out Strike Price B:	As Specified in the Transaction Details Confirmation
Lock Out Amount:	As Specified in the Transaction Details Confirmation

Barrier Event:	Is replaced by Lock Out Event and the definition of a Barrier Event shall remain applicable except that each reference to a Barrier Price shall be replaced by a reference to a Lock Out Strike Price.
Exercise:	A Double Lock Out Option may be exercised or deemed exercised if either Lock Out Strike Price A or Lock Out Strike Price B does not occur
Settlement:	If a Lock Out Event does not occur the Option Seller shall pay the Lock Out Amount to the Option Buyer. If a Lock Out Event occurs during the Event Period, the Option shall expire and neither party shall have any obligation to pay the other party in respect of the Option, with the exception of the Premium.

**Digital Option**

Call Currency and Amount:	Not Applicable
Put Currency and Amount:	Not Applicable
Barrier Price:	Not Applicable
Digital Payout Amount:	As Specified in the Transaction Details Confirmation
Barrier Event:	Not Applicable
Exercise:	A Digital Option may be exercised or deemed exercised if the Settlement Rate Option at the Expiration Date at the Expiration Time is above or below the Strike Price as set forth in the Transaction Details Confirmation
Settlement:	If a Digital Option is exercised, the Option Seller shall pay the Digital Payout Amount to the Option Buyer. If the Digital Option is not exercised, the Option shall expire and neither party shall have any obligation to pay the other party in respect of the Option, with the exception of the Premium.

**Front-End Windowed Knock out Option**

Outstrike Price:	As Specified In the Transaction Details Confirmation
Barrier Event:	A Knock Out Event
Event Period Start Time and Date:	Trade Date and Time as set forth in the Transaction Details Confirmation
Event Period End Time and Date:	As Specified In the Transaction Details Confirmation
Exercise:	A knock Out Option may be exercised or deemed exercised if a Barrier Event does not occur
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

**Front-End Window Double Knock Out Option**

Outstrike Price:	Shall be replaced by Outstrike Price A and Outstrike Price B
Outstrike Price A:	As Specified In the Transaction Details Confirmation
Outstrike Price B:	As Specified In the Transaction Details Confirmation
Event Period A and Event Period B Start Time and Date:	Trade Date and Time as set forth in the Transaction Details Confirmation
Event Period A End Time and Date:	As Specified In the Transaction Details Confirmation
Event Period B End Time and Date:	As Specified In the Transaction Details Confirmation
Barrier Event:	A Knock Out Event
Exercise:	A Double knock Out Option may be exercised or deemed exercised if a Barrier Event does not occur, i.e., neither outstrike Price A nor Outstrike Price B occurs
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

**Front-End Windowed Knock in Option**

Instrike Price:	As Specified In the Transaction Details Confirmation
Barrier Event:	A Knock In Event
Event Period Start Time and Date:	Trade Date and Time as set forth in the Transaction Details Confirmation
Event Period End Time and Date:	As Specified In the Transaction Details Confirmation
Exercise:	A knock In Option may be exercised or deemed exercised if a Barrier Event does occur
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

**Front-End Window Double Knock in Option**

Instrike Price:	Shall be replaced by Instrike Price A and Instrike Price B
Instrike Price A:	As Specified In the Transaction Details Confirmation
Instrike Price B:	As Specified In the Transaction Details Confirmation
Event Period A and Event Period B Start Time and Date:	Trade Date and Time as set forth in the Transaction Details Confirmation
Event Period A End Time and Date:	As Specified In the Transaction Details Confirmation

Event Period B End Time and Date:	As Specified In the Transaction Details Confirmation
Barrier Event:	A Knock InEvent
Exercise:	A Double knock In Option may be exercised or deemed exercised if a Barrier Event does occur, i.e., either Instrike Price A or Instrike Price B occurs.
Settlement:	Shall occur by the payment by each party to the other of the Call Currency Amount and the Put Currency Amount, as the case may be.

## ANNEX

### OTC COUNTERPARTY(IES): TIMELY CONFIRMATIONS

The parties seek to enter into the Master Confirmation as they currently enter into OTC derivative contracts with each other. Given their derivatives trading activity, Party A assumes that Party B will already be aware of the new regulatory framework set out in the EU [European Market Infrastructure Regulation \(“EMIR”\)](#)<sup>1</sup> and will have made its own independent assessment of its impact on operations and compliance obligations of Party B. Below, the parties have set out certain details which will impact their relationship when they trade certain classes of OTC derivative contracts with each other.

