SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): December 11, 2019

IONIS PHARMACEUTICALS, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

000-19125	**33-0336973**
(Commission File No.)	(IRS Employer Identification No.)

2855 Gazelle Court
Carlsbad, CA 92010
(Address of Principal Executive Offices and Zip Code)
Registrant's telephone number, including area code: **(760) 931-9200**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Title of each class	Trading symbol	Name of each exchange on which registered
Common Stock, $.001 Par Value	"IONS"	The Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (Section 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (Section 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 8.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth in Item 8.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 8.01. Other Events.

Exchange and Subscription Transactions

On December 11, 2019, Ionis Pharmaceuticals, Inc. (Nasdaq: IONS) (the "Company") entered into separate privately negotiated exchange and/or subscription agreements (the "exchange and/or subscription agreements") with certain new investors and certain of the holders of its 1.00% Convertible Senior Notes due 2021 (the "2021 Notes") to exchange $340.2 million in aggregate principal amount of the Company's 2021 Notes (the "Exchange Transactions") for $398.0 million in aggregate principal amount of the Company's 0.125% Convertible Senior Notes due 2024 (the "2024 Notes"), and to issue and sell $109.5 million in aggregate principal amount of the Company's 2024 Notes (the "Subscription Transactions" and, together with the Exchange Transactions, the "Transactions"). The issuance of the 2024 Notes pursuant to the Transactions will be effected in reliance on Section 4(a)(2) and Regulation D of the Securities Act of 1933, as amended (the "Securities Act").

The Company anticipates that the closing of the Transactions will occur on or about December 19, 2019 (the "Closing Date"), subject to customary closing conditions.

Following the closings of the Transactions, $345.2 million in principal amount of the 2021 Notes will remain outstanding.

The new issuance of 2024 Notes will occur under an indenture related to the 2024 Notes, to be dated on or around December 19, 2019, between the Company and U.S. Bank National Association, as trustee.

The 2024 Notes will represent senior unsecured obligations of the Company and will pay interest semiannually in arrears on each June 15 and December 15, commencing on June 15, 2020, at a rate of 0.125% per annum. The 2024 Notes will mature on December 15, 2024, unless earlier converted or repurchased. The 2024 Notes will be convertible at the option of the holders in certain circumstances into cash, shares of the Company's common stock or a combination of cash and the Company's common stock, at the Company's election. The initial conversion rate is 12.0075 shares of the Company's common stock per $1,000 principal amount of 2024 Notes, which is equivalent to an initial conversion price of approximately $83.28 per share, and will be subject to customary anti-dilution adjustments. The Company may not redeem the 2024 Notes prior to the maturity date.

The description of the exchange and/or subscription agreements, including the exchange ratio of 2024 Notes for 2021 Notes in the Exchange Transactions, is qualified in its entirety by reference to the form of exchange and/or subscription agreement, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Convertible Note Hedge Transactions

On December 11, 2019, in connection with the Transactions, the Company entered into convertible note hedge transactions with respect to its common stock (the "convertible note hedge transactions") with certain financial institutions (the "Dealers"). The convertible note hedge transactions cover, subject to anti-dilution adjustments substantially identical to those in the 2024 Notes, approximately 6.1 million shares of common stock, which is equal to the number of shares of common stock that will initially underlie the 2024 Notes at an initial strike price of $83.28 per share. The convertible note hedge transactions will expire upon the maturity of the 2024 Notes, if not earlier exercised or terminated. A copy of the form of confirmation for the convertible note hedge transactions is attached hereto as Exhibit 99.2 and is incorporated herein by reference. The convertible note hedge transactions are expected generally to reduce potential dilution to holders of common stock upon any conversion of the 2024 Notes and/or offset any cash payments the Company is required to make in excess of the principal amount of the converted 2024 Notes, as the case may be. The convertible note hedge transactions are separate transactions, entered into by the Company with the Dealers, and are not part of the terms of the 2024 Notes.

The Company expects to use approximately $48 million of the net proceeds from the offering of the 2024 Notes to pay the cost of the convertible note hedge transactions (after such cost is partially offset by the proceeds to the Company of the warrant transactions described below).

Warrant Transactions

Separately from the convertible note hedge transactions, on December 11, 2019, in connection with the pricing of the 2024 Notes, the Company entered into warrant transactions with the Dealers (the "warrant transactions"), pursuant to which the Dealers have a right to acquire, subject to customary anti-dilution adjustments, up to approximately 6.1 million shares of common stock in the aggregate at a strike price of approximately $123.38 per share. The Company offered and sold the warrants subject to the warrant transactions in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act. Neither the warrants nor the underlying shares of common stock, if any, issuable upon exercise of the warrants have been registered under the Securities Act and neither may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. A copy of the form of confirmation for the warrants is attached hereto as Exhibit 99.3 and is incorporated herein by reference. The warrant transactions will have a dilutive effect to the extent that the market price per share of common stock exceeds the applicable strike price set forth in the warrant transactions. The warrant transactions are separate transactions, entered into by the Company with the Dealers, and are not part of the terms of the 2024 Notes. The warrants will expire in 2025.

Potential Effect of Convertible Note Hedge Transactions and Warrant Transactions

In connection with establishing their initial hedge positions in respect of the convertible note hedge transactions and the warrant transactions, the Company expects that the Dealers or their affiliates will purchase shares of the Company's common stock and/or enter into various derivative transactions with respect to the Company's common stock concurrently with the execution of the exchange and/or subscription agreements during the period prior to the Closing Date. In addition, in the event of market disruptions, the period during which the Dealers or their affiliates will engage in such activities may be extended by up to five business days, in which case, the Company will correspondingly postpone the Closing Date. This activity could increase (or reduce the size of any decrease in) the market price of common stock or the 2024 Notes at that time.

In addition, the Dealers or their affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to the Company's common stock and/or purchasing or selling the Company's common stock or other securities in secondary market transactions following the execution of the exchange and/or subscription agreements and prior to the maturity of the 2024 Notes (and are likely to do so during any observation period related to a conversion of the 2024 Notes or following any redemption or repurchase of the 2024 Notes by the Company). This activity could also cause or avoid an increase or a decrease in the market price of common stock or the 2024 Notes, which could affect the value of the shares of common stock that holders of the 2024 Notes will receive upon conversion of the 2024 Notes.

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This Current Report on Form 8-K does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall it constitute an offer to sell, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful. These securities have not been registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold in the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1	Form of Exchange and/or Subscription Agreement
99.2	Form of Convertible Note Hedge Transactions Confirmation
99.3	Form of Warrant Transactions Confirmation

Forward-Looking Statements

This Current Report on Form 8-K includes forward-looking statements regarding the expected closing and the terms of the Transactions. Such statements are subject to certain risks and uncertainties, including the ability to satisfy closing conditions specified in the exchange and/or subscription agreements. The Company's forward-looking statements also involve assumptions that, if they never materialize or prove correct, could cause its results to differ materially from those expressed or implied by such forward-looking statements. Although the Company's forward-looking statements reflect the good faith judgment of its management, these statements are based only on facts and factors currently known by the Company. As a result, you are cautioned not to rely on these forward-looking statements. These and other risks concerning the Company are described in additional detail in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, and its most recent Quarterly Report on Form 10-Q, which are on file with the SEC. Copies of these and other documents are available from the Company.

Ionis Pharmaceuticals™ is a trademark of Ionis Pharmaceuticals, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

IONIS PHARMACEUTICALS, INC.

Dated: December 12, 2019

By: /s/ Patrick R. O'Neil

PATRICK R. O'NEIL
Senior Vice President, Legal, General
Counsel and Chief Compliance Officer

Exhibit 99.1

Execution Version

,
December 11, 2019

Ionis Pharmaceuticals, Inc.
2855 Gazelle Court
Carlsbad, CA 92010
Attention: General Counsel

Re: Exchange and/or Subscription for Ionis Pharmaceuticals, Inc. Convertible Senior Notes due 2024

Ladies and Gentlemen:

Ionis Pharmaceuticals, Inc. (f/k/a Isis Pharmaceuticals, Inc.), a Delaware corporation, (the "**Company**"), is offering a new series of its Convertible Senior Notes due 2024 (the "**New Notes**"). The New Notes will be convertible into cash, shares ("**Underlying Shares**") of common stock of the Company, par value $0.001 per share ("**Stock**"), or a combination of cash and shares of Underlying Shares, at the Company's election.

The undersigned (the "**Investor**"), for itself and, in relation to the New Notes Offering (as defined below), on behalf of the accounts (if any) listed on (x) Exhibit A hereto, in the case of the Exchange (as defined below), for whom the Investor has been duly authorized to enter into the Exchange (each, including the Investor if it is listed on Exhibit A, an "**Exchanging Holder**") and (y) Exhibit B hereto, in the case of the Subscription (as defined below), for whom the Investor has been duly authorized to enter into the Subscription (each, including the Investor if it is listed on Exhibit B, a "**Subscriber**"), may:

(1) tender 1.00% Convertible Senior Notes due 2021 (CUSIP 464337 AJ3 and ISIN: US464337AJ35) of the Company (the "**Old Notes**") for an amount of New Notes determined as set forth herein (the "**Exchange**"); and/or

(2) subscribe for and purchase from the Company New Notes for cash (the "**Subscription**" and, the Exchange and/or the Subscription, as applicable, the "**New Notes Offering**"),

in each case, pursuant and subject to the terms and conditions set forth in this agreement (the "**Exchange/Subscription Agreement**" or this "**Agreement**").

The Exchanging Holders and the Subscribers (including the Investor, as applicable) are referred to collectively as the "**Purchasers,**" and each Purchaser (other than the Investor) is referred to herein as an "**Account**."

The Investor hereby confirms that this Agreement relates to participation by the Purchasers, taken together, in the:

Exchange only ☐ Subscription only ☐ Exchange and Subscription ☐

The Investor and each Account understands that the New Notes Offering is being made without registration under the Securities Act of 1933, as amended (the "**Securities Act**"), or any securities laws of any state of the United States or of any other jurisdiction, and that the New Notes Offering is only being made to investors who are both "accredited investors" (as defined in Rule 501 of Regulation D under the Securities Act) and "qualified institutional buyers" (as defined in Rule 144A under the Securities Act) in reliance upon a private placement exemption from registration under the Securities Act. The New Notes Offering is described in, and is being made pursuant to, the draft Indenture relating to the New Notes (the **"Indenture**") to be entered into as of the Closing Date (as defined below) between the Company and US Bank National Association, as Trustee (the "**New Notes Trustee**"), as supplemented by the Pricing Term Sheet, to be dated on or about December 11, 2019 (the "**Pricing Term Sheet**" and, together with the Indenture, the **"Private Placement Documents**").

In connection with the New Notes Offering, the Company and one or more financial institutions (the "**Call Spread Counterparties**") expect to enter into one or more convertible note hedge transactions and warrant transactions pursuant to one or more convertible note hedge confirmations (the "**Bond Hedge Confirmations**") and warrant confirmations (the "**Warrant Confirmations**"), each to be dated on or about the date hereof (the Bond Hedge Confirmations and the Warrant Confirmations, collectively, the "**Call Spread Confirmations**").

1. The Exchange. If the Investor and/or any other Exchanging Holders are participating in the Exchange, subject to the terms and conditions of this Exchange/Subscription Agreement, the Investor and the other Exchanging Holders hereby tender, assign and transfer to the Company all right, title and interest in the aggregate principal amount (the "**Exchanged Principal Amount**") of Old Notes set forth in column 2 of Exhibit A hereto (such principal amount of Old Notes, the "**Exchanged Old Notes**") in exchange for New Notes having an aggregate principal amount, for each Exchanging Holder, equal to the product of (x) the Exchange Ratio, as set forth in Exhibit A and (y) the Exchanged Principal Amount of Exchanged Old Notes for such Exchanging Holder, rounded to the nearest integral multiple of $1,000 in principal amount, if applicable, as set forth in column 4 of Exhibit A hereto (such aggregate principal amount of New Notes, as so rounded, if applicable, the "**Exchanged New Notes**"), and the Company agrees to issue such Exchanged New Notes to the Exchanging Holders in exchange for such Exchanged Old Notes. For the avoidance of doubt, the Company will not make any separate cash payment in respect of rounded amounts or interest, if any, accrued and unpaid to the Closing Date (as defined below) for the Exchanged Old Notes. Instead, such amounts will be deemed to be paid in full rather than cancelled, extinguished or forfeited upon exchange of the Exchanged Old Notes for the Exchanged New Notes. Subject to the terms and conditions of this Exchange/Subscription Agreement, the Investor, on behalf of itself and each Exchanging Holder, hereby (a) waives any and all other rights with respect to such Exchanged Old Notes, and (b) releases and discharges the Company from any and all claims the Investor and each Exchanging Holder may now have, or may have in the future, arising out of, or related to, such Exchanged Old Notes.

2. The Subscription. If the Investor and/or any other Subscriber is participating in the Subscription, subject to the terms and conditions of this Exchange/Subscription Agreement, the Investor hereby agrees to purchase from the Company, and the Company hereby agrees to issue and sell to the Investor and/or any such Account, New Notes (the "**Purchased New Notes**") having an aggregate principal amount as set forth in column 2 of Exhibit B hereto (the "**Purchased Principal Amount**"), for an aggregate purchase price in cash in respect of such Purchased New Notes as set forth in column 4 of Exhibit B (such aggregate cash purchase price, the "**Cash Purchase Price**"). For the avoidance of doubt, such Cash Purchase Price shall not be adjusted for accrued interest if the Closing occurs after December 19, 2019.

3. The Closing. The closing of the New Notes Offering (the "**Closing**") shall take place at the offices of Cooley LLP, 4401 Eastgate Mall, San Diego, CA 92121 at 10:00 a.m., New York City time, on December 19, 2019 or, subject to the immediately succeeding sentence, at such other time and place as the Company may designate by notice to the Investor (the "**Closing Date**"). The Company, in its sole discretion, may delay the Closing Date in order for the premium payment date for the Bond Hedge Confirmations to occur on the Closing Date in the event of market disruptions; *provided* that the Closing Date cannot be later than December 27, 2019 without the prior written consent of the Investor.

4. Closing Mechanics.

(a) The Depository Trust Company ("**DTC**") will act as securities depositary for the New Notes.

(b) At or prior to the times set forth in the Exchange/Subscription Procedures set forth in Exhibit C hereto (the "**Exchange/Subscription Procedures**"), the Investor, on behalf of itself and/or any other Account, shall:

(i) if participating in the Exchange only, deliver and/or cause the Exchanging Holders to deliver the Exchanged Old Notes, by book entry transfer through the facilities of DTC, to Wells Fargo Bank, National Association, in its capacity as trustee of the Old Notes (in such capacity, the "**Old Notes Trustee**"), for the account/benefit of the Company for cancellation as instructed in the Exchange/Subscription Procedures;

(ii) if participating in the Subscription only, transfer the Cash Purchase Price by wire in immediately available funds to the account of the Company designated in the Exchange/Subscription Procedures; and

(iii) if participating in both the Exchange and the Subscription:

A. deliver and/or cause the Exchanging Holders to deliver the Exchanged Old Notes, by book entry transfer through the facilities of DTC, to the Old Notes Trustee, for the account/benefit of the Company for cancellation as instructed in the Exchange/Subscription Procedures; and

B. transfer the Cash Purchase Price by wire in immediately available funds to the account of the Company designated in the Exchange/Subscription Procedures.

(c) On the Closing Date, subject to satisfaction of the conditions precedent specified in Section 7 hereof, and (1) the prior receipt by the Old Notes Trustee from each Exchanging Holder of the Exchanged Old Notes, if the Investor and/or any other Exchanging Holder is participating in the Exchange only pursuant to clause (b)(i) above, (2) the prior receipt by the Company of the Cash Purchase Price from the Investor on behalf of each Subscriber, if such Subscriber is participating in the Subscription only pursuant to clause (b)(ii) above, and (3) the prior receipt by the Old Notes Trustee from each Purchaser of the Exchanged Old Notes to be tendered by such Purchaser and the prior receipt by the Company of the Cash Purchase Price from such Purchaser if such Purchaser is participating in both the Exchange and the Subscription pursuant to clause (b)(iii) above:

(i) the Company shall execute and deliver the Indenture, dated as of the Closing Date (the "**Indenture**"), between the Company and the New Notes Trustee; and

(ii) the Company shall execute, cause the New Notes Trustee to authenticate and cause to be delivered to the DTC account(s) specified by the Investor or the relevant Account in Exhibit D hereto, the Exchanged New Notes (if the Investor and/or any Exchanging Holder is participating in the Exchange) and/or the Purchased New Notes (if the Investor and/or any Subscriber is participating in the Subscription), as the case may be.

All questions as to the form of all documents and the validity and acceptance of the Old Notes and the New Notes will be determined by the Company, in its sole discretion, which determination shall be final and binding.

5. Representations and Warranties of the Company. The Company represents and warrants to the Investor (and each Account, as applicable) that:

(a) *Organization*. The Company is duly organized and is validly existing under the laws of the State of Delaware.

(b) *Due Authorization*. This Exchange Agreement has been duly authorized, executed and delivered by the Company.

(c) *New Notes.* The New Notes have been duly authorized by the Company and, when duly executed by the Company in accordance with the terms of the Indenture, assuming due authentication of the New Notes by the New Notes Trustee, upon delivery to the Investors in accordance with the terms of the Exchange and/or Subscription, as applicable, will be validly issued and delivered and will constitute valid and binding obligations of the Company entitled to the benefits of the Indenture, enforceable against the Company in accordance with their terms, except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights generally and by general equitable principles (regardless of whether such enforceability is considered in a proceeding in equity or at law) (collectively, the "**Enforceability Exceptions**"). The maximum number of Underlying Shares initially issuable upon conversion of the New Notes (assuming settlement solely in shares of Stock and taking into account the maximum make-whole adjustment under the New Notes Indenture) have been duly and validly authorized and reserved for by the Company and, when issued upon conversion of the New Notes in accordance with the terms of the New Notes, will be validly issued, fully paid and non-assessable, and the issuance of any Underlying Shares will not be subject to any preemptive or similar rights.

(d) *New Notes Indenture.* The Company has all requisite corporate power and authority to perform its obligations under the New Notes Indenture. The New Notes Indenture has been duly authorized by the Company, and will have been duly executed and delivered by the Company on or prior to the Closing. Assuming due authorization, execution and delivery by the New Notes Trustee thereto, the New Notes Indenture, upon execution and delivery thereof by the Company, will constitute the valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, subject to the Enforceability Exceptions.

(e) *Exemption from Registration.* Assuming the accuracy of the representations and warranties of the Investor and each other investor executing an Exchange/Subscription Agreement, (1) each of the issuance of the Exchanged New Notes in connection with the Exchange and/or the issuance of the Purchased New Notes in connection with the Subscription, as the case may be, pursuant to this Exchange/Subscription Agreement is exempt from the registration requirements of the Securities Act; and (2) the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.

(f) *New Class.* The New Notes, when issued, will not be of the same class as securities listed on a national securities exchange registered under Section 6 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or quoted in a U.S. automated inter-dealer quotation system, within the meaning of Rule 144A(d)(3)(i) under the Securities Act.

(g) *No Conflicts*. The issue of the New Notes pursuant to the Exchange/Subscription Agreements, the execution, delivery and performance, as applicable, by the Company of its obligations under the New Notes, the New Notes Indenture, each Exchange/Subscription Agreement, and the consummation of the transactions contemplated hereby and thereby, will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, impose any lien, charge or encumbrance upon any property or assets of the Company or its subsidiaries, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement, license, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational document of the Company or any of its subsidiaries or (iii) result in any violation of any statute or any judgment, order, decree, rule or regulation of any court or arbitrator or federal, state, local or foreign governmental agency or regulatory authority having jurisdiction over the properties or assets of the Company or any of its subsidiaries or any of their properties or assets, except, with respect to clauses (i) and (iii), conflicts, breaches, violations, impositions or defaults that would not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), results of operations, stockholders' equity, properties, business or prospects of the Company and its subsidiaries taken as a whole or a material adverse effect on the performance by the Company of its obligations under any Exchange/Subscription Agreement, the Old Notes Indenture, the New Notes Indenture or the New Notes or the consummation of any of the transactions contemplated hereby or thereby.

6. Representations and Warranties of the Investor. The Investor hereby represents and warrants to and covenants with the Company, on behalf of itself and each Account, as applicable, that:

(a) The Investor is a corporation, limited partnership, limited liability company or other entity, as the case may be, duly formed, validly existing and in good standing under the laws of the jurisdiction of its formation.

(b) If the Investor is participating in the Exchange, the Investor has full power and authority to tender, assign and transfer the Exchanged Old Notes in exchange for the Exchanged New Notes pursuant to this Agreement and to enter into this Exchange/Subscription Agreement and perform all obligations required to be performed by the Investor hereunder. If the Investor is executing this Exchange/Subscription Agreement on behalf of an Account, (i) the Investor has all requisite authority to enter into this Exchange/Subscription Agreement on behalf of, and, bind, each Account to the terms of this Agreement, (ii) Exhibit A hereto is a true, correct and complete list of (A) the name of each Exchanging Holder and (B) the principal amount of each Exchanging Holder's Exchanged Old Notes and (iii) Exhibit B hereto is a true, correct and complete list of the name of each Subscriber and the aggregate principal amount of Purchased New Notes each such Subscriber agrees to purchase hereunder.

(c) Each Exchanging Holder participating in the Exchange is the current beneficial owner of the Exchanged Old Notes. When the Exchanged Old Notes are exchanged, the Company will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges, encumbrances, adverse claims, rights or proxies.

(d) Participation in the New Notes Offering will not contravene (1) any law, rule or regulation binding on the Investor or any investment guideline or restriction applicable to the Investor (or, if applicable, any Account) and (2) the charter or bylaw (or equivalent organizational documents) of the Investor (or, if applicable, any Account).

(e) The Investor (or applicable Account) is a resident of the jurisdiction set forth in Exhibit D and, unless otherwise set out in Exhibit A or Exhibit B hereto, as applicable, is not acquiring the Exchanged New Notes or the Purchased New Notes as a nominee or agent or otherwise for any other person.

(f) The Investor will comply with all applicable laws and regulations in effect in any jurisdiction in which the Investor purchases or acquires pursuant to the Exchange or Subscription, as the case may be, or sells New Notes and will obtain any consent, approval or permission required for such purchases, acquisitions or sales under the laws and regulations of any jurisdiction to which the Investor is subject or in which the Investor makes such purchases, acquisitions or sales, and the Company shall not have any responsibility therefor.

(g) The Investor has received a copy of the Private Placement Documents. The Investor acknowledges that: (1) no person has been authorized to give any information or to make any representation concerning the New Notes Offering or the Company or any of its subsidiaries, other than as contained in this Agreement or the Private Placement Documents or in the information given by the Company's duly authorized officers and employees in connection with the Investor's examination of the Company and its subsidiaries and the terms of the New Notes Offering; and (2) the Company and its subsidiaries do not take any responsibility for, and cannot provide any assurance as to the reliability of, any other information that may have been provided to the Investor. The Investor hereby acknowledges that neither J. Wood Capital Advisors LLC (the "**Placement Agent**") nor Stifel, Nicolaus & Company, Incorporated (the "**Financial Advisor**") takes any responsibility for, and can provide no assurance as to the reliability of, the information set forth in the Private Placement Documents or any such other information.