#### **Timely Confirmation requirement**

EMIR introduces various requirements designed to address the risks associated with the OTC derivatives markets. One of these requirements is for the timely confirmation of the terms of OTC derivative contracts (the “**EMIR Timely Confirmation Rules**”). This requirement came into effect on 15 March 2013.

This requirement will affect all OTC derivative contracts between Party A and Party B. Consequently, the amendments set out at section 2 below shall, by execution of the Master Confirmation as set out below, be deemed to be incorporated into each trading agreement between Party A and Party B (including, insofar as is relevant and without limitation, any ISDA Master Agreement, *Deutscher Rahmenvertrag*, European Master Agreement, China NAFMII, AFB Master Agreement, Swiss Master Agreement or applicable terms of business), whether dated prior to or subsequent to the Master Confirmation (each, an “**Agreement**”). However, this Annex affects only Relevant Negative Affirmation Transactions (as defined below).

#### **Amendments to Trading Agreement(s)**

##### **General Terms**

If the parties have previously entered into an Agreement dated prior to the date of the Master Confirmation, they hereby agree to amend the Agreement by the terms of this Annex (this “**Amendment**”) as of the date of Party B executing the Master Confirmation (such date, the “**Amendment Date**”). Party A and Party B further agree that the terms of this Amendment shall be deemed to be incorporated into any Agreement dated subsequent to the Amendment Date as of such subsequent date.

The specific modifications that the parties wish to incorporate in the Agreement are set forth herein. The purpose of this Amendment is to amend the Agreement on the terms set forth herein. Any defined terms used herein but not otherwise defined shall bear the meaning ascribed to them in the relevant Agreement.

Accordingly, in consideration of the mutual agreements contained in this Amendment, the parties agree as follows:

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<sup>1</sup> Regulation (EU) No 648/2012 of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

## **Amendment of the Agreement**

The Agreement is amended in accordance with the amendments set forth herein.

## **Representations**

Each party represents to the other party in respect of the Agreement, as amended pursuant to this Amendment, that all representations made by it pursuant to the Agreement are true and accurate as of the Amendment Date.

## **Miscellaneous**

### **Entire Agreement; Restatement.**

This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.

Except for any amendment to the Agreement made pursuant to this Amendment, (i) all terms and conditions of any Agreement between the parties executed before the Amendment Date will continue in full force and effect in accordance with its provisions on the date of this Amendment, and (ii) all terms and conditions of any Agreement between the parties executed subsequent to the Amendment Date will take their full force and effect in accordance with its provisions as of the date of such execution. References to the Agreement will be to the Agreement, as amended by this Amendment.

### ***Amendments.***

No amendment, modification or waiver in respect of the matters contemplated by this Amendment will be effective unless signed by both parties to the Agreement.

### ***Counterparts.***

This Amendment may be executed and delivered in counterparts (including transmission by facsimile, electronic messaging system or e-mail), each of which will be deemed an original.

### ***Headings.***

The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.

## **Amendments**

The following provision is added to the Agreement:

**“[x] Timely Confirmation**

An OTC Derivative Contract shall be confirmed as soon as possible following execution of the OTC Derivative Contract and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system or by any other method intended by the parties to be effective for the purpose of confirming or evidencing such OTC Derivative Contract, which in each case will be sufficient for all purposes to evidence a binding OTC Derivative Contract and, where the Agreement is a master or framework agreement, a binding supplement (howsoever described) to such Agreement.

In respect of each Relevant Negative Affirmation Transaction, if the Documenting Party sends a Confirmation to the Receiving Party by the Confirmation Delivery Deadline and the Receiving Party does not confirm the Confirmation or deliver to the Documenting Party a Not Confirmed Notice by the Timely Confirmation Deadline, the Receiving Party will be deemed to have agreed to the terms of the Confirmation and to have confirmed the Confirmation at the Timely Confirmation Deadline.

**[y] Definitions**

For the purposes of clause [x] above:

**"CCP"** means a central clearing house authorised under Article 14 of EMIR or recognised under Article 25 of EMIR.

**"CCP Service"** means, in respect of a CCP, an over-the-counter derivative clearing service offered by such CCP.

**"Cleared"** means, in respect of an OTC Derivative Contract, that such OTC Derivative Contract has been submitted (including where details of such OTC Derivative Contract are submitted) to a CCP for clearing in a relevant CCP Service and that such CCP has become a party to a resulting or corresponding OTC Derivative Contract, as applicable, pursuant to such CCP's Rule Set.