(h) The Investor understands and accepts that acquiring the New Notes in the New Notes Offering involves risks. The Investor has such knowledge, skill and experience in business, financial and investment matters that the Investor is capable of evaluating the merits and risks of the New Notes Offering and an investment in the New Notes. With the assistance of its own professional advisors (to the extent the Investor has deemed appropriate), the Investor has made its own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the New Notes and the consequences of the New Notes Offering and this Agreement. The Investor has considered the suitability of the New Notes as an investment in light of its own circumstances and financial condition, and the Investor is able to bear the risks associated with an investment in the New Notes.

(i) The Investor confirms that it is not relying on any communication (written or oral) of the Company, the Placement Agent, the Financial Advisor or any of their respective agents or affiliates as investment advice or as a recommendation to participate in the New Notes Offering and receive the New Notes pursuant to the terms hereof. It is understood that information provided in the Private Placement Documents, or by the Company, the Placement Agent, the Financial Advisor or any of their respective agents or affiliates, shall not be considered investment advice or a recommendation with respect to the New Notes Offering, and that none of the Company, the Placement Agent, the Financial Advisor or any of their respective agents or affiliates is acting or has acted as an advisor to the Investor in deciding whether to participate in the New Notes Offering.

(j) The Investor confirms that neither the Company, the Placement Agent nor the Financial Advisor has (1) given any guarantee or representation as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in the New Notes; or (2) made any representation to the Investor regarding the legality of an investment in the New Notes under applicable investment guidelines, laws or regulations. In deciding to participate in the New Notes Offering, the Investor is not relying on the advice or recommendations of the Company, the Placement Agent or the Financial Advisor, and the Investor has made its own independent decision that the investment in the New Notes is suitable and appropriate for the Investor.

(k) The Investor is a sophisticated participant in the transactions contemplated hereby and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the New Notes, is experienced in investing in capital markets and is able to bear the economic risk of an investment in the New Notes. The Investor is familiar with the business and financial condition and operations of the Company and its subsidiaries and has conducted its own investigation of the Company and its subsidiaries and the New Notes and has consulted with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby. The Investor has had access to the Company filings with the Securities and Exchange Commission and such other information concerning the Company and its subsidiaries and the New Notes as it deems necessary to enable it to make an informed investment decision concerning the New Notes Offering. The Investor has been offered the opportunity to ask questions of the Company and its representatives and has received answers thereto as the Investor deems necessary to enable it to make an informed investment decision concerning the New Notes Offering and the New Notes.

(l) The Investor understands that no federal, state, local or foreign agency has passed upon the merits or risks of an investment in the New Notes or made any finding or determination concerning the fairness or advisability of such investment.

(m) The Investor is an "accredited investor" as defined in Rule 501(a) under the Securities Act and a "qualified institutional buyer" as defined in Rule 144A under the Securities Act. The Investor agrees to furnish any additional information reasonably requested by the Company or any of its affiliates to assure compliance with applicable U.S. federal and state securities laws in connection with the New Notes Offering.

(n) The Investor is not directly, or indirectly through one or more intermediaries, controlling or controlled by, or under direct or indirect common control with, the Company and is not, and has not been for the immediately preceding three months, an "affiliate" (within the meaning of Rule 144 under the Securities Act) of the Company.

(o) The Investor is acquiring the New Notes solely for the Investor's own beneficial account, or for an account with respect to which the Investor exercises sole investment discretion, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the New Notes. The Investor understands that the offer and sale of the New Notes have not been registered under the Securities Act or any state securities laws by reason of specific exemptions under the provisions thereof that depend in part upon the investment intent of the Investor and the accuracy of the other representations made by the Investor in this Agreement.

(p) The Investor understands that the Company is relying upon the representations and agreements contained in this Agreement (and any supplemental information) for the purpose of determining whether the Investor's participation in the New Notes Offering meets the requirements for the exemptions referenced in clause (o) above. In addition, the Investor acknowledges and agrees that any hedging transactions engaged in by the Investor after the confidential information (as described in the confirmatory email received by the Investor from the Placement Agent (the "**Wall Cross Email**")) was made available to the Investor and prior to the Closing in connection with the issuance and sale of the New Notes have been and will be conducted in compliance with the Securities Act and the rules and regulations promulgated thereunder.

(q) The Investor acknowledges that the New Notes have not been registered under the Securities Act. As a result, the New Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act as described in the Indenture (including, but not limited to, Section 2.05 thereof), and the Investor hereby agrees that it will not sell the New Notes other than in compliance with such transfer restrictions. Further, the Investor acknowledges that the New Notes will be issued pursuant to a restricted CUSIP number.

(r) The Investor acknowledges that the terms of the New Notes Offering have been mutually negotiated between the Investor and the Company. The Investor was given a meaningful opportunity to negotiate the terms of the New Notes Offering.

(s) The Investor acknowledges the Company intends to pay an advisory fee to the Placement Agent and the Financial Advisor.

(t) The Investor will, upon request, execute and deliver any additional documents, information or certifications reasonably requested by the Company, the Old Notes Trustee or the New Notes Trustee to complete the New Notes Offering.

(u) The Investor understands that, unless the Investor notifies the Company in writing to the contrary before the Closing, each of the Investor's representations and warranties contained in this Agreement will be deemed to have been reaffirmed and confirmed as of the Closing, taking into account all information received by the Investor.

(v) The participation in the New Notes Offering by any Exchanging Holder was not conditioned by the Company on such Exchanging Holders' exchange of a minimum principal amount of Exchanged Old Notes. No Subscriber's participation in the New Notes Offering was conditioned upon a minimum aggregate principal amount of New Notes issued for cash in the Subscription.

(w) The Investor acknowledges that it had a sufficient amount of time to consider whether to participate in the New Notes Offering and that neither the Company, the Placement Agent nor the Financial Advisor has placed any pressure on the Investor to respond to the opportunity to participate in the New Notes Offering. The Investor acknowledges that it did not become aware of the New Notes Offering through any form of general solicitation or advertising within the meaning of Rule 502 under the Securities Act.

(x) The operations of the Investor have been conducted in material compliance with the rules and regulations administered or conducted by the U.S. Department of Treasury Office of Foreign Assets Control ("**OFAC**") applicable to the Investor. The Investor has performed due diligence necessary to reasonably determine that its (or, where applicable, the Exchanging Holders') beneficial owners are not named on the lists of denied parties or blocked persons administered by OFAC, resident in or organized under the laws of a country that is the subject of comprehensive economic sanctions and embargoes administered or conducted by OFAC ("**Sanctions**"), or otherwise the subject of Sanctions.

7. Conditions to Obligations of the Investor and the Company. The obligations of the Investor to deliver, or to cause the Accounts to deliver, the Exchanged Old Notes (if applicable) and the Cash Purchase Price (if applicable) and of the Company to deliver the New Notes are subject to the satisfaction at or prior to the Closing of the condition precedent that the representations and warranties of the Company on the one hand, and of the Investor on the other contained in Sections 5 and 6, respectively, shall be true and correct as of the Closing in all material respects with the same effect as though such representations and warranties had been made as of the Closing.

8. Covenant and Acknowledgment of the Company. At or prior to 9:00 a.m., New York City time, on the first business day after the date hereof, the Company shall issue a press release announcing the New Notes Offering, which press release the Company acknowledges and agrees will disclose all confidential information (as described in the Wall Cross Email) communicated by or on behalf of the Company to the Investor in connection with the New Notes Offering to the extent the Company believes such confidential information constitutes material non-public information.

9. Covenant of the Investor. No later than one (1) business day after the date hereof, the Investor agrees to deliver settlement instructions for each Purchaser to the Company substantially in the form of Exhibit D hereto.

10. Waiver, Amendment. Neither this Agreement nor any provisions hereof shall be modified, changed, discharged or terminated except by an instrument in writing, signed by the party against whom any waiver, change, discharge or termination is sought.

11. Assignability. Neither this Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by the Company or the Investor without the prior written consent of the other party.

12. Taxation. The Investor acknowledges that, if the Investor (or any Account) is a United States person for U.S. federal income tax purposes, either (1) the Company must be provided with a correct taxpayer identification number ("**TIN**"), generally a person's social security or federal employer identification number, and certain other information on Internal Revenue Service ("**IRS**") Form W-9, which is provided as an attachment hereto, and a certification, under penalty of perjury, that such TIN is correct, that the Investor (or such Account) is not subject to backup withholding and that the Investor is a United States person, or (2) another basis for exemption from backup withholding must be established. The Investor further acknowledges that, if the Investor (or any Account) is not a United States person for U.S. federal income tax purposes, (1) the Company must be provided the appropriate IRS Form W-8 signed under penalties of perjury, attesting to that non-U.S. Investor's foreign status, and (2) the Investor (or such Account) may be subject to U.S. federal withholding or U.S. federal backup withholding tax on certain payments made to the Investor (or such Account) unless the Investor (or such Account) properly establishes an exemption from, or a reduced rate of, withholding or backup withholding.

13. Waiver of Jury Trial. EACH OF THE COMPANY AND THE INVESTOR (FOR ITSELF AND, IF APPLICABLE, ON BEHALF OF EACH ACCOUNT) IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS EXCHANGE/SUBSCRIPTION AGREEMENT.

14. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK.

15. Submission to Jurisdiction. Each of the Company and the Investor (for itself and, if applicable, on behalf of each Account) (a) agrees that any legal suit, action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be instituted exclusively in the courts of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York; (b) waives any objection that it may now or hereafter have to the venue of any such suit, action or proceeding; and (c) irrevocably consents to the jurisdiction of the aforesaid courts in any such suit, action or proceeding. Each of the Company and the Investor (for itself and, if applicable, on behalf of each Account) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

16. Venue. Each of the Company and the Investor (for itself and, if applicable, on behalf of each Account) irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in Section 15. Each of the Company and the Investor (for itself and, if applicable, on behalf of each Account) irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

17. Service of Process. Each of the Company and the Investor (for itself and, if applicable, on behalf of each Account) irrevocably consents to service of process in the manner provided for notices in Section 20. Nothing in this Exchange/Subscription Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

18. Section and Other Headings. The section and other headings contained in this Exchange/Subscription Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Exchange/Subscription Agreement.

19. Counterparts. This Agreement may be executed by one or more of the parties hereto in any number of separate counterparts (including by facsimile or other electronic means, including telecopy, email or otherwise), and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Exchange/Subscription Agreement by facsimile or other transmission (*e.g.*, "pdf" or "tif" format) shall be effective as delivery of a manually executed counterpart hereof.

20. Notices. All notices and other communications to the Company provided for herein shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid to the following addresses, or, in the case of the Investor or any Account, the address provided in Exhibit D (or such other address as either party shall have specified by notice in writing to the other):

If to the Company:	Ionis Pharmaceuticals, Inc. 2855 Gazelle Court Carlsbad, CA 92010 Attention: General Counsel
In each case, with a copy to (which shall not constitute notice):	Cooley LLP 4401 Eastgate Mall San Diego, CA 92121 Attn: Sean Clayton E-mail: sclayton@cooley.com

21. Binding Effect. The provisions of this Exchange/Subscription Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

22. Notification of Changes. The Investor (for itself and, if applicable, on behalf of each Account) hereby covenants and agrees to notify the Company upon the occurrence of any event prior to the Closing that would cause any representation, warranty, or covenant of the Investor (and/or such Account) contained in this Agreement to be false or incorrect in any material respect.

23. Reliance by Placement Agent. Each of the Placement Agent and the Financial Advisor may rely on each representation and warranty of the Company and the Investor made herein or pursuant to the terms hereof (including, without limitation, in any officer's certificate delivered pursuant to the terms hereof) with the same force and effect as if such representation or warranty were made directly to the Placement Agent or the Financial Advisor. Each of the Placement Agent and the Financial Advisor shall be a third party beneficiary to this Exchange/Subscription Agreement to the extent provided in this Section 23.

24. Severability. If any term or provision (in whole or in part) of this Exchange/Subscription Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Exchange/Subscription Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the Investor (for itself and, if applicable, on behalf of each Account) has executed this Exchange/Subscription Agreement as of the date first written above.

Legal Name of Executing Investor:

_____

By _____

Name:
Title:
Legal Name:

[*Signature Page to Exchange/Subscription Agreement*]

ACCEPTED AND AGREED:

IONIS PHARMACEUTICALS, INC.

By _____
Name:
Title:

[*Signature Page to Exchange/Subscription Agreement*]

EXHIBIT A: FOR THE EXCHANGE

The Exchange Ratio: _____

Name of Exchanging Holder	**Aggregate Principal Amount of Exchanged Old Notes**	**CUSIP – Exchanged Old Notes**	**Aggregate Principal Amount of Exchanged New Notes**	**CUSIP – Exchanged New Notes**
	$		$	
Total:	$		$	

EXHIBIT B: FOR THE SUBSCRIPTION

Participating Accounts, Allocation of Aggregate Principal Amount of Purchased New Notes and Cash Purchase Price:

Name of Subscriber	**Purchased New Notes**	**CUSIP – Purchased New Notes**	**Cash Purchase Price**
	$		$
Total:	$		$

EXHIBIT C TO THE EXCHANGE/SUBSCRIPTION AGREEMENT[1]

NOTICE OF EXCHANGE/SUBSCRIPTION PROCEDURES

Attached are Exchange/Subscription Procedures for the settlement of the Ionis Pharmaceuticals, Inc. (the "**Company**") exchange and/or subscription of its Convertible Senior Notes due 2024 (the "**New Notes**") pursuant to the Exchange/Subscription Agreement, dated as of December 11, 2019, between you and the Company which is expected to occur on or about December 19, 2019. To ensure timely settlement, please follow the instructions for exchanging your Ionis Pharmaceuticals, Inc.'s 1.00% Convertible Senior Notes due 2021 (the "**Old Notes**") (if applicable) and/or subscribing for New Notes (if applicable) as set forth on the following page.

These instructions supersede any prior instructions you received. Your failure to comply with the attached instructions may delay your receipt of the New Notes.

If you have any questions, please contact Katy Neumer at (407) 617-9991.

Thank you.

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1 The following instructions assume the Closing Date will be December 19, 2019.

OPTION A – EXCHANGING OLD NOTES FOR NEW NOTES ONLY

Delivery of Old Notes

You must direct the eligible DTC participant through which you hold a beneficial interest in the Old Notes to post **on December 19, 2019, no later than 9:00 a.m., New York City time,** one-sided withdrawal instructions through DTC via DWAC for transfer to Wells Fargo Bank, National Association (DTC Participant No. 6839), the aggregate principal amount[1] of Exchanged Old Notes (CUSIP 464337 AJ3/ISIN: US464337AJ35) set forth in column 2 of Exhibit A ("Aggregate Principal Amount of Exchanged Old Notes") of the Exchange/Subscription Agreement.

It is important that this instruction be submitted and the DWAC posted on December 19, 2019, no later than 9:00 a.m., New York City time.

To receive New Notes

You must direct your eligible DTC participant through which you wish to hold a beneficial interest in the New Notes to post and accept on December 19, 2019, no later than 9:00 a.m., New York City time, a one-sided deposit instruction through DTC via DWAC from U.S. Bank National Association for the aggregate principal amount[2] of Exchanged New Notes (CUSIP/ISIN #462222 AA8/ US462222AA85) set forth in column 4 of Exhibit A ("Aggregate Principal Amount of Exchanged New Notes") of the Exchange/Subscription Agreement.

It is important that this instruction be submitted and the DWAC posted on December 19, 2019, no later than 9:00 a.m., New York City time.

You must complete **BOTH** steps described above in order to complete the exchange of Old Notes for New Notes.

[1] Note that the DWAC instruction should specify the principal amount, not the number, of Exchanged Old Notes.
[2] Note that the DWAC instruction should specify the principal amount, not the number, of New Notes.

OPTION B – PURCHASING NEW NOTES ONLY (WITHOUT AN EXCHANGE OF OLD NOTES)

To receive New Notes

You must **BOTH**:

1. Direct your eligible DTC participant through which you wish to hold a beneficial interest in the New Notes to post and accept on December 19, 2019, no later than 9:00 a.m., New York City time, a one-sided deposit instruction through DTC via DWAC from U.S. Bank National Association for the aggregate principal amount of New Notes (CUSIP/ISIN #462222 AA8/ US462222AA85) set forth in column 2 of Exhibit B ("Purchased New Notes") of the Exchange/Subscription Agreement.

   It is important that this instruction be submitted and the DWAC posted on December 19, 2019, no later than 9:00 a.m., New York City time.

AND

2. **No later than 3.00 p.m., New York City time, on December 19, 2019,** you must pay the Cash Purchase Price set forth in column 4 of Exhibit B[3] ("Cash Purchase Price") of the Exchange/Subscription Agreement by wire transfer in immediately available funds to the following account of the Company:

[3] The Cash Purchase Price is the amount of cash that you must wire to the Company in connection with your purchase of New Notes.

OPTION C – EXCHANGING OLD NOTES FOR NEW NOTES AND PURCHASING NEW NOTES

For **that portion** of New Notes being acquired by means of an exchange for Old Notes, you must follow the steps outlined in Option A above.

For **that portion** of New Notes you are acquiring in addition to those acquired pursuant to Option A above, you must follow the steps outlined in Option B above.

SETTLEMENT

On December 19, 2019, after the Company receives your Old Notes (if applicable) and/or your Cash Purchase Price (if applicable) and your delivery instructions as set forth above, and subject to the satisfaction of the conditions to closing as set forth in your Exchange/Subscription Agreement, the Company will deliver your New Notes in accordance with the delivery instructions set forth above.

EXHIBIT D TO THE EXCHANGE/SUBSCRIPTION AGREEMENT

Purchaser Settlement Details

These settlement instructions are to be delivered to the Company for each Purchaser no later than one (1) business day after the date of the Exchange/Subscription Agreement.

Name of Purchaser: _____

Purchaser Address:

_____

_____

_____

Telephone: _____

Email Address: _____

Country of Residence: _____

Taxpayer Identification Number: _____

If Purchaser is an Exchanging Holder:

Exchanged Old Notes

DTC Participant Number: _____

DTC Participant Name: _____

DTC Participant Phone Number: _____

DTC Participant Contact Email: _____

FFC Account #: _____

Account # at Bank/Broker: _____

Exchanged New Notes (if different from Exchanged Old Notes)

DTC Participant Number: _____

DTC Participant Name: _____

DTC Participant Phone Number: _____

DTC Participant Contact Email: _____

FFC Account #: _____

Account # at Bank/Broker: _____

_____

If Purchaser is a Subscriber:

DTC Participant Information for Delivery of Purchased New Notes

DTC Participant Number: _____

DTC Participant Name: _____

DTC Participant Phone Number: _____

DTC Participant Contact Email: _____

FFC Account #: _____

Account # at Bank/Broker: _____

Exhibit 99.2

[*Dealer Name*][*Dealer Address*]

[_____], 2019

To: **Ionis Pharmaceuticals, Inc.**
2855 Gazelle Court
Carlsbad, CA 92010
Attention: [_____]
Telephone No.: [_____]
Email: [_____]

Re: Call Option Transaction

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the call option transaction entered into between [_____] ("**Dealer**") and Ionis Pharmaceuticals, Inc. ("**Counterparty**") as of the Trade Date specified below (the "**Transaction**"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. Each party further agrees that this Confirmation together with the Agreement evidence a complete binding agreement between Counterparty and Dealer as to the subject matter and terms of the Transaction to which this Confirmation relates, and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity 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 Equity Definitions and this Confirmation, this Confirmation shall govern. Certain terms used herein are defined in the Indenture to be dated [_____], 2019 between Counterparty and U.S. Bank National Association, as trustee ("**Trustee**") (the "**Indenture**") governing the [__]% Convertible Senior Notes due 2024 (as originally issued by Counterparty, the "**Convertible Notes**" and each USD 1,000 principal amount of Convertible Notes, a "**Convertible Note**") issued by Counterparty in an aggregate initial principal amount of USD [550,000,000]. In the event of any inconsistency between the terms defined in the Indenture and this Confirmation, this Confirmation shall govern. The parties further acknowledge that the Indenture section numbers used herein are based on the draft of the Indenture last reviewed by Dealer and Counterparty as of the date of this Confirmation, and if any such section numbers are changed in the Indenture as executed, the parties will amend this Confirmation in good faith to preserve the intent of the parties. Subject to the foregoing, references to the Indenture herein are references to the Indenture as in effect on the date of its execution, and if the Indenture is amended or supplemented following such date, any such amendment or supplement (other than any amendment or supplement pursuant to Section 14.07 of the Indenture, subject to the second paragraph under "Method of Adjustment" in Section 3) will be disregarded for purposes of this Confirmation unless the parties agree otherwise in writing.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between Dealer and Counterparty as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall supplement, form a part of, and be subject to an agreement (the "**Agreement**") in the form of the 2002 ISDA Master Agreement as if Dealer and Counterparty had executed an agreement in such form on the date hereof (but without any Schedule except for (i) the election of US Dollars ("**USD**") as the Termination Currency[, (ii) the election of an executed guarantee of [_____] ("**Guarantor**") dated as of the Trade Date in substantially the form attached hereto as Annex A as a Credit Support Document, (iii) the designation of Guarantor as Credit Support Provider in relation to Dealer][1] and (iv) (a) the election that the "Cross Default" provisions of Section 5(a)(vi) of the Agreement shall apply to Dealer with a "Threshold Amount" of three percent of the shareholders' equity of [*Name of Dealer's Parent*], (b) the phrase "or becoming capable at such time of being declared" shall be deleted from clause (1) of such Section 5(a)(vi),(c) the following language shall be added to the end thereof: "Notwithstanding the foregoing, a default under subsection (2) hereof shall not constitute an Event of Default if (x) the default was caused solely by error or omission of an administrative or operational nature; (y) funds were available to enable the party to make the payment when due; and (z) the payment is made within two Local Business Days of such party's receipt of written notice of its failure to pay.") [and (c) the term "Specified Indebtedness" shall have the meaning specified in Section 14 of the Agreement, except that such term shall not include obligations in respect of deposits received in the ordinary course of Dealer's banking business][2]. In the event of any inconsistency between provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. For the avoidance of doubt, except to the extent of an express conflict, the application of any provision of this Confirmation, the Agreement or the Equity Definitions shall not be construed to exclude or limit the application of any other provision of this Confirmation, the Agreement or the Equity Definitions. The Transaction hereunder shall be the sole Transaction under the Agreement. If there exists any ISDA Master Agreement between Dealer and Counterparty or any confirmation or other agreement between Dealer and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between Dealer and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which Dealer and Counterparty are parties, the Transaction shall not be considered a Transaction under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

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

General Terms.

Trade Date:	[_____], 2019
Effective Date:	For purposes of Section 9(v) of this Confirmation, the Trade Date, and otherwise the closing date of the issuance of the Convertible Notes
Option Style:	"Modified American", as described under "Procedures for Exercise" below
Option Type:	Call
Buyer:	Counterparty
Seller:	Dealer
Shares:	The common stock of Counterparty, par value USD 0.001 per share (Exchange symbol "IONS").
Number of Options:	[_____]. For the avoidance of doubt, the Number of Options shall be reduced by any Options exercised by Counterparty or that are terminated pursuant to Section 9(i)(ii) of this Confirmation. In no event will the Number of Options be less than zero.
Applicable Percentage:	[__]%
Option Entitlement:	A number equal to the product of the Applicable Percentage and [_____][3]
Strike Price:	[_____][4]

[1] Requested if Dealer is not the highest rated entity in group, typically from the parent.
[2] Include if applicable.
[3] Insert the initial Conversion Rate for the Convertible Notes.
[4] Insert the initial Conversion Price for the Convertible Notes.

Exchange:	The NASDAQ Global Select Market
Related Exchange(s):	All Exchanges; *provided* that Section 1.26 of the Equity Definitions shall be amended to add the words "United States" before the word "exchange" in the tenth line of such section.
Excluded Provisions:	Section 14.04(h) and Section 14.03 of the Indenture. Procedures for Exercise.

Premium Terms.

Premium:	Initially, USD [_____] plus the Premium Adjustment Amount (which may be negative).
Premium Adjustment Amount:	An amount determined by the Calculation Agent pursuant to Schedule I hereto, based on the weighted average price per Share (the "Hedging Price") to establish an initial commercially reasonable Hedge Position with respect to the Transaction during the Initial Hedging Period, taking into account the Hedge Positions acquired by it on the date hereof to establish its commercially reasonable Hedge Positions. If the Hedging Price is between two prices in the table set forth in Schedule I, the Calculation Agent shall determine the Premium Adjustment Amount using linear interpolation. If the Hedging Price is greater than the highest price or lower than the lowest price set forth on the table set forth in Schedule I, the Calculation Agent shall determine the Premium Adjustment Amount using linear extrapolation.
Premium Payment Date:	The [first] Local Business Day immediately following the last day of the Initial Hedging Period which shall be no earlier than the closing date of the issuance of the Convertible Notes.
Initial Hedging Period:	The [five] consecutive Scheduled Trading Day period beginning on, and including, the Schedule Trading Day immediately following the Trade Date; *provided, however* that if any such day is a Disrupted Day, the Initial Hedging Period shall be extended by one Scheduled Trading Day for each such Disrupted Day; *provided further* that the Initial Hedging Period may not be extended by more than [five] Scheduled Trading Days. If the Initial Hedging Period has been extended by [five] Scheduled Trading Days and Dealer is unable to establish its initial commercially reasonable Hedge Position on the full number of Shares on which Dealer expected to establish its initial commercially reasonable Hedge Position on the date hereof (the "Expected Number of Shares"), the Calculation Agent shall make such commercially reasonable adjustments to the terms of the Transaction to account for Dealer's inability to establish an initial commercially reasonable Hedge Position equal to the Expected Number of Shares.

For purposes of determining the Initial Hedging Period, the definition of "Market Disruption Event" in Section 6.3(a) of the Equity Definitions is hereby amended by (A) deleting the words "during the one hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be," in clause (ii) thereof and (B) by replacing the words "or (iii) an Early Closure." therein with "(iii) an Early Closure, or (iv) a Regulatory Disruption; in each case, that the Calculation Agent determines is material."

For purposes of determining the Initial Hedging Period, Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the words "Scheduled Closing Time" in the fourth line thereof.

For purposes of determining the Initial Hedging Period, a Regulatory Disruption is any event that Designated Dealer, in its reasonable discretion, based on the advice of counsel, determines makes it appropriate, with regard to any legal, regulatory or self-regulatory requirements or related policies and procedures, for Designated Dealer to refrain from or decrease any market activity in connection with the Transaction in order to maintain or establish a commercially reasonable hedge position.

[Dealer shall, and shall cause its affiliates and agents (if any) to, use commercially reasonable efforts during the Initial Hedging Period to make all purchases of Shares in connection with the Transaction or any Other Call Option Agreements and the equity swaps between Dealer and any other dealers that are parties to Other Call Option Agreements entered into on the Trade Date (collectively, the "**Initial Hedge Purchases**") in a manner that would comply with the limitations set forth in clauses (b)(2), (b)(3) and (b)(4) and (c) of Rule 10b-18 under the Exchange Act ("**Rule 10b-18**"), as if such rule were applicable to such purchases and neither Counterparty nor any "affiliated purchaser" had made any "Rule 10b-18 Purchases" under Rule 10b-18 (except through the Designated Dealer) during such period and taking into account any applicable Securities and Exchange Commission no-action letters, as appropriate, and subject to any delays between the execution and reporting of a trade of the Shares on the Exchange and other circumstances reasonably beyond Dealer's (or such affiliate's or agent's (if any)) control; provided that the foregoing agreement shall not apply to purchases made to dynamically hedge for Dealer's own account or the account of its affiliate(s) the optionality arising under the Transaction or any other option transaction to which it is a party. Dealer shall, and shall cause its affiliates and agents (if any) to, use only one broker or dealer in making the Initial Hedge Purchases. "**Other Call Option Agreements**" means any other call option transactions entered to by Counterparty in connection with the Convertible Notes on the Trade Date.][5][During the Initial Calculation Period, Dealer shall not, and shall cause its affiliates and agents (if any) not to, make any purchases of Shares in connection with the Transaction or any other option transaction to which it is a party, other than purchases made to dynamically hedge for Dealer's own account or the account of its affiliate(s) the optionality arising under the Transaction or such other option transaction.][6]

[5] Include for Designated Dealer.
[6] Include for Dealers that are <u>not</u> the Designated Dealer.

Designated Dealer:	[_____][Dealer][7]
Hedging Notice:	Dealer shall notify Counterparty of the Hedging Price, Premium Adjustment Amount and final Premium (after giving effect to the Premium Adjustment Amount) by [7:00] P.M. (New York City time) on the final day of the Initial Hedging Period by delivering a notice as set forth in the Form of Hedging Notice attached hereto as Schedule II.

Procedures for Exercise.

Conversion Date:	With respect to any conversion of a Convertible Note, the date on which the Holder (as such term is defined in the Indenture) of such Convertible Note satisfies all of the requirements for conversion thereof as set forth in Section 14.02(b) of the Indenture; *provided* that if Counterparty has not delivered to Dealer a related Notice of Exercise, then in no event shall a Conversion Date be deemed to occur hereunder (and no Option shall be exercised or deemed to be exercised hereunder) with respect to any surrender of a Convertible Note for conversion in respect of which Counterparty has elected to designate a financial institution for exchange in lieu of conversion of such Convertible Note pursuant to Section 14.13 of the Indenture.
Free Convertibility Date:	[_____], 2024
Expiration Time:	The Valuation Time
Expiration Date:	[_____], 2024, subject to earlier exercise.
Multiple Exercise:	Applicable, as described under "Automatic Exercise" below.

[7] To be the Dealer with the largest portion of the call spread.

Automatic Exercise:	Notwithstanding Section 3.4 of the Equity Definitions, on each Conversion Date in respect of which a Notice of Conversion that is effective as to Counterparty has been delivered by the relevant converting Holder, a number of Options equal to the number of Convertible Notes in denominations of USD 1,000 as to which such Conversion Date has occurred shall be deemed to be automatically exercised; *provided* that such Options shall be exercised or deemed exercised only if Counterparty or the Trustee (or other agent authorized by Counterparty and previously identified to Dealer by Counterparty in writing) on behalf of Counterparty has provided a Notice of Exercise to Dealer in accordance with "Notice of Exercise" below. If the Trustee (or any other such agent) on behalf of Counterparty provides any Notice of Exercise to Dealer, Dealer shall be entitled to rely on the accuracy of such Notice of Exercise without any independent investigation, and the contents of such notice shall be binding on Counterparty. Notwithstanding the foregoing, in no event shall the number of Options that are exercised or deemed exercised hereunder exceed the Number of Options.
Notice of Exercise:	Notwithstanding anything to the contrary in the Equity Definitions or under "Automatic Exercise" above, in order to exercise any Options, Counterparty or the Trustee (or other agent authorized by Counterparty and previously identified to Dealer by Counterparty in writing) on behalf of Counterparty must notify Dealer in writing before 5:00 p.m. (New York City time) on the Scheduled Valid Day immediately preceding the scheduled first day of the Settlement Averaging Period for the Options being exercised (the "**Exercise Notice Deadline**") of (i) the number of such Options, (ii) the scheduled first day of the Settlement Averaging Period and the scheduled Settlement Date, (iii) the Relevant Settlement Method for such Options, and (iv) if the Relevant Settlement Method for such Options is Combination Settlement, the fixed amount of cash per Convertible Note that Counterparty has elected to deliver to Holders (as such term is defined in the Indenture) of the related Convertible Notes (the "**Specified Cash Amount**"); *provided* that notwithstanding the foregoing, such notice (and the related exercise of Options) shall be effective if given after the Exercise Notice Deadline, but prior to 4:00 p.m. (New York City time) on the fifth Scheduled Valid Day following the Exercise Notice Deadline, in which event the Calculation Agent shall have the right to adjust the delivery obligation under this Confirmation as appropriate to reflect the commercially reasonable additional costs (including, but not limited to, hedging mismatches and market losses) and commercially reasonable expenses incurred by Dealer (or any of its affiliates) in connection with its or their ability to maintain or establish commercially reasonable hedging activities hereunder (including the unwinding of any commercially reasonable hedge position) as a result of Dealer not having received such notice on or prior to the Exercise Notice Deadline and Dealer's obligation to make any payment or delivery in respect of such exercise shall not be extinguished; and *provided further* that in respect of any Options relating to Convertible Notes with a Conversion Date occurring on or after the Free Convertibility Date, (A) such notice may be given on or prior to the second Scheduled Valid Day immediately preceding the Expiration Date and need only specify the information required in clause (i) above, and (B) if the Relevant Settlement Method for such Options is not Net Share Settlement, Dealer shall have received a separate notice (the "**Notice of Final Settlement Method**") in respect of all such Convertible Notes before 5:00 p.m. (New York City time) on the Free Convertibility Date specifying the information required in clauses (iii) and, if applicable, (iv) above. If the Trustee (or any other such agent) on behalf of Counterparty provides such notice to Dealer, Dealer shall be entitled to rely on the accuracy of any such notice without any independent investigation, and the contents of such notice shall be binding on Counterparty.

Valuation Time:	At the close of trading of the regular trading session on the Exchange; *provided* that if the principal trading session is extended past the close of the regular trading session for such Exchange, the Calculation Agent shall determine the Valuation Time in its commercially reasonable discretion.
Market Disruption Event:	Subject to the provisions opposite "Initial Hedging Period" above, Section 6.3(a) of the Equity Definitions is hereby replaced in its entirety by the following: "'Market Disruption Event' means (i) a failure by the primary United States national or regional securities exchange or market on which the Shares are listed or admitted for trading to open for trading during its regular trading session or (ii) the occurrence or existence prior to 1:00 p.m. (New York City time) on any Scheduled Valid Day for the Shares for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by such stock exchange or otherwise) in the Shares or in any options contracts or futures contracts on any Related Exchange relating to the Shares."

Settlement Terms.

Settlement Method:	For any Option, Net Share Settlement; provided that if the Relevant Settlement Method set forth below for such Option is not Net Share Settlement, then the Settlement Method for such Option shall be such Relevant Settlement Method, but only if Counterparty or Trustee (or other agent authorized by Counterparty and previously identified to Dealer by Counterparty in writing) shall have notified Dealer of the Relevant Settlement Method in the Notice of Exercise or Notice of Final Settlement Method, as applicable, for such Option. If the Trustee (or any other such agent) on behalf of Counterparty provides any such notice, Dealer shall be entitled to rely on the accuracy of such notice without any independent investigation, and the contents of such notice shall be binding on Counterparty. Counterparty acknowledges its responsibilities under applicable securities laws, and in particular Section 9 and Section 10(b) of the Exchange Act (as defined below) and the rules and regulations thereunder, in respect of any election of a settlement method with respect to the related Convertible Notes.

Relevant Settlement Method:	In respect of any Option: (i) if Counterparty has elected to settle its conversion obligations in respect of the related Convertible Note (A) entirely in Shares pursuant to Section 14.02(a)(iv)(A) of the Indenture (together with cash in lieu of fractional Shares) (such settlement method, "**Settlement in Shares**") (B) in a combination of cash and Shares pursuant to Section 14.02(a)(iv)(C) of the Indenture with a Specified Cash Amount less than USD 1,000 (such settlement method, "**Low Cash Combination Settlement**") or (C) in a combination of cash and Shares pursuant to Section 14.02(a)(iv)(C) of the Indenture with a Specified Cash Amount equal to USD 1,000 (such settlement method, "**Par Cash Settlement**"), then, for each of the cases in clause (A) (Settlement in Shares), clause (B) (Low Cash Combination Settlement) and clause (C) (Par Cash Settlement), the Relevant Settlement Method for such Option shall be Net Share Settlement; (ii) if Counterparty has elected to settle its conversion obligations in respect of the related Convertible Note in a combination of cash and Shares pursuant to Section 14.02(a)(iv)(C) of the Indenture with a Specified Cash Amount greater than USD 1,000, then the Relevant Settlement Method for such Option shall be Combination Settlement; and (iii) if Counterparty has elected to settle its conversion obligations in respect of the related Convertible Note entirely in cash pursuant to Section 14.02(a)(iv)(B) of the Indenture (such settlement method, "**Settlement in Cash**"), then the Relevant Settlement Method for such Option shall be Cash Settlement.
Net Share Settlement:	If Net Share Settlement is applicable to any Option exercised or deemed exercised hereunder, Dealer will deliver to Counterparty, on the relevant Settlement Date for each such Option, a number of Shares (the "**Net Share Settlement Amount**") equal to the sum, for each Valid Day during the Settlement Averaging Period for each such Option, of (i) (a) the Daily Option Value for such Valid Day, *divided by* (b) the Relevant Price on such Valid Day, *divided by* (ii) the number of Valid Days in the Settlement Averaging Period; *provided* that in no event shall the Net Share Settlement Amount for any Option exceed a number of Shares equal to the Applicable Limit for such Option *divided by* the Applicable Limit Price on the Settlement Date for such Option.

Dealer will pay cash in lieu of delivering any fractional Shares to be delivered with respect to any Net Share Settlement Amount valued at the Relevant Price for the last Valid Day of the Settlement Averaging Period.

Combination Settlement: If Combination Settlement is applicable to any Option exercised or deemed exercised hereunder, Dealer will pay or deliver, as the case may be, to Counterparty, on the relevant Settlement Date for each such Option:

(i) cash (the "**Combination Settlement Cash Amount**") equal to the sum, for each Valid Day during the Settlement Averaging Period for such Option, of (A) an amount (the "**Daily Combination Settlement Cash Amount**") equal to the lesser of (1) the product of (x) the Applicable Percentage and (y) the Specified Cash Amount minus USD 1,000 and (2) the Daily Option Value, *divided by* (B) the number of Valid Days in the Settlement Averaging Period; *provided* that if the calculation in clause (A) above results in zero or a negative number for any Valid Day, the Daily Combination Settlement Cash Amount for such Valid Day shall be deemed to be zero; and

(ii) Shares (the "**Combination Settlement Share Amount**") equal to the sum, for each Valid Day during the Settlement Averaging Period for such Option, of a number of Shares for such Valid Day (the "**Daily Combination Settlement Share Amount**") equal to (A) (1) the Daily Option Value on such Valid Day *minus* the Daily Combination Settlement Cash Amount for such Valid Day, divided by (2) the Relevant Price on such Valid Day, *divided by* (B) the number of Valid Days in the Settlement Averaging Period; *provided* that if the calculation in sub-clause (A)(1) above results in zero or a negative number for any Valid Day, the Daily Combination Settlement Share Amount for such Valid Day shall be deemed to be zero;

provided that in no event shall the sum of (x) the Combination Settlement Cash Amount for any Option and (y) the Combination Settlement Share Amount for such Option *multiplied* by the Applicable Limit Price on the Settlement Date for such Option, exceed the Applicable Limit for such Option. If any reduction is made to the delivery obligation hereunder as a result of the foregoing, such reduction shall first be made to any Combination Settlement Share Amount.

	Dealer will deliver cash in lieu of any fractional Shares to be delivered with respect to any Combination Settlement Share Amount valued at the Relevant Price for the last Valid Day of the Settlement Averaging Period.
Cash Settlement:	If Cash Settlement is applicable to any Option exercised or deemed exercised hereunder, in lieu of Section 8.1 of the Equity Definitions, Dealer will pay to Counterparty, on the relevant Settlement Date for each such Option, an amount of cash (the "**Cash Settlement Amount**") equal to the sum, for each Valid Day during the Settlement Averaging Period for such Option, of (i) the Daily Option Value for such Valid Day, *divided by* (ii) the number of Valid Days in the Settlement Averaging Period; *provided* that in no event shall the Cash Settlement Amount for any Option exceed the Applicable Limit for such Option.
Daily Option Value:	For any Valid Day, an amount equal to (i) the Option Entitlement on such Valid Day, *multiplied by* (ii) (a) the Relevant Price on such Valid Day *less* (b) the Strike Price on such Valid Day; *provided* that if the calculation contained in clause (ii) above results in a negative number, the Daily Option Value for such Valid Day shall be deemed to be zero. In no event will the Daily Option Value be less than zero.
Make-Whole Adjustment:	Notwithstanding anything to the contrary herein, in respect of any exercise of Options relating to a conversion of Convertible Notes in connection with a Make-Whole Fundamental Change (as defined in the Indenture) for which additional Shares will be added to the "Conversion Rate" (as defined in the Indenture) as determined pursuant to Section 14.03 of the Indenture, the Daily Option Value shall be calculated as if the Option Entitlement included the Applicable Percentage of the number of such additional Shares as determined with reference to the adjustment set forth in such Section 14.03 of the Indenture; *provided* that if the sum of (i) the product of (a) the number of Shares (if any) deliverable by Dealer to Counterparty per exercised Option and (b) the Applicable Limit Price on the Settlement Date and (ii) the amount of cash (if any) payable by Dealer to Counterparty per exercised Option would otherwise exceed the amount per Option, as determined by the Calculation Agent, that would be payable by Dealer under Section 6 of the Agreement if (x) the relevant Conversion Date were an Early Termination Date resulting from an Additional Termination Event with respect to which the Transaction was the sole Affected Transaction and Counterparty was the sole Affected Party and (y) Section 14.03 of the Indenture were deleted, then each Daily Option Value shall be proportionately reduced to the extent necessary to eliminate such excess, with such reduction first being made to any Shares deliverable hereunder.

Applicable Limit:	For any Option, an amount of cash equal to the Applicable Percentage *multiplied by* the excess of (i) the sum of (A) the amount of cash, if any, payable to the Holder of the related Convertible Note upon conversion of such Convertible Note determined pursuant to Section 14.02(a)(iv) of the Indenture and (B) the number of Shares, if any, deliverable to the Holder of the related Convertible Note upon conversion of such Convertible Note determined pursuant to Section 14.02(a)(iv) of the Indenture *multiplied by* the Applicable Limit Price on the Settlement Date for such Option, over (ii) USD 1,000.
Applicable Limit Price:	On any day, the opening price as displayed under the heading "Op" on Bloomberg page IONS <equity> (or any successor thereto).
Valid Day:	A day on which (i) there is no Market Disruption Event and (ii) trading in the Shares generally occurs on The NASDAQ Global Select Market or, if the Shares are not then listed on The NASDAQ Global Select Market, on the principal other United States national or regional securities exchange on which the Shares are then listed or, if the Shares are not then listed on a United States national or regional securities exchange, on the principal other United States market on which the Shares are then listed or admitted for trading. If the Shares are not so listed or admitted for trading, "Valid Day" means a Business Day.
Scheduled Valid Day:	A day that is scheduled to be a Valid Day on the principal United States national or regional securities exchange or market on which the Shares are listed or admitted for trading. If the Shares are not so listed or admitted for trading, "Scheduled Valid Day" means a Business Day.
Business Day:	Any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.
Relevant Price:	On any Valid Day, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page IONS <equity> AQR (or any successor thereto) in respect of the period from the scheduled opening time of the Exchange to the Scheduled Closing Time of the Exchange on such Valid Day (or if such volume-weighted average price is unavailable at such time, the market value of one Share on such Valid Day, as determined by the Calculation Agent in good faith and in a commercially reasonable manner using, if practicable, a volume-weighted average method). The Relevant Price will be determined without regard to after hours trading or any other trading outside of the regular trading session trading hours.

Settlement Averaging Period:	For any Option, and regardless of the Settlement Method applicable to such Option: (i) if the related Conversion Date occurs prior to the Free Convertibility Date, the 30 consecutive Valid Days commencing on, and including, the second Valid Day following such Conversion Date; or (ii) if the related Conversion Date occurs on or following the Free Convertibility Date, the 30 consecutive Valid Days commencing on, and including, the 31st Scheduled Valid Day immediately prior to the Expiration Date.
Settlement Date:	For any Option, the second Business Day immediately following the final Valid Day of the Settlement Averaging Period for such Option.
Settlement Currency:	USD
Other Applicable Provisions:	To the extent Dealer is obligated to deliver Shares hereunder, the provisions of Sections 9.1(c), 9.8, 9.9 and 9.11 of the Equity Definitions will be applicable, as if Physical Settlement applied to the Transaction.
Representation and Agreement:	Notwithstanding anything to the contrary in the Equity Definitions (including, but not limited to, Section 9.11 thereof), the parties acknowledge that (i) any Shares delivered to Counterparty shall, upon delivery, be subject to restrictions and limitations arising from Counterparty's status as Issuer of the Shares under applicable securities laws, (ii) Dealer may deliver any Shares required to be delivered hereunder in certificated form in lieu of delivery through the Clearance System and (iii) any Shares delivered to Counterparty may be "restricted securities" (as defined in Rule 144 under the Securities Act of 1933, as amended (the "**Securities Act**")). With respect to any such certificated Shares (as described in clause (ii) above), the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by deleting the remainder of the provision after the word "encumbrance" in the fourth line thereof.