**"Commission"** means the executive body of the European Union which is responsible for proposing legislation, implementing decisions, upholding the European Union's treaties and the day-to-day running of the European Union.

**"confirm"** means, with respect to a Confirmation provided by the Documenting Party to the Receiving Party, an acknowledgement in writing (whether by execution in counterpart of the Confirmation or otherwise) or electronically from the Receiving Party to the Documenting Party that the terms of such Confirmation reflect the terms of the Relevant Confirmation Transaction and **"confirmed"** will be construed accordingly.

**"Confirmation"** means the documentation of the agreement of the Documenting Party and the Receiving Party to all the terms of an OTC Derivative Contract.

**"Confirmation Delivery Deadline"** means (i) 4pm on the Local Business Day prior to the Timely Confirmation Deadline; or (ii) if the Timely Confirmation Deadline falls after the day that is the second Local Business Day following the Trade Date, 4pm or such later time as notified to the Receiving Party by the Documenting Party from time to time on the second Local Business Day immediately preceding the Timely Confirmation Deadline. Notwithstanding anything to the contrary in the Agreement, for this purpose **"Local Business Day"** means, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the city in which the office through which the Receiving Party is acting for the purposes of the Relevant Confirmation Transaction is located.

**"Documenting Party"** means UBS.

**"EMIR"** means Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012.

**"European Union"** means the economic and political union established in 1993 by the Maastricht Treaty, with the aim of achieving closer economic and political union between member states that are primarily located in Europe.

**"FX Forward"** means, in respect of an OTC Derivative Contract, an OTC Derivative Contract under which: (i) the parties agree to exchange two currencies at a specified rate of exchange on a date (agreed at the time of trading) that is later than the settlement date for a spot market transaction, including where the delivery of the currency units will take the form of banknotes denominated in the specified currency; or (ii) a specified rate of exchange and valuation date are agreed at the time of trading and the spot market rate for the exchange of the currencies is ascertained on such valuation date and one party then makes a payment to the other, on the basis of the difference between the two rates.

**"FX Exotic Option"** means, in respect of an OTC Derivative Contract, an OTC contract between a designated buyer and designated seller which gives the buyer the right to receive (and the seller the obligation to pay) an agreed and a fixed amount of currency units if the trading spot is above or below a predefined level at expiration or any time, as specified in such FX Exotic Option.

**"FX Future"** means, in respect of an OTC Derivative Contract, a negotiable contract to make or take delivery of a standardized amount of a specified currency during a specific month, under terms and conditions established by a regulated futures exchange market where trading of such FX Futures takes place.

**"FX Option"** means, in respect of an OTC Derivative Contract, a contract giving the designated buyer the right to buy or sell a specified number of currency units at an agreed price on a specified date or over a specified time period.

**"Not Confirmed Notice"** means, with respect to a Confirmation provided by the Documenting Party, a written notice (which may be an electronic message

delivered on an electronic messaging system) from the Receiving Party to the Documenting Party stating that the terms of such Confirmation do not accurately reflect the terms of the OTC Derivative Contract, which terms are inaccurate and what such terms should be, in the opinion of the Receiving Party.

**"OTC Derivative Contract"** shall bear the meaning ascribed to it by EMIR.

**"Receiving Party"** means the party which is not the Documenting Party.

**"Relevant Confirmation Transaction"** means any OTC Derivative Contract which is not Cleared, and which was entered into on or following the Timely Confirmation Start Date.

**"Relevant Negative Affirmation Transaction"** means any of the following Relevant Confirmation Transactions: FX Forwards, FX Futures, FX Options and FX Exotic Options.

**"Rule Set"** means, with respect to a CCP Service, the relevant rules, conditions, procedures, regulations, standard terms, membership agreements, collateral addenda, notices, guidance, policies or other such documents promulgated by the relevant CCP and amended and supplemented from time to time.

**"Timely Confirmation Deadline"** means the earlier of the end of the latest day by which such Relevant Confirmation Transaction must be confirmed (i) in accordance with Article 12 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 published 23 February 2013 in the Official Journal of the European Union; and (ii) in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act signed into law on 21 July 2010.

**"Timely Confirmation Start Date"** means the twentieth day following the day of publication of Article 12 of Chapter VIII of the Commission Delegated Regulation (EU) No 149/2013 published 23 February 2013 in the Official Journal of the European Union.

**"Trade Date"** means the date of execution of the OTC Derivative Contract."

This Annex does not constitute legal advice and the parties should consult their own professional advisers.