3. Additional Terms applicable to the Transaction.

Adjustments applicable to the Transaction:

Potential Adjustment Events:	Notwithstanding Section 11.2(e) of the Equity Definitions, a "Potential Adjustment Event" means an occurrence of any event or condition, as set forth in any Dilution Adjustment Provision, that would result in an adjustment under the Indenture (as determined by the Calculation Agent by reference to the Dilution Adjustment Provisions) to the "Conversion Rate" or the composition of a "unit of Reference Property" or to any "Last Reported Sale Price", "Daily VWAP," "Daily Conversion Value" or "Daily Settlement Amount" (each as defined in the Indenture). For the avoidance of doubt, Dealer shall not have any delivery or payment obligation hereunder, and no adjustment shall be made to the terms of the Transaction, on account of (x) any distribution of cash, property or securities by Counterparty to holders of the Convertible Notes (upon conversion or otherwise) or (y) any other transaction in which holders of the Convertible Notes are entitled to participate, in each case, in lieu of an adjustment under the Indenture of the type referred to in the immediately preceding sentence (including, without limitation, pursuant to the fourth sentence of Section 14.04(c) of the Indenture or the fourth sentence of Section 14.04(d) of the Indenture).
Method of Adjustment:	Calculation Agent Adjustment, which means that, notwithstanding Section 11.2(c) of the Equity Definitions (and, for the avoidance of doubt, in lieu of any adjustments pursuant to such Section), upon any Potential Adjustment Event, the Calculation Agent shall make a corresponding adjustment in respect of any adjustment to the Convertible Notes under the Indenture to any one or more of the Strike Price, Number of Options, Option Entitlement, the composition of the Shares and any other variable relevant to the exercise, settlement or payment for the Transaction, as determined by reference to the Dilution Adjustment Provisions, to the extent an adjustment is required under the Indenture. Notwithstanding the foregoing: (i) if the Calculation Agent acting in good faith and in a commercially reasonable manner disagrees with any adjustment pursuant to the terms of the Indenture that is the basis of any adjustment hereunder and that involves an exercise of discretion by Counterparty or its board of directors (including, without limitation, pursuant to Section 14.05 of the Indenture, Section 14.07 of the Indenture or any supplemental indenture entered into thereunder or in connection with any proportional adjustment or the determination of the fair value of any securities, property, rights or other assets), then in each such case, the Calculation Agent will determine the adjustment to be made to any one or more of the composition of the Shares, Strike Price, Number of Options, Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction in a commercially reasonable manner; *provided* that, notwithstanding the foregoing, if any Potential Adjustment Event occurs during the Settlement Averaging Period but no adjustment is made under the Indenture because the relevant Holder (as such term is defined in the Indenture) was deemed to be a record owner of the underlying Shares on the related Conversion Date, then the Calculation Agent shall make an adjustment, consistent with the methodology set forth in the Indenture, to the terms hereof in order to account for such Potential Adjustment Event;

(ii) in connection with any Potential Adjustment Event as a result of an event or condition set forth in Section 14.04(b) of the Indenture or Section 14.04(c) of the Indenture where, in either case, the period for determining "Y" (as such term is used in Section 14.04(b) of the Indenture) or "SP_0" (as such term is used in Section 14.04(c) of the Indenture), as the case may be, begins before Counterparty has publicly announced the event or condition giving rise to such Potential Adjustment Event, then the Calculation Agent shall adjust any variable relevant to the exercise, settlement or payment for the Transaction as appropriate to reflect the commercially reasonable costs and benefits (including, but not limited to, hedging mismatches and market gains and losses) and commercially reasonable gains and losses incurred by Dealer in connection with its commercially reasonable hedging activities (subject to the requirements set forth under Hedging Adjustments below) as a result of such event or condition not having been publicly announced prior to the beginning of such period; and

(iii) if the terms of any Potential Adjustment Event are declared by Counterparty and (a) the event or condition giving rise to such Potential Adjustment Event is subsequently amended, modified, cancelled or abandoned (whether or not there has been a "Conversion Rate" adjustment under the Indenture for such Potential Adjustment Event), (b) the "Conversion Rate" (as defined in the Indenture) is otherwise not adjusted at the time or in the manner contemplated by the relevant Dilution Adjustment Provision other than pursuant to the fourth sentence of Section 14.04(c) of the Indenture or the fourth sentence of Section 14.04(d) of the Indenture based on such declaration or (c) the "Conversion Rate" (as defined in the Indenture) is adjusted as a result of such Potential Adjustment Event and subsequently such adjustment, in respect of such Potential Adjustment Event, is modified, amended, altered or corrected (each of clauses (a), (b) and (c), a "**Potential Adjustment Event Change**") then, in each case, but without duplication, the Calculation Agent shall adjust any variable relevant to the exercise, settlement or payment for the Transaction as appropriate to reflect the commercially reasonable costs and benefits (including, but not limited to, commercially reasonable hedging mismatches and market gains and losses) and commercially reasonable gains and losses incurred by Dealer in connection with its commercially reasonable hedging activities (subject to the requirements set forth under Hedging Adjustments below) as a result of such Potential Adjustment Event Change.

Dilution Adjustment Provisions:	Sections 14.04(a), (b), (c), (d) and (e) and Section 14.05 of the Indenture.

Extraordinary Events applicable to the Transaction:

Merger Events:	Applicable; *provided* that notwithstanding Section 12.1(b) of the Equity Definitions, a "Merger Event" means the occurrence of any event or condition set forth in the definition of "Merger Event" in Section 14.07(a) of the Indenture.
Tender Offers:	Applicable; *provided* that notwithstanding Section 12.1(d) of the Equity Definitions, a "Tender Offer" means the occurrence of any event or condition set forth in Section 14.04(e) of the Indenture.

Consequence of Merger Events / Tender Offers	Notwithstanding Section 12.2 and Section 12.3 of the Equity Definitions, upon the occurrence of a Merger Event or a Tender Offer, the Calculation Agent shall make an adjustment in respect of any adjustment required to be made under the Indenture to any one or more of the nature of the Shares (in the case of a Merger Event), Strike Price, Number of Options, Option Entitlement and any other variable relevant to the exercise, settlement or payment for the Transaction (as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner by reference to the relevant provisions of the Indenture); *provided* that (x) such adjustment shall be made without regard to any adjustment to the Conversion Rate pursuant to any Excluded Provision and (y) the Calculation Agent shall limit or alter any such adjustment referenced in this paragraph to maintain the fair value of the Transaction as a result of such adjustment; and *provided further* that, notwithstanding the foregoing, if the Calculation Agent in good faith disagrees with any adjustment pursuant to the terms of the Indenture that is the basis of any adjustment hereunder and that involves an exercise of discretion by Counterparty or its board of directors (including, without limitation, pursuant to Section 10.01(c) of the Indenture or any supplemental indenture entered into pursuant to Section 14.07 of the Indenture), then the Calculation Agent acting in good faith and in a commercially reasonable manner will determine the adjustment to be made to any one or more of the nature of the Shares, Strike Price, Number of Options, Option Entitlement, Regular Dividend and any other variable relevant to the exercise, settlement or payment for the Transaction in a commercially reasonable manner; and *provided further* that if, with respect to a Merger Event or a Tender Offer, (i) the consideration for the Shares includes (or, at the option of a holder of Shares, may include) shares of an entity or person that is not a corporation or is not organized under the laws of the United States, any State thereof or the District of Columbia, (ii) the Counterparty to the Transaction following such Merger Event or Tender Offer, will not be a corporation or (iii) if the Counterparty to the Transaction following such Merger Event or Tender Offer would not be the Issuer following such Merger Event or Tender Offer, unless, in the case of this clause (iii), Counterparty and the issuer of the Shares have entered into such documentation containing representations, warranties and agreements related to securities law and other issues as requested by Dealer that Dealer has determined, in its reasonable discretion, to be reasonably necessary or appropriate to allow Dealer to preserve its commercially reasonable hedging or hedge unwind activities in connection with the Transaction in a manner compliant with applicable legal regulatory or self-regulatory requirements, or with related policies and procedures applicable to Dealer, then, in each case, Dealer, in its commercially reasonable discretion, may elect for Cancellation and Payment (Calculation Agent Determination) to apply.
Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that, in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors), such exchange or quotation system shall thereafter be deemed to be the Exchange.
Additional Disruption Events:	

Change in Law:	Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase "the interpretation" in the third line thereof with the phrase ", or public announcement of, the formal or informal interpretation", (ii) by adding the phrase "and/or Hedge Position" after the word "Shares" in clause (X) thereof and (iii) by immediately following the word "Transaction" in clause (X) thereof, adding the phrase "in the manner contemplated by the Hedging Party on the Trade Date"; and *provided further* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word "regulation" in the second line thereof with the phrase "(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)".
Failure to Deliver:	Applicable
Hedging Disruption:	Applicable; *provided* that: (i) Section 12.9(a)(v) of the Equity Definitions is hereby amended by (a) inserting the following words at the end of clause (A) thereof: "in the manner contemplated by the Hedging Party on the Trade Date" and (b) inserting the following sentence at the end of such Section: "For the avoidance of doubt, (i) the term "equity price risk" shall be deemed to include, but shall not be limited to, stock price and volatility risk, and (ii) any such transactions or assets referred to in clause (A) or (B) above must be available on commercially reasonable pricing terms."; and (ii) Section 12.9(b)(iii) of the Equity Definitions is hereby amended by inserting in the third line thereof, after the words "to terminate the Transaction", the words "or a portion of the Transaction affected by such Hedging Disruption".
Increased Cost of Hedging:	Not applicable.
Hedging Party:	For all applicable Additional Disruption Events, Dealer. Determining Party: For all applicable Extraordinary Events, Dealer. All calculations by Determining Party shall be made in good faith and in a commercially reasonable manner. Following any calculation by Determining Party hereunder, upon written request by Counterparty, Determining Party will provide to Counterparty in such written request a report (in a commonly used file format for the storage and manipulation of financial data) displaying in reasonable detail the basis for such calculation; provided, however, that in no event will Determining Party be obligated to share with Counterparty any proprietary or confidential data or information or any proprietary or confidential models used by it or any information that is subject to an obligation not to disclose such information.

	Non-Reliance:	Applicable.
	Agreements and Acknowledgements Regarding Hedging Activities:	Applicable
	Hedging Adjustments:	For the avoidance of doubt, whenever the Calculation Agent, Determining Party or Dealer is permitted to make an adjustment pursuant to the terms of this Confirmation or the Equity Definitions to take into account the economic effect of an event (other than, for the avoidance of doubt, any adjustment that is required to be made by reference to the Indenture), the Calculation Agent, Determining Party or Dealer shall make such adjustment, if any, by reference to the effect of such event on Dealer assuming that Dealer maintains a commercially reasonable hedge position.
	Additional Acknowledgments:	Applicable
4.	**Calculation Agent.**	Dealer, except in the case of the Initial Hedging Period, in which case the Calculation Agent shall be the Designated Dealer for purposes of determining whether a Disrupted Day has occurred; *provided* that following the occurrence and during the continuance of an Event of Default of the type described in Section 5(a)(vii) of the Agreement with respect to which Dealer is the sole Defaulting Party, if the Calculation Agent fails to timely make any calculation, adjustment or determination required to be made by the Calculation Agent hereunder or to perform any obligations of the Calculation Agent hereunder and such failure continues for five Exchange Business Days following notice to the Calculation Agent by Counterparty of such failure, Counterparty shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the first date the Calculation Agent fails to timely make such calculation, adjustment or determination or to perform such obligation, as the case may be, and ending on the earlier of the Early Termination Date with respect to such Event of Default and the date on which such Event of Default is no longer continuing, as Calculation Agent. All calculations and determinations by the Calculation Agent shall be made in good faith and in a commercially reasonable manner. Following any calculation by the Calculation Agent hereunder, upon written request by Counterparty, the Calculation Agent will provide to Counterparty by email to the email address provided by Counterparty in such written request a report (in a commonly used file format for the storage and manipulation of financial data) displaying in reasonable detail the basis for such calculation; provided, however, that in no event will Dealer (or the Designated Dealer, as the case may be) be obligated to share with Counterparty any proprietary or confidential data or information or any proprietary or confidential models used by it or any information that is subject to an obligation not to disclose such information.

5. Account Details.

(a) Account for payments to Counterparty:

Bank: [_____]
ABA#: [_____]
Acct No.: [_____]
Beneficiary: [_____]
Ref: [_____]

Account for delivery of Shares to Counterparty:

[_____]

(b) Account for payments to Dealer:

[Bank: [_____]
ABA#: [_____]
Acct No.: [_____]
Beneficiary: [_____]
Ref: [_____]]

Account for delivery of Shares from Dealer:

[_____]

6. Offices.

(a) The Office of Counterparty for the Transaction is: Inapplicable, Counterparty is not a Multibranch Party.

(b) The Office of Dealer for the Transaction is: [_____]

7. Notices.

(a) Address for notices or communications to Counterparty:

Ionis Pharmaceuticals, Inc.
2855 Gazelle Court
Carlsbad, CA 92010
Attention: [_____]
Telephone No.: [_____]
Email: [_____]

(b) Address for notices or communications to Dealer:

[_____]

8. Representations, Warranties and Covenants.

I. *Representations, Warranties and Covenants of Counterparty*. Counterparty hereby represents and warrants to Dealer that each of the representations and warranties of Counterparty set forth in [Section [5] of the Exchange and/or Subscription Agreement (the "**Exchange Agreement**"), dated as of [_____], 2019, between Counterparty and the investors in the Convertible Notes][8], is true and correct and is hereby deemed to be repeated to Dealer as if set forth herein. Counterparty hereby further represents and warrants to Dealer on the date hereof and on and as of the Premium Payment Date that:

(a) Counterparty is not and, after consummation of the transactions contemplated hereby, will not be required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(b) Each of Counterparty and its affiliates is not, on the date hereof, aware of any material non-public information with respect to Counterparty or the Shares. All reports and other documents filed by Counterparty with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents), do not contain any untrue statement of a material fact or any omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading.

(c) To Counterparty's knowledge, no U.S. state or local law, rule, regulation or regulatory order applicable to the Shares would give rise to any reporting, consent, registration or other requirement (including without limitation a requirement to obtain prior approval from any person or entity) as a result of Dealer or its affiliates owning or holding (however defined) Shares, other than any regulation that Dealer would be subject to as a result of its being a regulated entity under various applicable laws, including U.S. securities laws and FINRA.

(d) Counterparty (i) is an "institutional account" as defined in FINRA Rule 4512(c); (ii) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities, and will exercise independent judgment in evaluating the recommendations of Dealer or its associated persons; and (iii) will notify Dealer if any of the statements contained in clause (i) or (ii) of this Section 8I(e) ceases to be true.

(e) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that neither Dealer nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of the Transaction under any accounting standards including ASC Topic 260, Earnings Per Share, ASC Topic 815, Derivatives and Hedging, or ASC Topic 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging – Contracts in Entity's Own Equity (or any successor issue statements).

(f) Counterparty is not engaged in an "issuer tender offer" as such term is defined in Rule 13e-4 under the Exchange Act with respect to any Shares or any security convertible into or exchangeable or exercisable for any Shares nor is it aware of any third party tender offer with respect to any such securities within the meaning of Rule 13e-1 under the Exchange Act.

(g) Counterparty is not entering into this Confirmation to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) or to manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) or in violation of the Exchange Act.

(h) On each of the Trade Date and the Premium Payment Date, Counterparty is not "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the "Bankruptcy Code")) and Counterparty would be able to purchase the Number of Shares in compliance with the laws of the jurisdiction of Counterparty's incorporation.

(i) Counterparty understands that notwithstanding any other relationship between Counterparty and Dealer and its affiliates, in connection with this Transaction and any other over-the-counter derivative transactions between Counterparty and Dealer or its affiliates, Dealer or its affiliate is acting as principal and is not a fiduciary or advisor in respect of any such transaction, including any entry, exercise, amendment, unwind or termination thereof.

[8] To be conformed to the Exchange Agreement and/or Subscription Agreement.

II. *Representations, Warranties and Covenants of Counterparty and Dealer*. Counterparty and Dealer hereby represent and warrant to Dealer and Counterparty, respectively, on the date hereof and on and as of the Premium Payment Date that:

(a) Each is an "eligible contract participant" (as such term is defined in Section 1a(18) of the Commodity Exchange Act, as amended, other than a person that is an eligible contract participant under Section 1a(18)(C) of the Commodity Exchange Act).

(b) Each of Dealer and Counterparty acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act, by virtue of Section 4(a)(2) thereof. Accordingly, Counterparty represents and warrants to Dealer that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment and its investments in and liabilities in respect of the Transaction, which it understands are not readily marketable, are not disproportionate to its net worth, and it is able to bear any loss in connection with the Transaction, including the loss of its entire investment in the Transaction, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account and without a view to the distribution or resale thereof, (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws, and (v) its financial condition is such that it has no need for liquidity with respect to its investment in the Transaction and no need to dispose of any portion thereof to satisfy any existing or contemplated undertaking or indebtedness and is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction.

9. Other Provisions.

(a) *Opinions*. On or prior to the Premium Payment Date, Counterparty shall deliver to Dealer an opinion of counsel, dated as of the Trade Date, with respect to the due incorporation, existence and good standing of Counterparty in Delaware, the due authorization, execution and delivery of this Confirmation, and, in respect of the execution, delivery and performance of this Confirmation, the absence of any conflict with or breach of any material agreement governing indebtedness, Counterparty's certificate of incorporation or Counterparty's by-laws. Delivery of such opinion to Dealer shall be a condition precedent for the purpose of Section 2(a)(iii) of the Agreement with respect to each obligation of Dealer under Section 2(a)(i) of the Agreement.

(b) *Repurchase/Adjustment Notices*. Counterparty shall, on any day on which Counterparty effects any repurchase of Shares promptly, give Dealer a written notice of such repurchase (a "**Repurchase/Adjustment Notice**") on such day if following such repurchase, the Notice Percentage would be (i) greater than [__][9]% and (ii) greater by 0.5% than the Notice Percentage included in the immediately preceding Repurchase/Adjustment Notice (or, in the case of the first such Repurchase/Adjustment Notice, greater by 0.5% than the Notice Percentage as of the date hereof); *provided* that Counterparty may provide Dealer with advance notice on or prior to any such day to the extent it reasonably expects that repurchases effected on such day may result in an obligation to deliver a Repurchase/Adjustment Notice (which advance notice shall be deemed a Repurchase/Adjustment Notice); provided, further that Counterparty shall not deliver any material non-public information to any employee of Dealer unless that employee has been identified to Counterparty as being on the "private side". The parties agree that Counterparty's obligation to provide any Repurchase/Adjustment Notice relating to a repurchase of Shares shall be satisfied by notice to Dealer of Counterparty's related corporate authorization to repurchase such Shares or by notice of the implementation of a stock repurchase plan, forward contract, accelerated stock repurchase contract or similar transaction; provided that, Counterparty acknowledges and agrees that Dealer may, but is not required to, assume that the maximum number of Shares permitted to be repurchased pursuant to such authorization, plan, contract or transaction will be repurchased on the date on which such authorization, plan, contract or transaction becomes effective, subject to adjustments thereto as Dealer determines appropriate to account for the market price with respect to the Shares, Potential Adjustment Events and other corporate transactions with respect to Counterparty or the Shares and such other factors as Dealer determines relevant. The "**Notice Percentage**" as of any day is the fraction, expressed as a percentage, the numerator of which is the sum of (a) the product of the Number of Options and the Option Entitlement and (b) the number of Shares underlying any other similar call option transaction sold by Dealer to Counterparty *and* the denominator of which is the number of Shares outstanding on such day. Counterparty agrees to indemnify and hold harmless Dealer and its affiliates and their respective officers, directors, employees, affiliates, advisors, agents and controlling persons (each, an "**Indemnified Person**") from and against any and all losses (including losses relating to Dealer's hedging activities as a consequence of becoming, or of the risk of becoming, a Section 16 "insider", including without limitation, any forbearance from hedging activities or cessation of hedging activities and any losses in connection therewith with respect to the Transaction), claims, damages, judgments, liabilities, expenses and fees (including reasonable attorney's fees), joint or several, which an Indemnified Person may become subject to, as a result of Counterparty's failure to provide Dealer with a Repurchase/Adjustment Notice on the day and in the manner specified in this paragraph, and to reimburse, within 30 days, upon written request, each of such Indemnified Persons for any reasonable legal or other expenses incurred in connection with investigating, preparing for, providing testimony or other evidence in connection with or defending any of the foregoing. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against the Indemnified Person as a result of Counterparty's failure to provide Dealer with a Repurchase/Adjustment Notice in accordance with this paragraph, such Indemnified Person shall promptly notify Counterparty in writing, and Counterparty, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others Counterparty may designate in such proceeding and shall pay the reasonable fees and expenses of such counsel related to such proceeding. Counterparty shall not be liable for any settlement of any proceeding contemplated by this paragraph that is effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, Counterparty agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Counterparty shall not, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding contemplated by this paragraph that is in respect of which any Indemnified Person is or expects to be a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding on terms reasonably satisfactory to such Indemnified Person. If the indemnification provided for in this paragraph is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages, liabilities, expenses or fees referred to therein, then Counterparty, in lieu of indemnifying such Indemnified Person hereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages, liabilities, expenses or fees. The remedies provided for in this paragraph (b) are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity. The indemnity and contribution agreements contained in this paragraph shall remain operative and in full force and effect regardless of the termination of the Transaction.

[9]Insert the number of Shares that, if repurchased, would cause Dealer's current position in the Shares underlying the Transaction (including the number of Shares under pre-existing call option transactions with Counterparty) to increase by a further 0.5% from the threshold for the first Repurchase/Adjustment Notice. To be based on Dealer with highest Applicable Percentage.

(c) *Regulation M*. Counterparty is not on the Trade Date engaged in a distribution, as such term is used in Regulation M under the Exchange Act, of any securities of Counterparty, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. Counterparty shall not, until the second Scheduled Trading Day immediately following the final day of the Initial Hedging Period, engage in any such distribution.

(d) *Transfer or Assignment*.

(i) Counterparty shall have the right to transfer or assign its rights and obligations hereunder with respect to all, but not less than all, of the Options hereunder (such Options, the "**Transfer Options**"); provided that such transfer or assignment shall be subject to reasonable conditions that Dealer may impose, including but not limited, to the following conditions:

(A) With respect to any Transfer Options, Counterparty shall not be released from its notice and indemnification obligations pursuant to Section 9(b) or any obligations under Section 9(n) or 9(s) of this Confirmation;

(B) Any Transfer Options shall only be transferred or assigned to a third party that is a United States person (as defined in the Internal Revenue Code of 1986, as amended (the "**Code**");

(C) Such transfer or assignment shall be effected on terms, including any reasonable undertakings by such third party (including, but not limited to, an undertaking with respect to compliance with applicable securities laws in a manner that, in the reasonable judgment of Dealer, will not expose Dealer to material risks under applicable securities laws) and execution of any documentation and delivery of legal opinions with respect to securities laws and other matters by such third party and Counterparty, as are requested and reasonably satisfactory to Dealer;

(D) Dealer will not, as a result of such transfer and assignment, be required to pay the transferee on any payment date an amount under Section 2(d)(i)(4) of the Agreement greater than an amount that Dealer would have been required to pay to Counterparty in the absence of such transfer and assignment except to the extent that the greater amount is due to a Change in Tax Law after the date of such transfer or assignment;

(E) An Event of Default, Potential Event of Default or Termination Event will not occur as a result of such transfer and assignment;

(F) Without limiting the generality of clause (B), Counterparty shall cause the transferee to make such Payee Tax Representations and to provide such tax documentation as may be reasonably requested by Dealer to permit Dealer to determine that results described in clauses (D) and (E) will not occur upon or after such transfer and assignment; and

(G) Counterparty shall be responsible for all commercially reasonable costs and expenses, including commercially reasonable counsel fees, incurred by Dealer in connection with such transfer or assignment.

(ii) Dealer may, without Counterparty's consent, transfer or assign (a "**Transfer**") all or any part of its rights or obligations under the Transaction (A) to any affiliate of Dealer (1) that has a rating for its long term, unsecured and unsubordinated indebtedness that is equal to or better than Dealer's credit rating at the time of such Transfer, or (2) whose obligations hereunder will be guaranteed, pursuant to the terms of a customary guarantee in a form used by Dealer generally for similar transactions, by Dealer or [Name of Dealer parent], or (B) to any other third party with a rating for its long term, unsecured and unsubordinated indebtedness equal to or better than the lesser of (1) the credit rating of Dealer at the time of the Transfer and (2) BBB+ by Standard and Poor's Rating Group, Inc. or its successor ("S&P"), or Baa 1 by Moody's Investor Service, Inc. ("Moody's") or, if either S&P or Moody's ceases to rate such debt, at least an equivalent rating or better by a substitute rating agency mutually agreed by Counterparty and Dealer; provided that either (x) the transferee in any such Transfer is a "dealer in securities" within the meaning of Section 475(c)(1) of the Code or (y) the Transfer does not result in a deemed exchange by Counterparty within the meaning of Section 1001 of the Code; and provided further that Dealer shall promptly provide written notice to Counterparty following any such Transfer. If at any time at which (A) the Section 16 Percentage exceeds 7.5%, (B) the Option Equity Percentage exceeds 14.5%, or (C) the Share Amount exceeds the Applicable Share Limit (if any applies) (any such condition described in clauses (A), (B) or (C), an "**Excess Ownership Position**"), Dealer is unable after using its commercially reasonable efforts to effect a transfer or assignment of Options to a third party on pricing terms reasonably acceptable to Dealer and within a time period reasonably acceptable to Dealer such that (after giving effect to such transfer or assignment and any resulting change in Dealer's commercially reasonable Hedge Positions) no Excess Ownership Position exists, then Dealer may designate any Exchange Business Day as an Early Termination Date with respect to a portion of the Transaction (the "**Terminated Portion**"), such that (after giving effect to such transfer or assignment and any resulting change in Dealer's commercially reasonable Hedge Positions) following such partial termination no Excess Ownership Position exists. In the event that Dealer so designates an Early Termination Date with respect to a portion of the Transaction, a payment shall be made pursuant to Section 6 of the Agreement as if (1) an Early Termination Date had been designated in respect of a Transaction having terms identical to the Transaction and a Number of Options equal to the number of Options underlying the Terminated Portion, (2) Counterparty were the sole Affected Party with respect to such partial termination and (3) the Terminated Portion were the sole Affected Transaction (and, for the avoidance of doubt, the provisions of Section 9(l) shall apply to any amount that is payable by Dealer to Counterparty pursuant to this sentence as if Counterparty was not the Affected Party). The "**Section 16 Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the number of Shares that Dealer and any of its affiliates or any other person subject to aggregation with Dealer for purposes of the "beneficial ownership" test under Section 13 of the Exchange Act, or any "group" (within the meaning of Section 13 of the Exchange Act) of which Dealer is or may be deemed to be a part beneficially owns (within the meaning of Section 13 of the Exchange Act), without duplication, on such day (or, to the extent that for any reason the equivalent calculation under Section 16 of the Exchange Act and the rules and regulations thereunder results in a higher number, such higher number) and (B) the denominator of which is the number of Shares outstanding on such day. The "**Option Equity Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the sum of (1) the product of the Number of Options and the Option Entitlement and (2) the aggregate number of Shares underlying any other call option transaction sold by Dealer to Counterparty, and (B) the denominator of which is the number of Shares outstanding. The "**Share Amount**" as of any day is the number of Shares that Dealer and any person whose ownership position would be aggregated with that of Dealer (Dealer or any such person, a "**Dealer Person**") under any law, rule, regulation, regulatory order or organizational documents or contracts of Counterparty that are, in each case, applicable to ownership of Shares, including, without limitation, under state or federal banking laws ("**Applicable Restrictions**"), owns, beneficially owns, constructively owns, controls, holds the power to vote or otherwise meets a relevant definition of ownership under any Applicable Restriction, as determined by Dealer in its commercially reasonable discretion. The "**Applicable Share Limit**" means a number of Shares equal to (A) the minimum number of Shares that could give rise to reporting or registration obligations or other requirements (including obtaining prior approval from any person or entity) of a Dealer Person, or could result in an adverse effect on a Dealer Person, under any Applicable Restriction, as determined by Dealer in its commercially reasonable discretion, *minus* (B) 1% of the number of Shares outstanding.

(iii) Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities, or make or receive any payment in cash, to or from Counterparty, Dealer may designate any of its affiliates ("**Dealer Affiliates**") to purchase, sell, receive or deliver such Shares or other securities, or to make or receive such payment in cash, and otherwise to perform Dealer's obligations in respect of the Transaction and any such designee may assume such obligations; *provided* that such Dealer Affiliates shall comply with the provisions of this Transaction in the same manner as Dealer would have been required to comply. Dealer shall be discharged of its obligations to Counterparty to the extent of any such performance.

(e) *Staggered Settlement*. Notwithstanding anything to the contrary herein, if upon advice of counsel with respect to applicable legal and regulatory requirements, including any requirements relating to Dealer's hedging activities hereunder that would be customarily applicable to transactions of this type by Dealer, Dealer may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an "**Original Delivery Date**") by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number that, but for this provision, would have been deliverable on such Original Delivery Date.

(f) [Reserved.]

(g) [*Conduct Rules*. Each party acknowledges and agrees to be bound by the Conduct Rules of the Financial Industry Regulatory Authority, Inc. applicable to transactions in options, and further agrees not to violate the position and exercise limits set forth therein.][10]

[Agency language, if necessary]

(h) *Submission to Jurisdiction*. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.

(i) *Additional Termination Events*.

(i) Notwithstanding anything to the contrary in this Confirmation, if an event of default with respect to Counterparty occurs that results in the acceleration of the Convertible Notes pursuant to the terms of the Convertible Notes as set forth in Section 6.01 of the Indenture, then such event of default shall constitute an Additional Termination Event applicable to the Transaction and, with respect to such Additional Termination Event, (A) Counterparty shall be deemed to be the sole Affected Party, (B) the Transaction shall be the sole Affected Transaction and (C) Dealer shall be the party entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement.

10 To be included for broker-dealer.

(ii) Promptly (and in any event within five Scheduled Trading Days) following (i) any repurchase (which, for the avoidance of doubt, includes any exchange transaction) of Convertible Notes, including without limitation pursuant to Article 15 of the Indenture in connection with a "Fundamental Change" (as defined in the Indenture), or (ii) any conversion of the Convertible Notes in exchange for delivery of any property or assets of Issuer or any of Issuer's subsidiaries (howsoever described) (other than the delivery of conversion consideration pursuant to the terms of the Indenture) (such events, a "**Repurchase Event**"), Counterparty may notify Dealer in writing of such Repurchase Event and the number of Convertible Notes subject to such Repurchase Event (any such notice, a "**Repurchase Notice**"). Notwithstanding anything to the contrary in this Confirmation, the receipt by Dealer from Counterparty of (x) any Repurchase Notice, within the applicable time period set forth in the preceding sentence, and (y) a written representation and warranty by Counterparty that, as of the date of such Repurchase Notice, Counterparty is not in possession of any material non-public information regarding Counterparty or the Shares, shall constitute an Additional Termination Event as provided in this paragraph. Upon receipt of any such Repurchase Notice and the related written representation and warranty, Dealer shall promptly designate an Exchange Business Day following receipt of such Repurchase Notice (which Exchange Business Day shall be on or as promptly as reasonably practicable after the related repurchase settlement date for the relevant Repurchase Event) as an Early Termination Date with respect to the portion of this Transaction corresponding to a number of Options (the "**Repurchase Options**") equal to the lesser of (A) the number of such Convertible Notes specified in such Repurchase Notice and (B) the Number of Options as of the date Dealer designates such Early Termination Date and, as of such date, the Number of Options shall be reduced by the number of Repurchase Options. Any payment hereunder with respect to such termination shall be calculated pursuant to Section 6 of the Agreement as if (1) an Early Termination Date had been designated in respect of a Transaction having terms identical to this Transaction and a Number of Options equal to the number of Repurchase Options, (2) Counterparty were the sole Affected Party with respect to such Additional Termination Event, (3) no adjustment to the "Conversion Rate" (as defined in the Indenture) for the Convertible Notes has occurred pursuant to any Excluded Provision, (4) the corresponding Convertible Notes remaining outstanding as if the circumstances related to the Repurchase Event had not occurred, (5) the relevant Repurchase Event and any conversions, adjustments, agreements, payments, deliveries or acquisitions by or on behalf of Counterparty leading thereto had not occurred, and (6) the terminated portion of the Transaction were the sole Affected Transaction.

(iii) Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, the Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with the Transaction (or portion thereof) being the Affected Transaction, Counterparty being the sole Affected Party and Dealer being the party entitled to designate an Early Termination Date pursuant to Section 6(h) of the Agreement) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction.

(j) *Amendments to Equity Definitions and Agreement*.

(i) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) the occurrence of any of the events specified in Section 5(a)(vii)(1) through (9) of the ISDA Master Agreement with respect to that Issuer."

(ii) Section 12.9(b)(i) of the Equity Definitions is hereby amended by (1) replacing "either party may elect" with "Dealer may elect" and (2) replacing "notice to the other party" with "notice to Counterparty" in the first sentence of such section.

(k) *No Setoff*. Neither party shall have the right to set off any obligation that it may have to the other party under the Transaction against any obligation such other party may have to it, whether arising under the Agreement, this Confirmation or any other agreement between the parties hereto, by operation of law or otherwise.

(l) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*. If in respect of the Transaction, an amount is payable by Dealer to Counterparty pursuant to Section 6(d)(ii) of the Agreement or Sections 12.7 or 12.8 of the Equity Definitions (any such amount, a "**Payment Obligation**"), Dealer shall satisfy the Payment Obligation by the Share Termination Alternative (as defined below), unless (a) Counterparty gives irrevocable telephonic notice to Dealer, confirmed in writing within one Scheduled Trading Day, no later than 12:00 p.m. (New York City time) on the Merger Date, the Tender Offer Date, the Announcement Date (in the case of Nationalization, Insolvency or Delisting), the Early Termination Date or date of cancellation, as applicable, of its election that the Share Termination Alternative shall not apply, (b) Counterparty remakes the representation set forth in Section 8I(b) as of the date of such election and (c) Dealer agrees, in its sole discretion, to such election, in which case the provisions of Section 6(d)(ii) of the Agreement shall apply.

Share Termination Alternative:	If applicable, Dealer shall deliver to Counterparty the Share Termination Delivery Property on, or within a commercially reasonable period of time after, the date when the relevant Payment Obligation would otherwise be due pursuant to Section 6(d)(ii) and 6(e) of the Agreement (the "**Share Termination Payment Date**"), in satisfaction of such Payment Obligation in the manner reasonably requested by Counterparty free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the Payment Obligation *divided by* the Share Termination Unit Price. The Calculation Agent shall adjust the Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price.
Share Termination Unit Price:	The value of property contained in one Share Termination Delivery Unit, as determined by the Calculation Agent in its discretion by commercially reasonable means and notified by the Calculation Agent to Dealer at the time of notification of the Payment Obligation. For the avoidance of doubt, the parties agree that in determining the Share Termination Delivery Unit Price the Calculation Agent may consider the purchase price paid in connection with the purchase of Share Termination Delivery Property, to the extent doing so results in a commercially reasonable Share Termination Unit Price.

Share Termination Delivery Unit:	One Share or, if the Shares have changed into cash or any other property or the right to receive cash or any other property as the result of a Nationalization, Insolvency or Merger Event (any such cash or other property, the "**Exchange Property**"), a unit consisting of the type and amount of such Exchange Property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Nationalization, Insolvency or Merger Event, as determined by the Calculation Agent.
Failure to Deliver:	Applicable
Other applicable provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.8, 9.9 and 9.11 (as modified above) of the Equity Definitions will be applicable as if Physical Settlement applied to the Transaction and the provisions set forth opposite the caption "Representation and Agreement" in Section 2 will be applicable.

(m) *Waiver of Jury Trial*. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to the Transaction. Each party (i) certifies that no representative, agent or attorney of either party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into the Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(n) *Hedge Shares*. Counterparty hereby agrees that if, in the good faith reasonable judgment of Dealer, based on the advice of counsel, the Shares acquired by Dealer for the purpose of effecting a commercially reasonable hedge of its obligations pursuant to the Transaction (other than any such Shares that were, at the time of acquisition by Dealer, "restricted securities" (as defined in Rule 144(a)(3) under the Securities Act)) (the "**Hedge Shares**") cannot be sold in the U.S. public market by Dealer without registration under the Securities Act, Counterparty shall, at its election: (i) in order to allow Dealer to sell the Hedge Shares in a registered offering, make available to Dealer an effective registration statement under the Securities Act to cover the resale of such Hedge Shares and (A) enter into a customary agreement, in form and substance reasonably satisfactory to Dealer, substantially in the form of an underwriting agreement for a registered secondary offering for companies of a similar size in a similar industry, (B) provide accountant's "comfort" letters in customary form for registered offerings of equity securities of companies of comparable size, maturity and line of business, (C) provide disclosure opinions of nationally recognized outside counsel to Counterparty reasonably acceptable to Dealer, (D) provide other customary opinions, certificates and closing documents customary in form for registered secondary offerings of equity securities for companies of a similar size in a similar industry and (E) afford Dealer a reasonable opportunity to conduct a "due diligence" investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities subject to entering into confidentiality agreements customary for transactions of this type; *provided* that if Counterparty elects clause (i) above but the items referred to therein are not completed in a timely manner, or if Dealer, in its discretion, is not satisfied with access to due diligence materials, the results of its due diligence investigation, or the procedures and documentation for the registered offering referred to above, then clause (ii) or clause (iii) of this Section 9(n) shall apply at the election of Counterparty; (ii) in order to allow Dealer to sell the Hedge Shares in a private placement, enter into a private placement agreement substantially similar to private placement purchase agreements customary for private placements of equity securities of companies of comparable size, maturity and line of business, in form and substance commercially reasonably satisfactory to Dealer, including customary representations, covenants, blue sky and other governmental filings and/or registrations, indemnities to Dealer, due diligence rights (for Dealer or any designated buyer of the Hedge Shares from Dealer), and obligations to use commercially reasonable efforts to obtain opinions and certificates and such other documentation as is customary for private placement agreements for private placements of equity securities of companies comparable in size, maturity and line of business, all commercially reasonably acceptable to Dealer (in which case, the Calculation Agent shall make any adjustments to the terms of the Transaction that are necessary, in its commercially reasonable judgment, to compensate Dealer for any discount from the public market price of the Shares incurred on the sale of Hedge Shares in a private placement); or (iii) purchase the Hedge Shares from Dealer at the Relevant Price on such Exchange Business Days, and in the amounts, requested by Dealer. This Section 9(n) shall survive the termination, expiration or early unwind of the Transaction.

(o) *Tax Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Counterparty and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Counterparty relating to such tax treatment and tax structure.

(p) *Right to Extend*. Dealer may postpone or add, in whole or in part, any Valid Day or Valid Days during the Settlement Averaging Period or any other date of valuation, payment or delivery by Dealer, with respect to some or all of the Options hereunder, if Dealer reasonably determines, in its discretion, that such action is reasonably necessary or appropriate to preserve Dealer's commercially reasonable hedging or hedge unwind activity hereunder in light of existing liquidity conditions in the cash market, the stock loan market or other relevant market or to enable Dealer to effect purchases of Shares in connection with its commercially reasonable hedging, hedge unwind or settlement activity hereunder in a manner that would, if Dealer were Counterparty or an affiliated purchaser of Counterparty, be in compliance with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to Dealer; *provided* that in no event shall Dealer have the right to so postpone or add any Valid Day(s) or any such other date beyond the 50th Valid Day immediately following the last Valid Day of the relevant Settlement Averaging Period (determined without regard to this Section 9(p).

(q) *Status of Claims in Bankruptcy*. Dealer acknowledges and agrees that this Confirmation is not intended to convey to Dealer rights against Counterparty with respect to the Transaction that are senior to the claims of common stockholders of Counterparty in any United States bankruptcy proceedings of Counterparty; *provided* that nothing herein shall limit or shall be deemed to limit Dealer's right to pursue remedies in the event of a breach by Counterparty of its obligations and agreements with respect to the Transaction other than during any such bankruptcy proceedings; *provided* that nothing herein shall limit or shall be deemed to limit Dealer's rights in respect of any transactions other than the Transaction.

(r) *Securities Contract*. The parties hereto intend for (i) the Transaction to be a "securities contract" as defined in the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code, (ii) a party's right to liquidate the Transaction and to exercise any other remedies upon the occurrence of any Event of Default under the Agreement with respect to the other party to constitute a "contractual right" as described in the Bankruptcy Code, and (iii) each payment and delivery of cash, securities or other property hereunder to constitute a "margin payment" or "settlement payment" and a "transfer" as defined in the Bankruptcy Code.

(s) *Notice of Certain Other Events*. Counterparty covenants and agrees that:

(i) promptly following the public announcement of the results of any election by the holders of Shares with respect to the consideration due upon consummation of any Merger Event, Counterparty shall give Dealer written notice of (a) the weighted average of the types and amounts of consideration actually received by holders of Shares (the date of such notification, the "**Consideration Notification Date**"); *provided* that in no event shall the Consideration Notification Date be later than the date on which such Merger Event is consummated; and

(ii) (A) Counterparty shall give Dealer commercially reasonable advance (but in no event less than one Exchange Business Day) written notice of the section or sections of the Indenture and, if applicable, the formula therein, pursuant to which any adjustment will be made to the Convertible Notes in connection with any Potential Adjustment Event, Merger Event or Tender Offer and (B) promptly following any such adjustment, Counterparty shall give Dealer written notice of the details of such adjustment.

(t) *Wall Street Transparency and Accountability Act*. In connection with Section 739 of the Wall Street Transparency and Accountability Act of 2010 ("WSTAA"), the parties hereby agree that neither the enactment of WSTAA (or any statute containing any legal certainty provision similar to Section 739 of the WSTAA) or any regulation under the WSTAA (or any such statute), nor any requirement under WSTAA (or any statute containing any legal certainty provision similar to Section 739 of the WSTAA) or an amendment made by WSTAA (or any such statute), shall limit or otherwise impair either party's otherwise applicable rights to terminate, renegotiate, modify, amend or supplement this Confirmation or the Agreement, as applicable, arising from a termination event, force majeure, illegality, increased costs, regulatory change or similar event under this Confirmation, the Equity Definitions incorporated herein, or the Agreement (including, but not limited to, rights arising from Change in Law, Hedging Disruption, Increased Cost of Hedging, an Excess Ownership Position, or Illegality (as defined in the Agreement)).

(u) *Agreements and Acknowledgements Regarding Hedging*. Counterparty understands, acknowledges and agrees that: (A) at any time on and prior to the Expiration Date, Dealer and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to adjust its hedge position with respect to the Transaction; (B) Dealer and its affiliates also may be active in the market for Shares other than in connection with hedging activities in relation to the Transaction; (C) Dealer shall make its own determination as to whether, when or in what manner any hedging or market activities in securities of Issuer shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Relevant Prices; and (D) any market activities of Dealer and its affiliates with respect to Shares may affect the market price and volatility of Shares, as well as the Relevant Prices, each in a manner that may be adverse to Counterparty.

(v) *Early Unwind*. (A) In the event Counterparty fails to deliver to Dealer opinions of counsel as required pursuant to Section 9(a), or (B) to the extent the transactions contemplated in the Exchange Agreements are not consummated for any reason, in each case by 5:00 p.m. (New York City time) on the third Business Day immediately following the Premium Payment Date, or such later date as agreed upon by the parties (the Premium Payment Date or such later date, the "**Early Unwind Date**"), the Transaction, or, in the case of clause (B) above, a corresponding portion of the Transaction, shall automatically terminate (the "**Early Unwind**") on the Early Unwind Date and (i) the Transaction, or portion thereof in the case of clause (B) above, and all of the respective rights and obligations of Dealer and Counterparty under the Transaction, or portion thereof, shall be cancelled and terminated, and Counterparty shall pay to Dealer an amount in cash equal to the aggregate amount of commercially reasonable costs and expenses relating to the unwinding of Dealer's commercially reasonable hedging activities in respect of the Transaction, or portion thereof, so terminated (including commercially reasonable market losses incurred in reselling any Shares purchased by Dealer or its affiliates in connection with such commercially reasonable hedging activities, unless Counterparty agrees to purchase any such Shares at the cost at which Dealer purchased such Shares) or, at the election of Counterparty, deliver to Dealer Shares with a value equal to such amount, as determined by the Calculation Agent, in which event the parties shall enter into customary and commercially reasonable documentation relating to the registered or exempt resale of such Shares (provided that the aggregate amount of Shares deliverable pursuant to this Section 9(v) shall not exceed [•][11]), and (ii) each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of the other party arising out of and to be performed in connection with the Transaction, or portion thereof, so terminated either prior to or after the Early Unwind Date. Each of Dealer and Counterparty represents and acknowledges to the other that upon an Early Unwind, all obligations with respect to the Transaction, or portion thereof, so terminated shall be deemed fully and finally discharged. For the avoidance of doubt, it is intended that payments pursuant to this Section 9(v) shall be made solely in respect of the terminated portion of the Transaction.

11 To be equal to the Number of Shares.

(w) *Counterparty Purchases*. Except pursuant to (i) the Exchange Agreements and (ii) any confirmation substantially similar to this Confirmation entered into on the date hereof, Counterparty (or any "affiliated purchaser" as defined in Rule 10b-18 of Counterparty) shall not directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on Shares or securities that are convertible into, or exchangeable or exercisable for, Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) until the second Scheduled Trading Day immediately following the last day of the Initial Hedging Period.

(x) *10b5-1 Plan*. Dealer and Counterparty each acknowledges that it is the intent of the parties that the Transaction entered into under this Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 under the Exchange Act ("**Rule 10b5-1**") and the Transaction entered into under this Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c). During the Initial Calculation Period, Counterparty will not seek to control or influence Dealer's or the Designated Dealer's decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) in connection with the Transaction entered into under this Confirmation.

(y) *[Tax Matters*.

(i) **Payee Representations**:

For the purpose of Section 3(f) of this Agreement, Counterparty makes the following representation to Dealer:

Counterparty is a corporation for U.S. tax purposes and a U.S. person (as that term is defined in Section 7701(a)(30) of the Code).

For the purpose of Section 3(f) of this Agreement, Dealer makes the following representation to Counterparty:

[It is a national banking association organized and existing under the laws of the United States of America, and its federal taxpayer identification number is [ ].]/ [It is a "U.S. person" (as that term is used in Section 1.1441-4(a)(3)(ii) of the United States Treasury Regulations) for U.S. federal income tax purposes and each payment received or to be received by it in connection with the Agreement is effectively connected with its conduct of a trade or business within the United States.][12]

(ii) *Tax Documentation*. Counterparty shall provide to Dealer a valid United States Internal Revenue Service Form W-9 (or successor thereto) and Dealer shall provide to Counterparty, as applicable, a valid United States Internal Revenue Service Form W-9 (or successor thereto) or W-8ECI (or successor thereto), (i) on or before the date of execution of this Confirmation and (ii) promptly upon learning that any such tax form previously provided by it has become obsolete or incorrect. Additionally, each party shall, promptly upon request by the other party, provide such other tax forms and documents reasonably requested by the other party.

[12] Insert as applicable.

(iii) *Withholding Tax imposed on payments to non-US counterparties under the United States Foreign Account Tax Compliance Act*. "Indemnifiable Tax" as defined in Section 14 of the Agreement, shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of 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**"). 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 Agreement.

(iv) *HIRE Act*. "Indemnifiable Tax", as defined in Section 14 of the Agreement, shall not include any tax imposed on payments treated as dividends from sources within the United States under Section 871(m) of the Code or any regulations issued thereunder (an "**871(m) Withholding Tax**"). For the avoidance of doubt, an 871(m) 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 Agreement.][13]

(z) *Payment by Counterparty*. In the event that, following payment of the Premium, an Early Termination Date occurs or is designated with respect to the Transaction as a result of a Termination Event or an Event of Default (other than an Event of Default arising under Section 5(a)(ii) or 5(a)(iv) of the Agreement) and, as a result, Counterparty owes to Dealer an amount calculated under Section 6(e) of the Agreement such amount shall be deemed to be zero.

(aa) *Governing Law*. **THE AGREEMENT, THIS CONFIRMATION AND ALL MATTERS ARISING IN CONNECTION WITH THE AGREEMENT AND THIS CONFIRMATION SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REFERENCE TO ITS CHOICE OF LAW DOCTRINE, OTHER THAN TITLE 14 OF THE NEW YORK GENERAL OBLIGATIONS LAW).**

(bb) *Amendment*. This Confirmation and the Agreement may not be modified, amended or supplemented, except in a written instrument signed by Counterparty and Dealer.

(cc) *Counterparts*. This Confirmation may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[13] Subject to further DPW tax review.

Counterparty hereby agrees (a) to check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Dealer) correctly sets forth the terms of the agreement between Dealer and Counterparty with respect to the Transaction, by manually signing this Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Dealer.

Very truly yours,

[_____]

By: _____
Authorized Signatory
Name:

Accepted and confirmed
as of the Trade Date:

Ionis Pharmaceuticals, Inc.

By: _____
Authorized Signatory
Name:

PRICING ADJUSTMENT SCHEDULE

The Premium will be adjusted by the Calculation Agent pursuant to the table below based on the Hedging Price:

Hedging Price	Premium Adjustment Amount
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]

Schedule II

[FORM OF HEDGING NOTICE]

[_____], 2019

To: Ionis Pharmaceuticals, Inc.
3855 Gazelle Court
Carlsbad, CA 92010

From: [_____]

Subject: Hedging Notice

Reference is made to the letter agreement, dated as of [_____], 2019 (the "**Confirmation**"), confirming the terms and conditions of that certain Call Option Transaction (the "**Transaction**") entered into between [_____] ("**Dealer**") and Ionis Pharmaceuticals, Inc. ("**Counterparty**"). Pursuant to the provisions set forth opposite "Hedging Notice" in Section 2 of the Confirmation, Dealer hereby notifies Counterparty of the following terms of the Transaction:

Hedging Price: $[____]

Premium Adjustment Amount: $[____]

Final Premium (after giving effect to the Premium Adjustment Amount): $[____]

Very truly yours,

[_____]

By: _____
Authorized Signatory
Name:

Exhibit 99.3

THE SECURITIES REPRESENTED HEREBY (THE "WARRANTS") WERE ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE WARRANTS MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO A REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF.

[*Dealer Name*]
[*Dealer Address*]

[_____], 2019

To: **Ionis Pharmaceuticals, Inc.**
2855 Gazelle Court
Carlsbad, CA 92010
Attention: [_____]
Telephone No.: [_____]
Email: [_____]

Re: Warrants

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Warrants issued by Ionis Pharmaceuticals, Inc. ("**Company**") to [__] ("**Dealer**") as of the Trade Date specified below (the "**Transaction**"). This letter agreement constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below. Each party further agrees that this Confirmation together with the Agreement evidence a complete binding agreement between Company and Dealer as to the subject matter and terms of the Transaction to which this Confirmation relates, and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "**Equity 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 Equity Definitions and this Confirmation, this Confirmation shall govern.

Each party is hereby advised, and each such party acknowledges, that the other party has engaged in, or refrained from engaging in, substantial financial transactions and has taken other material actions in reliance upon the parties' entry into the Transaction to which this Confirmation relates on the terms and conditions set forth below.

1. This Confirmation evidences a complete and binding agreement between Dealer and Company as to the terms of the Transaction to which this Confirmation relates. This Confirmation shall be subject to an agreement (the "**Agreement**") in the form of the 2002 ISDA Master Agreement as if Dealer and Company had executed an agreement in such form on the date hereof (but without any Schedule except for (i) the election of US Dollars ("**USD**") as the Termination Currency, and (ii) (a) the election that the "Cross Default" provisions of Section 5(a)(vi) of the Agreement shall apply to Company with a "Threshold Amount" of USD 100,000,000, (b) the phrase "or becoming capable at such time of being declared" shall be deleted from clause (1) of such Section 5(a)(vi), and (c) the following language shall be added to the end thereof: "Notwithstanding the foregoing, a default under subsection (2) hereof shall not constitute an Event of Default if (x) the default was caused solely by error or omission of an administrative or operational nature; (y) funds were available to enable the party to make the payment when due; and (z) the payment is made within two Local Business Days of such party's receipt of written notice of its failure to pay."). In the event of any inconsistency between provisions of the Agreement and this Confirmation, this Confirmation will prevail for the purpose of the Transaction to which this Confirmation relates. For the avoidance of doubt, except to the extent of an express conflict, the application of any provision of this Confirmation, the Agreement or the Equity Definitions shall not be construed to exclude or limit the application of any other provision of this Confirmation, the Agreement or the Equity Definitions. The Transaction hereunder shall be the sole Transaction under the Agreement. If there exists any ISDA Master Agreement between Dealer and Company or any confirmation or other agreement between Dealer and Company pursuant to which an ISDA Master Agreement is deemed to exist between Dealer and Company, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which Dealer and Company are parties, the Transaction shall not be considered a Transaction under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

2. The Transaction is a Warrant Transaction, which shall be considered a Share Option Transaction for purposes of the Equity Definitions. The terms of the particular Transaction to which this Confirmation relates are as follows:

General Terms.

Trade Date:	[_____], 2019
Effective Date:	For purposes of Section 9(v) of this Confirmation, the Trade Date, and otherwise the second Exchange Business Day immediately prior to the Premium Payment Date
Warrants:	Equity call warrants, each with the terms set forth herein. For the purposes of the Equity Definitions, each reference to a Warrant herein shall be deemed to be a reference to a Call Option.
Warrant Style:	European
Seller:	Company
Buyer:	Dealer
Shares:	The common stock of Company, par value USD 0.001 per Share (Exchange symbol "IONS").
Number of Warrants:	[_____][1]. For the avoidance of doubt, the Number of Warrants shall be reduced by any Warrants exercised or deemed exercised hereunder. In no event will the Number of Warrants be less than zero.
Warrant Entitlement:	One Share per Warrant
Strike Price:	USD [_____] Notwithstanding anything to the contrary in the Agreement, this Confirmation or the Equity Definitions, in no event shall the Strike Price be subject to adjustment to the extent that, after giving effect to such adjustment, the Strike Price would be less than USD [ ][2], except for any adjustment pursuant to the terms of this Confirmation and the Equity Definitions in connection with stock splits or similar changes to Company's capitalization.
Exchange:	The NASDAQ Global Select Market
Related Exchange(s):	All Exchanges; *provided* that Section 1.26 of the Equity Definitions shall be amended to add the words "United States" before the word "exchange" in the tenth line of such Section.

[1] This is equal to (i) the number of Convertible Notes initially issued on the closing date for the Convertible Notes, *multiplied by* (ii) the initial Conversion Rate, *multiplied by* (iii) the applicable percentage for Dealer.
[2] Insert the lower of the closing price on Nasdaq.com on the Trade Date and the average closing price (as reflected on Nasdaq.com for the five Trading Days prior to signing.

Premium Terms.

Premium:	Initially, USD [_____] plus the Premium Adjustment Amount (which may be negative).
Premium Adjustment Amount:	An amount determined by the Calculation Agent pursuant to Schedule I hereto, based on the weighted average price per Share (the "Hedging Price") at which Dealer is able to finish establishing an initial commercially reasonable Hedge Position with respect to the Transaction during the Initial Hedging Period, taking into account the Hedge Positions acquired by it on the date hereof to establish its commercially reasonable Hedge Positions. If the Hedging Price is between two prices in the table set forth in Schedule I, the Calculation Agent shall determine the Premium Adjustment Amount using linear interpolation. If the Hedging Price is greater than the highest price or lower than the lowest price set forth on the table set forth in Schedule I, the Calculation Agent shall determine the Premium Adjustment Amount using linear extrapolation.
Premium Payment Date:	The [first] Local Business Day immediately following the last day of the Initial Hedging Period which shall be no earlier than the closing date of the issuance of the [__]% Convertible Notes due 2024 (the "Convertible Notes").
Initial Hedging Period:	The [five] consecutive Scheduled Trading Day period beginning on, and including, the Schedule Trading Day immediately following the Trade Date; *provided, however* that if any such day is a Disrupted Day, the Initial Hedging Period shall be extended by one Scheduled Trading Day for each such Disrupted Day; *provided further* that the Initial Hedging Period may not be extended by more than [five] Scheduled Trading Days. If the Initial Hedging Period has been extended for [five] Scheduled Trading Days and Dealer is unable to establish an initial commercially reasonable Hedge Position on the full number of Shares on which Dealer expected to establish an initial commercially reasonable Hedge Position on the date hereof (the "Expected Number of Shares"), the Calculation Agent shall make such commercially reasonable adjustments to the terms of the Transaction to account for Dealer's inability to establish an initial commercially reasonable Hedge Position equal to the Expected Number of Shares. For purposes of determining the Initial Hedging Period, a Regulatory Disruption is any event that Designated Dealer, in its reasonable discretion, based on the advice of counsel, determines makes it appropriate, with regard to any legal, regulatory or self-regulatory requirements or related policies and procedures, for Designated Dealer to refrain from or decrease any market activity in connection with the Transaction in order to maintain or establish a commercially reasonable hedge position.

Designated Dealer:	[_____][Dealer][3]
Hedging Notice:	Dealer shall notify Company of the Hedging Price, Premium Adjustment Amount and final Premium (after giving effect to the Premium Adjustment Amount) by [7:00] P.M. (New York City time) on the final day of the Initial Hedging Period by delivering a notice as set forth in the Form of Hedging Notice attached hereto as Schedule II.

Procedures for Exercise.

Expiration Time:	The Valuation Time
Expiration Dates:	Each "Expiration Date" set forth in Annex A hereto shall be an Expiration Date for a number of Warrants equal to the Daily Number of Warrants for such Expiration Date; *provided* that, notwithstanding anything to the contrary in the Equity Definitions, if any such date is a Disrupted Day in whole or in part, (i) the Calculation Agent shall make reasonable adjustments in good faith an in a commercially reasonable manner, if applicable, to the Daily Number of Warrants for which such date shall be an Expiration Date and shall designate a Scheduled Trading Day or Scheduled Trading Days following the last scheduled Expiration Date as the Expiration Date(s) for the remaining Daily Number of Warrants for the originally scheduled Expiration Date and (ii) if the Daily Number of Warrants for such Disrupted Day is not reduced to zero pursuant to the foregoing clause (i),determine the Settlement Price for such Disrupted Day based on transactions in the Shares on such Disrupted Day taking into account the nature and duration of such Market Disruption Event on such day; and *provided further* that if such Expiration Date has not occurred pursuant to this clause as of the eighth Scheduled Trading Day following the last scheduled Expiration Date under the Transaction, the Calculation Agent shall have the right to declare such Scheduled Trading Day to be the final Expiration Date and, notwithstanding anything to the contrary in this Confirmation or the Equity Definitions, the Settlement Price for such Expiration Date shall be the prevailing market value per Share as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

[3] To be the Dealer with the largest portion of the call spread.

First Expiration Date:	[_____], 2024 (or if such day is not a Scheduled Trading Day, the next following Scheduled Trading Day), subject to Market Disruption Event below.
Daily Number of Warrants:	For any Expiration Date, the "Daily Number of Warrants" set forth opposite such Expiration Date in Annex A hereto, subject to adjustment pursuant to the provisos to "Expiration Dates".
Automatic Exercise:	Applicable; and means that for each Expiration Date, a number of Warrants equal to the Daily Number of Warrants for such Expiration Date will be deemed to be automatically exercised at the Expiration Time on such Expiration Date, unless Buyer notifies Seller (by telephone or in writing) prior to the Expiration Time on such Expiration Date that it does not wish Automatic Exercise to occur, in which case Automatic Exercise will not apply to such Expiration Date.
Market Disruption Event:	Section 6.3(a) of the Equity Definitions is hereby amended by (A) deleting the words "during the one hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be," in clause (ii) thereof and (B) by replacing the words "or (iii) an Early Closure." therein with "(iii) an Early Closure, or (iv) a Regulatory Disruption; in each case, that the Calculation Agent determines is material." Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the words "Scheduled Closing Time" in the fourth line thereof.
Regulatory Disruption:	Except as set forth opposite "Initial Hedging Period" above, any event that Dealer, in its reasonable discretion, based on the advice of counsel, determines makes it appropriate, with regard to any legal, regulatory or self-regulatory requirements or related policies and procedures, for Dealer to refrain from or decrease any market activity in connection with the Transaction in order to maintain or establish a commercially reasonable hedge position.

Valuation Terms.

Valuation Time:	Scheduled Closing Time; *provided* that if the principal trading session is extended, the Calculation Agent shall determine the Valuation Time in good faith and in a commercially reasonable manner.
Valuation Date:	Each Exercise Date.

Settlement Terms.

Settlement Method Election:	Applicable; *provided* that (i) references to "Physical Settlement" in Section 7.1 of the Equity Definitions shall be replaced by references to "Net Share Settlement";(ii) Company may elect Cash Settlement only if Company represents and warrants to Dealer in writing on the date of such election that (A) Company is not in possession of any material non-public information with respect to Company or the Shares, (B) Company is electing Cash Settlement in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws, and (C) the assets of Company at their fair valuation exceed the liabilities of Company (including contingent liabilities), the capital of Company is adequate to conduct the business of Company, and Company has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature; and (iii) the same election of settlement method shall apply to all Expiration Dates hereunder.
Electing Party:	Company
Settlement Method Election Date:	The second Scheduled Trading Day immediately preceding the scheduled First Expiration Date.
Default Settlement Method:	Net Share Settlement.
Net Share Settlement:	If Net Share Settlement is applicable, then on the relevant Settlement Date, Company shall deliver to Dealer a number of Shares equal to the Share Delivery Quantity for such Settlement Date to the account specified herein free of payment through the Clearance System, and Dealer shall be treated as the holder of record of such Shares at the time of delivery of such Shares or, if earlier, at 5:00 p.m. (New York City time) on such Settlement Date, and Company shall pay to Dealer cash in lieu of any fractional Share valued at the Settlement Price on the relevant Valuation Date.
Share Delivery Quantity:	For any Settlement Date, a number of Shares, as calculated by the Calculation Agent, equal to the Net Share Settlement Amount for such Settlement Date *divided by* the Settlement Price on the Valuation Date for such Settlement Date. The Share Delivery Quantity shall be delivered by Company to Dealer no later than 12:00 noon (New York City time) on the relevant Settlement Date.
Net Share Settlement Amount:	For any Settlement Date, an amount equal to the product of (i) the number of Warrants exercised or deemed exercised on the relevant Exercise Date, (ii) the Strike Price Differential for the relevant Valuation Date and (iii) the Warrant Entitlement.

Settlement Price:	For any Valuation Date, the per Share volume-weighted average price as displayed under the heading "Bloomberg VWAP" on Bloomberg page IONS <equity> AQR (or any successor thereto) in respect of the regular trading session (including any extensions thereof but without regard to pre-open or after hours trading outside of such regular trading session) on such Valuation Date (or if such price is unavailable or manifestly incorrect, the market value of one Share on such Valuation Date, as determined by the Calculation Agent in good faith and in a commercially reasonable manner based on generally available market data for transactions of this type using, if practicable, a volume-weighted methodology).
Settlement Dates:	As determined pursuant to Section 9.4 of the Equity Definitions, subject to Section 9(j) hereof.
Other Applicable Provisions:	In the event Net Share Settlement is applicable, the provisions of Sections 9.1(c), 9.8, 9.9, 9.11 and 9.12 of the Equity Definitions will be applicable, as if Physical Settlement applied to the Transaction.
Representation and Agreement:	Notwithstanding Section 9.11 of the Equity Definitions, the parties acknowledge that any Shares delivered to Dealer in the event of Net Share Settlement may be, upon delivery, subject to restrictions and limitations arising from Company's status as Issuer of the Shares under applicable securities laws.
Cash Settlement:	If Cash Settlement is applicable, then on the relevant Cash Settlement Payment Date, Company shall pay to Dealer an amount of cash in USD equal to the Net Share Settlement Amount for such Cash Settlement Payment Date.

3. <u>Additional Terms applicable to the Transaction</u>.

Adjustments applicable to the Transaction:

Method of Adjustment:	Calculation Agent Adjustment; *provided* that the parties hereto agree that none of the following shall constitute Potential Adjustment Events: (i) any Share repurchases by Company, whether pursuant to Rule 10b-18 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), Rule 10b5-1 of the Exchange Act, or pursuant to forward contracts or accelerated stock repurchase contracts or similar derivatives transactions on customary terms, at prevailing market prices, volume-weighted average prices or discounts thereto, provided that the aggregate purchase price of all such Share repurchases, including those effected pursuant to forward contracts, accelerated stock repurchase contracts or similar derivatives, does not exceed [20%] of the market capitalization of the Issuer (measured at the Effective Date), (ii) repurchases of shares from directors, officers and employees in connection with the exercise of options or tax withholding obligations, (iii) the termination or settlement by the Issuer of any call options, forward purchases or accelerate share purchases agreements with respect to the Shares, (iv) repurchases, conversions or other settlement of the Convertible Notes and/or the Company's 1.00% Convertible Senior Notes due 2021, and (v) underwritten public offerings by the Issuer of its securities. For the avoidance of doubt, in making any adjustments under the Equity Definitions, the Calculation Agent may make adjustments, if any, to any one or more of the Strike Price, the Number of Warrants, the Daily Number of Warrants, the Warrant Entitlement and the composition of the Shares. Notwithstanding the foregoing, any cash dividends or distributions on the Shares, whether or not extraordinary, shall be governed by Section 9(e) of this Confirmation in lieu of Article 10 or Section 11.2(c) of the Equity Definitions. For the avoidance of doubt, Calculation Agent Adjustment and the provisions in Section 9(e) of this Confirmation shall continue to apply until the obligations of the parties (including any obligations of Company pursuant to Section 9(o)(ii) of this Confirmation) under the Transaction have been satisfied in full.

Extraordinary Events applicable to the Transaction:

New Shares:	Section 12.1(i) of the Equity Definitions is hereby amended (a) by deleting the text in clause (i) thereof in its entirety (including the word "and" following clause (i)) and replacing it with the phrase "publicly quoted, traded or listed (or whose related depositary receipts are publicly quoted, traded or listed) on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors)" and (b) by inserting immediately prior to the period the phrase "and (iii) of an entity or person that is a corporation organized under the laws of the United States, any State thereof or the District of Columbia.

Consequence of Merger Events:

Merger Event:	Applicable; *provided* that if an event occurs that constitutes both a Merger Event under Section 12.1(b) of the Equity Definitions and an Additional Termination Event under Section 9(g)(ii)(B) of this Confirmation, the provisions of Section 9(g)(ii)(B) will apply.
Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Cancellation and Payment (Calculation Agent Determination)
Share-for-Combined:	Cancellation and Payment (Calculation Agent Determination); *provided* that Dealer may elect, in its commercially reasonable judgment, Component Adjustment for all or any portion of the Transaction.

Consequence of Tender Offers:

Tender Offer:	Applicable; *provided* that if an event occurs that constitutes both a Tender Offer under Section 12.1(d) of the Equity Definitions and Additional Termination Event under Section 9(g)(ii)(A) of this Confirmation, the provisions of Section 9(g)(ii)(A) will apply; and *provided further* that the definition of "Tender Offer" in Section 12.1(d) of the Equity Definitions is hereby amended by replacing the phrase "greater than 10%" with "greater than 20%".
Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Modified Calculation Agent Adjustment
Share-for-Combined:	Modified Calculation Agent Adjustment
Announcement Event:	If (w) an Announcement Date occurs in respect of a Merger Event (for the avoidance of doubt, determined without regard to the language in the definition of "Merger Event" following the definition of "Reverse Merger" therein) or Tender Offer or any transaction or event or series of transactions and/or events that, if consummated, would lead to a Merger Event or Tender Offer (as determined by the Calculation Agent), (x) Company makes a public announcement of an intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that may include a Merger Event or Tender Offer, (y) there occurs a public announcement by (1) any Valid Third-Party Entity in respect of the relevant transaction, (2) the Issuer or (3) any subsidiary of the Issuer, in each case, of any potential acquisition by Issuer and/or its subsidiaries where the aggregate consideration exceeds 35% of the market capitalization of Issuer as of the date of such announcement (an "**Acquisition Transaction**") or (z) there occurs any subsequent public announcement by Company, any of its subsidiaries or any Valid Third-Party Entity of a change to a transaction or intention that is the subject of an announcement of the type described in clause (w), (x) or (y) of this sentence (including, without limitation, a new announcement, whether or not by the same party, relating to such a transaction or intention or the announcement of a withdrawal from, or the abandonment or discontinuation of, such a transaction or intention) (in each case, whether such announcement is made by Company, its subsidiaries or a Valid Third-Party Entity) (any event described in clause (w), (x), (y) or (z), an "**Announcement Event**"), then on one or more occasions (each, an "**Announcement Event Adjustment Date**") on or after the date of the Announcement Event and prior to the Expiration Date, any Early Termination Date and/or any other date of cancellation in respect of each Warrant, the Calculation Agent will determine the economic effect on such Warrant of the Announcement Event (regardless of whether the Announcement Event actually results in a Merger Event, Tender Offer or Acquisition Transaction, as the case may be, and taking into account such factors as the Calculation Agent may determine, including, without limitation, changes in volatility, expected dividends, stock loan rate or liquidity or any Share price discontinuity relevant to the Shares or the Transaction, whether prior to or after the Announcement Event or for any period of time, including, without limitation, the period from the Announcement Event to the relevant Announcement Event Adjustment Date). If the Calculation Agent determines that such economic effect on any Warrant is material, then on the Announcement Event Adjustment Date for such Warrant, the Calculation Agent shall make such adjustment to the exercise, settlement, payment or any other terms of such Warrant as the Calculation Agent determines appropriate to account for such economic effect. For the avoidance of doubt, the occurrence of an Announcement Event with respect to any transaction or intention shall not preclude the occurrence of a later Announcement Event with respect to such transaction or intention; *provided* that if the Calculation Agent shall make any adjustment to the terms of any Warrant upon the occurrence of a particular Announcement Event, then the Calculation Agent shall make an adjustment to the terms of that same Warrant upon any announcement prior to the Announcement Event Adjustment Date regarding the abandonment of any such event that gave rise to the original Announcement Event.

Valid Third-Party Entity:	In respect of any transaction, any third party that has a bona fide intent to enter into or consummate such transaction (it being understood and agreed that in determining whether such third party has such a bona fide intent, the Calculation Agent may take into consideration the effect of the relevant announcement by such third party on the Shares and/or options relating to the Shares).
Announcement Date:	The definition of "Announcement Date" in Section 12.1 of the Equity Definitions is hereby amended by (i) replacing the words "a firm" with the word "any" in the second and fourth lines thereof, (ii) replacing the word "leads to the" with the words ", if completed, would lead to a" in the third and the fifth lines thereof, (iii) replacing the words "voting shares" with the word "Shares" in the fifth line thereof, (iv) inserting the words "by Company or any Valid Third-Party Entity" after the word "announcement" in the second and the fourth lines thereof and (v) inserting the word "potential" following the words "in the case of a" at the beginning of clauses (i) and (ii) therein.
Modified Calculation Agent Adjustment:	If, in respect of any Merger Event to which Modified Calculation Agent Adjustment applies, the adjustments to be made in accordance with Section 12.2(e)(i) of the Equity Definitions would result in Company being different from the issuer of the Shares, then with respect to such Merger Event, as a condition precedent to the adjustments contemplated in Section 12.2(e)(i) of the Equity Definitions, Company and the issuer of the Shares shall, prior to the Merger Date, have entered into such documentation containing representations, warranties and agreements relating to securities law and other issues as requested by Dealer that Dealer has determined, in its reasonable discretion, to be reasonably necessary or appropriate to allow Dealer to continue as a party to the Transaction, as adjusted under Section 12.2(e)(i) of the Equity Definitions, and to preserve its commercially reasonable hedging or hedge unwind activities in connection with the Transaction in a manner compliant with applicable legal, regulatory or self-regulatory requirements, or with related policies and procedures applicable to Dealer, and if such conditions are not met or if the Calculation Agent determines that no adjustment that it could make under Section 12.2(e)(i) of the Equity Definitions will produce a commercially reasonable result, then the consequences set forth in Section 12.2(e)(ii) of the Equity Definitions shall apply.

Nationalization, Insolvency or Delisting:	Cancellation and Payment (Calculation Agent Determination); *provided* that, in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it will also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors),such exchange or quotation system shall thereafter be deemed to be the Exchange.

Additional Disruption Events:

Change in Law:	Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase "the interpretation" in the third line thereof with the phrase ", or public announcement of, the formal or informal interpretation", (ii) by adding the phrase "and/or Hedge Position" after the word "Shares" in clause (X) thereof and (iii) by immediately following the word "Transaction" in clause (X) thereof, adding the phrase "in the manner contemplated by the Hedging Party on the Trade Date"; and provided further that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word "regulation" in the second line thereof with the phrase "(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)".
Failure to Deliver:	Not Applicable
Insolvency Filing:	Applicable
Hedging Disruption:	Applicable; *provided* that:

	(i) Section 12.9(a)(v) of the Equity Definitions is hereby amended by (a) inserting the following words at the end of clause (A) thereof: "in the manner contemplated by the Hedging Party on the Trade Date" and (b) inserting the following sentence at the end of such Section: "For the avoidance of doubt, (i) the term "equity price risk" shall be deemed to include, but shall not be limited to, stock price and volatility risk, and (ii) any such transactions or assets referred to in clause (A) or (B) above must be available on commercially reasonable pricing terms."; and (ii) Section 12.9(b)(iii) of the Equity Definitions is hereby amended by inserting in the third line thereof, after the words "to terminate the Transaction", the words "or a portion of the Transaction affected by such Hedging Disruption". For the avoidance of doubt, if (x) the Hedging Party is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) Shares with respect to the Transaction in an amount equal to the Hedging Shares (not to exceed the number of Shares underlying the Transaction) at a rate equal to or less than the Maximum Stock Loan Rate (it being understood that the rate to borrow Shares shall be determined by the Hedging Party assuming the Hedging Party maintains a commercially reasonable share borrowing arrangement) or (y) the Hedging Party would incur a rate to borrow Shares in respect of the Transaction that is greater than the Initial Stock Loan Rate (it being understood that the rate to borrow Shares shall be determined by the Hedging Party assuming the Hedging Party maintains a commercially reasonable share borrowing arrangement), then such inability or incurrence, as the case may be, shall be governed by Section 12.9(b)(iv) of the Equity Definitions or Section 12.9(b)(v) of the Equity Definitions, as applicable (each as modified hereby), and Section 12.9(b)(iii) of the Equity Definitions shall not apply to such inability or incurrence.
Increased Cost of Hedging:	Applicable; *provided* that the following parenthetical shall be inserted immediately following the word "expense" in the third line of Section 12.9(a)(vi) of the Equity Definitions: "(including, for the avoidance of doubt, the incurrence of any stock borrow expense in excess of Hedging Party's expectation as of the Trade Date, other than to the extent resulting from an Increased Cost of Stock Borrow)
Loss of Stock Borrow:	Applicable, it being understood that the rate to borrow Shares shall be determined by the Hedging Party assuming the Hedging Party maintains a commercially reasonable share borrowing arrangement. For the avoidance of doubt, if an event occurs that constitutes both an Increased Cost of Stock Borrow and a Loss of Stock Borrow, in respect of such event, the provisions set forth in Section 12.9(b)(iv) of the Equity Definitions (as modified hereby) shall apply, and the provisions set forth in Section 12.9(b)(v) of the Equity Definitions shall not apply.

Maximum Stock Loan Rate:	[200] basis points
Increased Cost of Stock Borrow:	Applicable, it being understood that the rate to borrow Shares shall be determined by the Hedging Party assuming the Hedging Party maintains a commercially reasonable share borrowing arrangement.
Initial Stock Loan Rate:	0 basis points until [_____], 2024 and 25 basis points thereafter
Hedging Party:	For all applicable Additional Disruption Events, Dealer.
Determining Party:	For all applicable Extraordinary Events, Dealer. Following any calculation by Determining Party or Hedging Party hereunder, upon written request by Company, Determining Party or Hedging Party will provide to Company by email to the email address provided by Company in such written request a report (in a commonly used file format for the storage and manipulation of financial data) displaying in reasonable detail the basis for such calculation and specifying the particular section of the Confirmation pursuant to which such calculation or determination is being made (and in the event that more than one section of the Confirmation would permit Determining Party or Hedging Party to make an adjustment upon the occurrence of a specific event, then Determining Party or Hedging Party shall specify the particular section number pursuant to which Determining Party or Hedging Party is making the adjustment hereunder); provided, however, that in no event will the foregoing constitute a waiver or relinquishment of any of the rights of Hedging Party, the Determining Party or Dealer hereunder or prohibit any such party from exercising any of its rights otherwise exercisable hereunder; and *provided* further that in no event will Determining Party or Hedging Party be obligated to share with Company any proprietary or confidential data or information or any proprietary or confidential models used by it or any information that is subject to an obligation not to disclose such information.
Hedging Adjustment:	For the avoidance of doubt, whenever the Calculation Agent, Determining Party, Hedging Party or Dealer is permitted or required to make an adjustment pursuant to the terms of this Confirmation or the Equity Definitions to take into account the effect of an event, the Calculation Agent, Determining Party, Hedging Party or Dealer shall make such adjustment, if any, by reference to the effect of such event on Dealer assuming that Dealer maintains a commercially reasonable hedge position.
Non-Reliance:	Applicable.
Agreements and Acknowledgments Regarding Hedging Activities:	Applicable
Additional Acknowledgments:	Applicable

4. **Calculation Agent**. Dealer, except in the case of the Initial Hedging Period, in which case the Calculation Agent shall be the Designated Dealer for purposes of determining whether a Disrupted Day has occurred; *provided* that following the occurrence and during the continuance of an Event of Default of the type described in Section 5(a)(vii) of the Agreement with respect to which Dealer is the sole Defaulting Party, if the Calculation Agent fails to timely make any calculation, adjustment or determination required to be made by the Calculation Agent hereunder or to perform any obligation of the Calculation Agent hereunder and such failure continues for five Exchange Business Days following notice to the Calculation Agent by Company of such failure, Company shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the first date the Calculation Agent fails to timely make such calculation, adjustment or determination or to perform such obligation, as the case may be, and ending on the earlier of the Early Termination Date with respect to such Event of Default and the date on which such Event of Default is no longer continuing, as the Calculation Agent. All calculations and determinations by the Calculation Agent shall be made in good faith and in a commercially reasonable manner. Following any calculation by the Calculation Agent hereunder, upon written request by Company, the Calculation Agent will provide to Company by email to the email address provided by Company in such written request a report (in a commonly used file format for the storage and manipulation of financial data) displaying in reasonable detail the basis for such calculation; *provided*, however, that in no event will Dealer be obligated to share with Company any proprietary or confidential data or information or any proprietary or confidential models used by it or any information that is subject to an obligation not to disclose such information.

5. Account Details.

(a) Account for payments to Company:

Bank: [_____]
ABA#: [_____]
Acct No.: [_____]
Beneficiary: [_____]
Ref: [_____]

Account for delivery of Shares from Company:

[_____]

(b) Account for payments to Dealer:

[_____]

Account for delivery of Shares from Dealer:

[_____]

6. Offices.

(a) The Office of Company for the Transaction is: Inapplicable, Company is not a Multibranch Party.

(b) The Office of Dealer for the Transaction is: [_____]

7. Notices.

(a) Address for notices or communications to Company:

Ionis Pharmaceuticals, Inc.
2855 Gazelle Court
Carlsbad, CA 92010
Attention: [_____]
Telephone No.: [_____]
Facsimile No.: [_____]

(b) Address for notices or communications to Dealer:

[_____]

And email notification to the following address:

[_____]

8. Representations, Warranties and Covenants of Company and Dealer.

I. *Representations of Company*. Company hereby represents and warrants to Dealer that each of the representations and warranties of Company set forth in [Section [5] of the Exchange and/or Subscription Agreement (the "**Exchange Agreement**"), dated as of [_____], 2019, between Company and the investors in the Convertible Notes][4], is true and correct and is hereby deemed to be repeated to Dealer as if set forth herein. Company hereby further represents and warrants to Dealer on the date hereof, on and as of the Premium Payment Date and, in the case of the representations in Section 8I(a), at all times until termination of the Transaction, that:

(a) A number of Shares equal to the Maximum Number of Shares (as defined below) (the "**Warrant Shares**") have been reserved for issuance by all required corporate action of Company. The Warrant Shares have been duly authorized and, when delivered against payment therefor (which may include Net Share Settlement in lieu of cash) and otherwise as contemplated by the terms of the Warrants following the exercise of the Warrants in accordance with the terms and conditions of the Warrants, will be validly issued, fully-paid and non-assessable, and the issuance of the Warrant Shares will not be subject to any preemptive or similar rights. Company represents and warrants to Dealer that the Maximum Number of Shares is equal to or less than the number of authorized but unissued Shares of Company that are not reserved for future issuance in connection with transactions in the Shares (other than the Transaction) on the date of the determination of the Maximum Number of Shares (such Shares, the "**Available Shares**"). Company shall not take any action to decrease the number of Available Shares below the Maximum Number of Shares.

(b) Company is not and, after consummation of the transactions contemplated hereby, will not be required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(c) Company is not, on the date hereof, in possession of any material non-public information with respect to Company or the Shares.

(d) To Company's knowledge, no U.S. state or local law, rule, regulation or regulatory order applicable to the Shares would give rise to any reporting, consent, registration or other requirement (including without limitation a requirement to obtain prior approval from any person or entity) as a result of Dealer or its affiliates owning or holding (however defined) Shares, other than any regulation that Dealer would be subject to as a result of it being a regulated entity under U.S. various applicable laws, including U.S. securities laws and FINRA.

[4] To be conformed to the Exchange Agreement and/or Subscription Agreement.

(e) Company (i) is an "institutional account" as defined in FINRA Rule 4512(c); (ii) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities, and will exercise independent judgment in evaluating the recommendations of Dealer or its associated persons; and (iii) will notify Dealer if any of the statements contained in clause (i) or (ii) of this Section 8I(f) ceases to be true.

(f) Without limiting the generality of Section 13.1 of the Equity Definitions, Company acknowledges that neither Dealer nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of the Transaction under any accounting standards including ASC Topic 260, Earnings Per Share, ASC Topic 815, Derivatives and Hedging, or ASC Topic 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging – Contracts in Entity's Own Equity (or any successor issue statements).

(g) Company is not entering into this Confirmation to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) or to manipulate the price of the Shares (or any security convertible into or exchangeable for Shares) or in violation of the Exchange Act.

(h) On the Trade Date and the Premium Payment Date (i) the assets of Company at their fair valuation exceed the liabilities of Company, including contingent liabilities, (ii) the capital of Company is adequate to conduct the business of Company and (iii) Company has the ability to pay its debts and obligations as such debts mature and does not intend to, or does not believe that it will, incur debt beyond its ability to pay as such debts mature.

(i) Company understands that notwithstanding any other relationship between Company and Dealer and its affiliates, in connection with this Transaction and any other over-the-counter derivative transactions between Company and Dealer or its affiliates, Dealer or its affiliate is acting as principal and is not a fiduciary or advisor in respect of any such transaction, including any entry, exercise, amendment, unwind or termination thereof.

II. *Eligible Contract Participants*. Each of Company and Dealer represents that it is an "eligible contract participant" (as such term is defined in Section 1a(18) of the Commodity Exchange Act, as amended, other than a person that is an eligible contract participant under Section 1a(18)(C) of the Commodity Exchange Act).

III. *Private Placement Representations*. Each of Dealer and Company acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act, by virtue of Section 4(a)(2) thereof. Accordingly, Dealer represents and warrants to Company that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment and its investments in and liabilities in respect of the Transaction, which it understands are not readily marketable, are not disproportionate to its net worth, and it is able to bear any loss in connection with the Transaction, including the loss of its entire investment in the Transaction, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account and without a view to the distribution or resale thereof, (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act and is restricted under this Confirmation, the Securities Act and state securities laws, and (v) its financial condition is such that it has no need for liquidity with respect to its investment in the Transaction and no need to dispose of any portion thereof to satisfy any existing or contemplated undertaking or indebtedness and is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction.

9. Other Provisions.

(a) *Opinions*. On or prior to the Premium Payment Date, Company shall deliver to Dealer an opinion of counsel, dated as of the Trade Date, with respect to due incorporation, existence and good standing of Company in Delaware, the due authorization, execution and delivery of this Confirmation, and, in respect of the execution, delivery and performance of this Confirmation, the absence of any conflict with or breach of any material agreement governing indebtedness, Company's certificate of incorporation or Company's by-laws. Delivery of such opinion to Dealer shall be a condition precedent for the purpose of Section 2(a)(iii) of the Agreement with respect to each obligation of Dealer under Section 2(a)(i) of the Agreement.

(b) *Repurchase Notices*. Company shall, on any day on which Company effects any repurchase of Shares, promptly give Dealer a written notice of such repurchase (a "**Repurchase Notice**") on such day if following such repurchase, the Notice Percentage would be (i) greater than [__][5]% and (ii) greater by 0.5% than the Notice Percentage included in the immediately preceding Repurchase Notice (or, in the case of the first such Repurchase Notice, greater by 0.5% than the Notice Percentage as of the date hereof); provided that Company may provide Dealer advance notice on or prior to any such day to the extent it expects that repurchases effected on such day may result in an obligation to deliver a Repurchase Notice (which advance notice shall be deemed a Repurchase Notice); provided further that Company shall not deliver any material non-public information to any employee of Dealer unless that employee has been identified to Company as being on the "private side". The parties agree that Company's obligation to provide any Repurchase Notice relating to a repurchase of Shares shall be satisfied by notice to Dealer of Company's related corporate authorization to repurchase such Shares or by notice of the implementation of a stock repurchase plan, forward contract, accelerated stock repurchase contract or similar transaction; provided that, Company acknowledges and agrees that Dealer may, but is not required to, assume that the maximum number of Shares permitted to be repurchased pursuant to such authorization, plan, contract or transaction will be repurchased on the date on which such authorization, plan contract or transaction becomes effective, subject to adjustments thereto as Dealer determines appropriate to account for the market price with respect to the Shares, Potential Adjustment Events and other corporate transactions with respect to Company or the Shares and such other factors as Dealer determines relevant. The "**Notice Percentage**" as of any day is the fraction, expressed as a percentage, the numerator of which is the sum of (a) the product of the Number of Warrants and the Warrant Entitlement and (b) the number of Shares underlying any other similar warrant transaction sold by Company to Dealer and the denominator of which is the number of Shares outstanding on such day. Company agrees to indemnify and hold harmless Dealer and its affiliates and their respective officers, directors, employees, affiliates, advisors, agents and controlling persons (each, an "**Indemnified Person**") from and against any and all losses (including losses relating to Dealer's hedging activities as a consequence of becoming, or of the risk of becoming, a Section 16 "insider", including without limitation, any forbearance from hedging activities or cessation of hedging activities and any losses in connection therewith with respect to the Transaction), claims, damages, judgments, liabilities, expenses and fees (including reasonable attorney's fees), joint or several, which an Indemnified Person actually may become subject to, as a result of Company's failure to provide Dealer with a Repurchase Notice on the day and in the manner specified in this paragraph, and to reimburse, within 30 days, upon written request, each of such Indemnified Persons for any reasonable legal or other expenses incurred in connection with investigating, preparing for, providing testimony or other evidence in connection with or defending any of the foregoing. If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against the Indemnified Person, such Indemnified Person shall promptly notify Company in writing, and Company, upon request of the Indemnified Person, shall retain counsel reasonably satisfactory to the Indemnified Person to represent the Indemnified Person and any others Company may designate in such proceeding and shall pay the reasonable fees and expenses of such counsel related to such proceeding. Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, Company agrees to indemnify any Indemnified Person from and against any loss or liability by reason of such settlement or judgment. Company shall not, without the prior written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or expects to be a party and indemnity could have been sought hereunder by such Indemnified Person, unless such settlement includes an unconditional release of such Indemnified Person from all liability on claims that are the subject matter of such proceeding on terms reasonably satisfactory to such Indemnified Person. If the indemnification provided for in this paragraph is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages, liabilities, expenses or fees referred to therein, then Company, in lieu of indemnifying such Indemnified Person hereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages, liabilities, expenses or fees. The remedies provided for in this paragraph are not exclusive and shall not limit any rights or remedies that may otherwise be available to any Indemnified Person at law or in equity. The indemnity and contribution agreements contained in this paragraph shall remain operative and in full force and effect regardless of the termination of the Transaction.

[5] Insert the number of Shares outstanding that would cause Dealer's current position in the Warrants (including the number of warrants under pre-existing warrant transactions with Company) to increase by 0.5%. To be based on Dealer with highest applicable percentage.

(c) *Regulation M*. Company is not on the Trade Date engaged in a distribution, as such term is used in Regulation M under the Exchange Act, of a securities of Company, other than a distribution meeting the requirements of the exception set forth in Rules 101(b)(10) and 102(b)(7) of Regulation M. Company shall not, until the second Scheduled Trading Day immediately following the final day of the Initial Hedging Period, engage in any such distribution.

(d) *Transfer or Assignment; Designation of Affiliates*.

(i) Company may not transfer any of its rights or obligations under the Transaction without the prior written consent of Dealer. Dealer may, without Company's consent, transfer or assign all or any part of its rights or obligations under the Transaction to any third party; provided that after any such transfer or assignment, Company shall not be required to pay the transferee on any payment date an amount under Section 2(d)(i)(4) of the Agreement greater than an amount that Company would have been required to pay to Dealer in the absence of such transfer or assignment, except to the extent that the greater amount is due to a Change in Tax Law after the date of such transfer or assignment; and provided further that Dealer shall cause the transferee to deliver to the Company one duly executed and completed applicable Internal Revenue Service Form W-8 or Form W-9 (or successor thereto)[6]; and provided further that Dealer shall provide prompt written notice to Company following any such Transfer. If at any time at which (A) the Section 16 Percentage exceeds 7.5%, (B) the Warrant Equity Percentage exceeds 14.5%, or (C) the Share Amount exceeds the Applicable Share Limit (if any applies) (any such condition described in clauses (A), (B) or (C), an "**Excess Ownership Position**"), Dealer, acting in good faith, is unable after using its commercially reasonable efforts to effect a transfer or assignment of Warrants to a third party on pricing terms reasonably acceptable to Dealer and within a time period reasonably acceptable to Dealer such that no Excess Ownership Position exists, then Dealer may designate any Exchange Business Day as an Early Termination Date with respect to a portion of the Transaction (the "**Terminated Portion**"), such that following such partial termination no Excess Ownership Position exists. In the event that Dealer so designates an Early Termination Date with respect to a Terminated Portion, a payment shall be made pursuant to Section 6 of the Agreement as if (1) an Early Termination Date had been designated in respect of a Transaction having terms identical to the Transaction and a Number of Warrants equal to the number of Warrants underlying the Terminated Portion, (2) Company were the sole Affected Party with respect to such partial termination and (3) the Terminated Portion were the sole Affected Transaction (and, for the avoidance of doubt, the provisions of Section 9(j) shall apply to any amount that is payable by Company to Dealer pursuant to this sentence as if Company was not the Affected Party). The "**Section 16 Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the number of Shares that Dealer and any of its affiliates or any other person subject to aggregation with Dealer for purposes of the "beneficial ownership" test under Section 13 of the Exchange Act, or any "group" (within the meaning of Section 13 of the Exchange Act) of which Dealer is or may be deemed to be a part beneficially owns (within the meaning of Section 13 of the Exchange Act), without duplication, on such day (or, to the extent that for any reason the equivalent calculation under Section 16 of the Exchange Act and the rules and regulations thereunder results in a higher number, such higher number) and (B) the denominator of which is the number of Shares outstanding on such day. The "**Warrant Equity Percentage**" as of any day is the fraction, expressed as a percentage, (A) the numerator of which is the sum of (1) the product of the Number of Warrants and the Warrant Entitlement and (2) the aggregate number of Shares underlying any other warrants purchased by Dealer from Company, and (B) the denominator of which is the number of Shares outstanding. The "**Share Amount**" as of any day is the number of Shares that Dealer and any person whose ownership position would be aggregated with that of Dealer (Dealer or any such person, a "**Dealer Person**") under any law, rule, regulation, regulatory order or organizational documents or contracts of Company that are, in each case, applicable to ownership of Shares, including without limitation, under state or federal banking laws ("**Applicable Restrictions**"), owns, beneficially owns, constructively owns, controls, holds the power to vote or otherwise meets a relevant definition of ownership under any Applicable Restriction, as determined by Dealer in its commercially reasonable discretion. The "**Applicable Share Limit**" means a number of Shares equal to (A) the minimum number of Shares that could give rise to reporting or registration obligations or other requirements (including obtaining prior approval from any person or entity) of a Dealer Person, or could result in an adverse effect on a Dealer Person, under any Applicable Restriction, as determined by Dealer in its commercially reasonable discretion, *minus* (B) 1% of the number of Shares outstanding.

6 Subject to DPW tax review.

(ii) Notwithstanding any other provision in this Confirmation to the contrary requiring or allowing Dealer to purchase, sell, receive or deliver any Shares or other securities, or make or receive any payment in cash, to or from Company, Dealer may designate any of its affiliates to purchase, sell, receive or deliver such Shares or other securities, or make or receive such payment in cash, and otherwise to perform Dealer's obligations in respect of the Transaction and any such designee may assume such obligations. Dealer shall be discharged of its obligations to Company to the extent of any such performance.

(e) *Dividends*. If at any time during the period from and including the Effective Date, to and including the last Expiration Date (or, if any Deficit Shares are owed pursuant to Section 9(o)(ii) of this Confirmation, such later date on which Company's obligations under this Transaction have been satisfied in full), an ex-dividend date for a cash dividend or cash distribution occurs with respect to the Shares(an "**Ex-Dividend Date**"), then the Calculation Agent will adjust any of the Strike Price, Number of Warrants, Daily Number of Warrants and/or any other variable relevant to the exercise, settlement or payment of the Transaction in good faith and in a commercially reasonable manner to preserve the fair value of the Warrants after taking into account such dividend or distribution.

(f) [Agency language, if necessary]

(g) *Additional Provisions*.

(i) Amendments to the Equity Definitions:

(A) Section 11.2(a) of the Equity Definitions is hereby amended by deleting the words "a diluting or concentrative" and replacing them with the words "a material"; and adding the phrase "or Warrants" at the end of the sentence.

(B) Section 11.2(c) of the Equity Definitions is hereby amended by (w) replacing the words "a diluting or concentrative" with "an" in the fifth line thereof, (x) adding the phrase "or Warrants" after the words "the relevant Shares" in the same sentence, (y) deleting the words "diluting or concentrative" in the sixth to last line thereof and (z) deleting the phrase"(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Shares)" and replacing it with the phrase "(provided that, solely in the case of Sections 11.2(e)(i), (ii)(A) and (iv), no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Shares but, for the avoidance of doubt, solely in the case of Sections 11.2(e)(ii)(B) through (D), (iii), (v), (vi) and (vii) adjustments may be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Shares)."

(C) Section 11.2(e)(vii) of the Equity Definitions is hereby amended by deleting the words "that may have a diluting or concentrative effect on the theoretical value of" and replacing them with the word "that is the result of a corporate action by Company that has a material economic effect on"; and adding the phrase "or Warrants.

(D) Section 12.6(a)(ii) of the Equity Definitions is hereby amended by (1) deleting from the fourth line thereof the word "or" after the word "official" and inserting a comma therefor, and (2) deleting the semi-colon at the end of subsection (B) thereof and inserting the following words therefor "or (C) the occurrence of any of the events specified in Section 5(a)(vii)(1) through (9) of the ISDA Master Agreement with respect to that Issuer."

(E) Section 12.9(b)(iv) of the Equity Definitions is hereby amended by (A) deleting (1) subsection (A) in its entirety, (2) the phrase "or (B)" following subsection (A) and (3) the phrase "in each case" in subsection (B); (B) replacing "will lend" with "lends" in subsection (B); and (C) deleting the phrase "neither the Non-Hedging Party nor the Lending Party lends Shares in the amount of the Hedging Shares or" in the penultimate sentence; "**Lending Party**" means a third party that is not Company or an affiliate of Company that Dealer considers to be an acceptable counterparty (acting in good faith and in a reasonable manner in light of (x) other transactions that Dealer (or its agent or affiliate) may have entered into with such party and (y) any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements or related policies and procedures are imposed by law or have been voluntarily adopted by Dealer) that apply generally to transactions of a nature and kind similar to the transactions contemplated with such party).

(F) Section 12.9(b)(v) of the Equity Definitions is hereby amended by:

(x) adding the word "or" immediately before subsection "(B)" and deleting the comma at the end of subsection (A); and

(y) (1) deleting subsection (C) in its entirety, (2) deleting the word "or" immediately preceding subsection (C), (3)deleting the penultimate sentence in its entirety and replacing it with the sentence "The Hedging Party will determine the Cancellation Amount payable by one party to the other in a commercially reasonable manner." and (4) deleting clause (X) in the final sentence.

(G) Section 12.9(b)(vi) of the Equity Definitions is hereby amended by:

(x) adding the word "or" immediately before subsection "(B)" and deleting the comma at the end of subsection (A); and

(y)(1) deleting subsection (C) in its entirety, (2) deleting the word "or" immediately preceding subsection (C) and (3) deleting the final sentence in its entirety and replacing it with the sentence "The Hedging Party will determine in good faith and in a commercially reasonable manner the Cancellation Amount payable by one party to the other."

(ii) Notwithstanding anything to the contrary in this Confirmation, upon the occurrence of one of the following events, with respect to the Transaction, (1) Dealer shall have the right to designate such event an Additional Termination Event and designate an Early Termination Date pursuant to Section 6(b) of the Agreement, (2) Company shall be deemed the sole Affected Party with respect to such Additional Termination Event and (3) the Transaction, or, at the election of Dealer in its sole reasonable discretion, any portion of the Transaction, shall be deemed the sole Affected Transaction; *provided* that if Dealer so designates an Early Termination Date with respect to a portion of the Transaction, (a) a payment shall be made pursuant to Section 6 of the Agreement as if an Early Termination Date had been designated in respect of a Transaction having terms identical to the Transaction and a Number of Warrants equal to the number of Warrants included in the terminated portion of the Transaction, and (b) for the avoidance of doubt, the Transaction shall remain in full force and effect except that the Number of Warrants shall be reduced by the number of Warrants included in such terminated portion:

(A) Any "person" or "group" within the meaning of Section 13(d) of the Exchange Act, other than Company, its direct or indirect wholly owned subsidiaries or its and their employee benefit plans, files a Schedule TO, any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of the Shares representing more than 50% of the voting power of the Shares.

(B) The consummation of (I) any recapitalization, reclassification or change of the Shares (other than changes resulting from a subdivision or combination) as a result of which the Shares would be converted into, or exchanged for, stock, other securities, other property or assets or (II) any share exchange, consolidation or merger of Company pursuant to which the Shares will be converted into cash, stock, other securities or other property or assets (in each of cases (I) and (II), other than any such transaction which is effected solely to change the Company's jurisdiction of incorporation to another State within the United States of America or the District of Columbia and that results in a reclassification, conversion or exchange of the outstanding Shares solely into shares of common stock of the surviving entity); or (III) any sale, lease or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of Company and its subsidiaries, taken as a whole, to any person other than one of Company's direct or indirect wholly owned subsidiaries; *provided*, *however*, that a transaction described in . Notwithstanding the foregoing, any transaction or transactions set forth in clauses (I) or (II) shall not constitute an Additional Termination Event if the holders of all classes of the Company's common equity immediately prior to such transaction own, directly or indirectly, more than 50% of all classes of common equity of the continuing or surviving corporation or transferee or the parent thereof immediately after such transaction in substantially the same proportions (relative to each other and with respect to the securities received in such transaction) as such ownership immediately prior to such transaction.

Notwithstanding the foregoing, any transaction or transactions set forth in clauses (A) or (B) above shall not constitute an Additional Termination Event if at least 90% of the consideration received or to be received by holders of the Shares, excluding cash payments for fractional Shares or pursuant to statutory appraisal rights, in connection with such transaction or transactions consists of shares of common stock that are listed or quoted on any of The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors) or will be so listed or quoted when issued or exchanged in connection with such transaction or transactions, and as a result of such transaction or transactions, the Shares will consist of such consideration, excluding cash payments for fractional Shares or pursuant to statutory appraisal rights.

(C) The stockholders of Company approve any plan or proposal for the liquidation or dissolution of Company; or

(D) The Shares cease to be listed or quoted on any of The New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or any of their respective successors).

(E) Default by Company or any of its significant subsidiaries (as defined below) with respect to any mortgage, agreement or other instrument under which there may be outstanding, or by which there may be secured or evidenced, any indebtedness for money borrowed in excess of USD 100,000,000 (or its foreign currency equivalent) in the aggregate of the Company and/or any such subsidiary, whether such indebtedness now exists or shall hereafter be created (i) resulting in such indebtedness becoming or being declared due and payable or (ii) constituting a failure to pay the principal of any such indebtedness when due and payable at its stated maturity, upon required repurchase, upon declaration of acceleration or otherwise, and in the cases of clauses (i) and (ii), such acceleration shall not, after the expiration of any applicable grace period, have been rescinded or annulled or such failure to pay or default shall not have been cured or waived, or such indebtedness shall not have been paid or discharged, as the case may be, within 60 days after written notice to Company by the trustee or to the Company and the trustee by holders of at least 25% in aggregate principal amount of notes then outstanding in accordance with the indenture.

A "**significant subsidiary**" is a subsidiary that is a "significant subsidiary" as defined in Article 1, Rule 1-02(w) of Regulation S-X promulgated by the Securities and Exchange Commission; provided that, in the case of a subsidiary that meets the criteria of clause (3) of the definition thereof but not clause (1) or (2) thereof, in each case as such rule is in effect on the Trade Date, such subsidiary shall not be deemed to be a significant subsidiary unless the subsidiary's income (or loss) from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principle exclusive of amounts attributable to any non-controlling interests for the last completed fiscal year prior to the date of such determination exceeds USD 35,000,000.

(F) Dealer reasonably determines, based on the advice of counsel, that it is advisable to terminate a portion of the Transaction so that Dealer's related commercially reasonable hedging activities will comply with applicable securities laws, rules or regulations or related policies and procedures of Dealer generally applicable to corporate equity derivatives transactions(whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Dealer (*provided* that such requirements, policies and procedures relate to regulatory issues and are generally applicable in similar situations and are applied in a consistent manner to similar transactions)), or Dealer, despite using commercially reasonable efforts, is unable or reasonably determines that it is impractical or illegal to effect a commercially reasonable hedge with respect to this Transaction in the public market without registration under the Securities Act or as a result of any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Dealer (*provided* that such requirements, policies and procedures relate to regulatory issues and are generally applicable in similar situations and are applied in a consistent manner to similar transactions)).

(iii) Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, the Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with the Transaction (or portions thereof) being the Affected Transaction and Company being the sole Affected Party) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction.

(h) *No Collateral or Setoff.* Notwithstanding any provision of the Agreement or any other agreement between the parties to the contrary, the obligations of Company hereunder are not secured by any collateral. Obligations under the Transaction shall not be set off by Company against any other obligations of the parties, whether arising under the Agreement, this Confirmation, under any other agreement between the parties hereto, by operation of law or otherwise.

(i) *Alternative Calculations and Payment on Early Termination and on Certain Extraordinary Events*.

If, in respect of the Transaction, an amount is payable by Company to Dealer pursuant to Section 6(d)(ii) of the Agreement or Sections 12.7 or 12.8 of the Equity Definitions (any such amount, a "**Payment Obligation**"), Company shall satisfy the Payment Obligation by the Share Termination Alternative (as defined below), unless (a) Company gives irrevocable telephonic notice to Dealer, confirmed in writing within one Scheduled Trading Day, no later than 12:00 p.m. (New York City time) on the Merger Date, Tender Offer Date, Announcement Date (in the case of a Nationalization, Insolvency or Delisting), Early Termination Date or date of cancellation, as applicable, of its election that the Share Termination Alternative shall not apply, (b) Company remakes the representation set forth in Section 8I (c) as of the date of such election and (c) Dealer agrees, in its sole discretion, to such election, in which case the provisions of Section 6(d)(ii) of the Agreement shall apply.

Share Termination Alternative:	If applicable, Company shall deliver to Dealer the Share Termination Delivery Property on the date (the "**Share Termination Payment Date**") on which the Payment Obligation would otherwise be due pursuant to Section 6(d)(ii) of the Agreement, subject to Section 9(j)(i) below, in satisfaction, subject to Section 9(j)(ii) below, of the relevant Payment Obligation, in the manner reasonably requested by Dealer free of payment.
Share Termination Delivery Property:	A number of Share Termination Delivery Units, as calculated by the Calculation Agent, equal to the relevant Payment Obligation divided by the Share Termination Unit Price. The Calculation Agent shall adjust the amount of Share Termination Delivery Property by replacing any fractional portion of a security therein with an amount of cash equal to the value of such fractional security based on the values used to calculate the Share Termination Unit Price (without giving effect to any discount pursuant to Section 9(j)(i)).
Share Termination Unit Price:	The value of property contained in one Share Termination Delivery Unit on the date such Share Termination Delivery Units are to be delivered as Share Termination Delivery Property, as determined by the Calculation Agent in its discretion by commercially reasonable means. In the case of a Private Placement of Share Termination Delivery Units that are Restricted Shares (as defined below), as set forth in Section 9(j)(i) below, the Share Termination Unit Price shall be determined by the discounted price applicable to such Share Termination Delivery Units. In the case of a Registration Settlement of Share Termination Delivery Units that are Restricted Shares (as defined below) as set forth in Section 9(j)(ii) below, notwithstanding the foregoing, the Share Termination Unit Price shall be the Settlement Price on the Merger Date, Tender Offer Date, Announcement Date (in the case of a Nationalization, Insolvency or Delisting), Early Termination Date or date of cancellation, as applicable. The Calculation Agent shall notify Company of the Share Termination Unit Price at the time of notification of such Payment Obligation to Company or, if applicable, at the time the discounted price applicable to the relevant Share Termination Units is determined pursuant to Section 9(j)(i).
Share Termination Delivery Unit:	One Share or, if the Shares have changed into cash or any other property or the right to receive cash or any other property as the result of a Nationalization, Insolvency or Merger Event (any such cash or other property, the "**Exchange Property**"), a unit consisting of the type and amount of Exchange Property received by a holder of one Share (without consideration of any requirement to pay cash or other consideration in lieu of fractional amounts of any securities) in such Nationalization, Insolvency or Merger Event. If such Nationalization, Insolvency or Merger Event involves a choice of Exchange Property to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash.
Failure to Deliver:	Inapplicable
Other applicable provisions:	If Share Termination Alternative is applicable, the provisions of Sections 9.8, 9.9, 9.11 and 9.12 (as modified above) of the Equity Definitions will be applicable as if Physical Settlement applied to the Transaction and the provisions set forth opposite the caption "Representation and Agreement" in Section 2 will be applicable.

(j) *Registration/Private Placement Procedures*. If, in the reasonable opinion of Dealer, based on the advice of counsel, following any delivery of Shares or Share Termination Delivery Property to Dealer hereunder, such Shares or Share Termination Delivery Property would be in the hands of Dealer subject to any applicable restrictions with respect to any registration or qualification requirement or prospectus delivery requirement for such Shares or Share Termination Delivery Property pursuant to any applicable federal or state securities law (including, without limitation, any such requirement arising under Section 5 of the Securities Act) (such Shares or Share Termination Delivery Property, "Restricted Shares"), then delivery of such Restricted Shares shall be effected pursuant to either clause(i) or (ii) below at the election of Company, unless Dealer waives the need for registration/private placement procedures set forth in (i) and (ii) below. Notwithstanding the foregoing, solely in respect of any Daily Number of Warrants exercised or deemed exercised on any Expiration Date, Company shall elect, prior to the first Settlement Date for the first applicable Expiration Date, a Private Placement Settlement or Registration Settlement for all deliveries of Restricted Shares for all such Expiration Dates, which election shall be applicable to all remaining Settlement Dates for such Warrants and the procedures in clause (i) or clause (ii) below shall apply for all such delivered Restricted Shares on an aggregate basis commencing after the final Settlement Date for such Warrants. The Calculation Agent shall make reasonable adjustments to settlement terms and provisions under this Confirmation to reflect a single Private Placement or Registration Settlement for such aggregate Restricted Shares delivered hereunder. For the avoidance of doubt, these adjustments will only be commercially reasonable in nature (such as to consider changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares and the ability to maintain a commercially reasonable hedge position in the Shares) and will not impact Company's unilateral right to settle in Shares.

(i) If Company elects to settle the Transaction pursuant to this clause (i) (a "**Private Placement Settlement**"), then delivery of Restricted Shares by Company shall be effected in customary private placement procedures with respect to such Restricted Shares commercially reasonably acceptable to Dealer; *provided* that Company may not elect a Private Placement Settlement if, on the date of its election, it has taken, or caused to be taken, any action that would make unavailable either the exemption pursuant to Section 4(a)(2) of the Securities Act for the sale by Company to Dealer (or any affiliate designated by Dealer) of the Restricted Shares or the exemption pursuant to Section 4(a)(1) or Section 4(a)(3) of the Securities Act for resales of the Restricted Shares by Dealer (or any such affiliate of Dealer). The Private Placement Settlement for such Restricted Shares shall include such customary representations, covenants, blue sky and other governmental filings and/or registrations, indemnities to Dealer, due diligence rights (for Dealer or any designated buyer of the Restricted Shares by Dealer), opinions and certificates, and such other documentation, in each case as is customary for private placement agreements of companies of comparable size, maturity and line of business, all commercially reasonably acceptable to Dealer. In the case of a Private Placement Settlement, Dealer shall determine the appropriate discount to the Share Termination Unit Price (in the case of settlement of Share Termination Delivery Units pursuant to Section 9(i) above) or any Settlement Price (in the case of settlement of Shares pursuant to Section 2 above)applicable to such Restricted Shares in a commercially reasonable manner and appropriately adjust the number of such Restricted Shares to be delivered to Dealer hereunder, which discount shall only take into account the illiquidity resulting from the fact that the Restricted Shares will not be registered for resale and any commercially reasonable fees and expenses of Dealer(and any affiliate thereof) in connection with such resale. Notwithstanding anything to the contrary in the Agreement or this Confirmation, the date of delivery of such Restricted Shares shall be the Exchange Business Day following notice by Dealer to Company, of such applicable discount and the number of Restricted Shares to be delivered pursuant to this clause (i). For the avoidance of doubt, delivery of Restricted Shares shall be due as set forth in the previous sentence and not be due on the Share Termination Payment Date (in the case of settlement of Share Termination Delivery Units pursuant to Section 9(i) above) or on the Settlement Date for such Restricted Shares (in the case of settlement in Shares pursuant to Section 2 above).

(ii) If Company elects to settle the Transaction pursuant to this clause (ii) (a "**Registration Settlement**"), then Company shall promptly (but in any event no later than the beginning of the Resale Period) file and use its reasonable best efforts to make effective under the Securities Act a registration statement or supplement or amend an outstanding registration statement in form and substance reasonably satisfactory to Dealer, to cover the resale of such Restricted Shares in accordance with customary resale registration procedures, including covenants, conditions, representations, commercially reasonable underwriting discounts (if applicable), commercially reasonable commissions (if applicable), indemnities due diligence rights, opinions and certificates, and such other documentation as is customary for equity resale underwriting agreements of companies of comparable size, maturity and line of business, all commercially reasonably acceptable to Dealer. If Dealer, in its commercially reasonable discretion, is not satisfied with such procedures and documentation or, in its discretion, is not satisfied with results of a customary due diligence investigation, then Private Placement Settlement shall apply. If Dealer is satisfied with such procedures and documentation, it shall sell the Restricted Shares pursuant to such registration statement during a period (the "**Resale Period**") commencing on the Exchange Business Day following delivery of such Restricted Shares (which, for the avoidance of doubt, shall be (x) the Share Termination Payment Date in case of settlement in Share Termination Delivery Units pursuant to Section 9(i) above or (y) the Settlement Date in respect of the final Expiration Date for all Daily Number of Warrants)and ending on the Exchange Business Day on which Dealer completes the sale of all Restricted Shares in a commercially reasonable manner or, in the case of settlement of Share Termination Delivery Units, a sufficient number of Restricted Shares so that the realized net proceeds of such sales equals or exceeds the Payment Obligation (as defined above). If the Payment Obligation exceeds the realized net proceeds from such resale, Company shall transfer to Dealer by the open of the regular trading session on the Exchange on the Exchange Business Day immediately following such resale the amount of such excess (the "**Additional Amount**") in cash or in a number of Shares ("**Make-whole Shares**") in an amount that, based on the Settlement Price on such day (as if such day was the "Valuation Date" for purposes of computing such Settlement Price), has a dollar value equal to the Additional Amount. The Resale Period shall continue to enable the sale of the Make-whole Shares. If Company elects to pay the Additional Amount in Shares, the requirements and provisions for Registration Settlement shall apply. This provision shall be applied successively until the Additional Amount is equal to zero. In no event shall Company deliver a number of Restricted Shares greater than the Maximum Number of Shares.

(iii) Without limiting the generality of the foregoing, Company agrees that (A) any Restricted Shares delivered to Dealer may be transferred by and among Dealer and its affiliates and Company shall effect such transfer without any further action by Dealer and (B) after the period of 6 months from the Trade Date if at the time the informational requirements of Rule 144(c) under the Securities Act have been satisfied by the Company (or 1 year from the Trade Date if, at such time, informational requirements of Rule 144(c) under the Securities Act are not satisfied with respect to Company) has elapsed in respect of any Restricted Shares delivered to Dealer, unless Dealer is an affiliate of Company at such time or has been an affiliate of Company in the immediately preceding three months, Company shall promptly remove, or cause the transfer agent for such Restricted Shares to remove, any legends referring to any such restrictions or requirements from such Restricted Shares upon request by Dealer (or such affiliate of Dealer) to Company or such transfer agent, without any requirement for the delivery of any certificate, consent, agreement, opinion of counsel, notice or any other document, any transfer tax stamps or payment of any other amount or any other action by Dealer (or such affiliate of Dealer). Notwithstanding anything to the contrary herein, to the extent the provisions of Rule 144 of the Securities Act or any successor rule are amended, or the applicable interpretation thereof by the Securities and Exchange Commission or any court change after the Trade Date, the agreements of Company herein shall be deemed modified to the extent necessary, in the opinion of outside counsel of Company, to comply with Rule 144 of the Securities Act, as in effect at the time of delivery of the relevant Shares or Share Termination Delivery Property.

(iv) If the Private Placement Settlement or the Registration Settlement shall not be effected as set forth in clauses (i) or (ii), as applicable, then failure to effect such Private Placement Settlement or such Registration Settlement shall constitute an Event of Default with respect to which Company shall be the Defaulting Party.

(k) *Limit on Beneficial Ownership*. Notwithstanding anything to the contrary in the Agreement, the Equity Definitions or this Confirmation, Dealer may not exercise any Warrant hereunder, in no event shall Dealer be entitled to receive or take delivery of any Shares deliverable hereunder (or be deemed to so receive or so take delivery), and Automatic Exercise shall not apply with respect to any Warrant hereunder, in each case, to the extent (but only to the extent) that, after such receipt or delivery of any Shares upon the exercise of such Warrant or otherwise hereunder, (i) the Section 16 Percentage would exceed 7.5%, or (ii) the Share Amount would exceed the Applicable Share Limit. Any purported delivery hereunder shall be void and have no effect to the extent (but only to the extent) that, after such delivery, (i) the Section 16 Percentage would exceed 7.5%, or (ii) the Share Amount would exceed the Applicable Share Limit. If any delivery owed to Dealer hereunder is not made, in whole or in part, as a result of this provision, Company's obligation to make such delivery shall not be extinguished and Company shall make such delivery as promptly as practicable after, but in no event later than one Business Day after, Dealer gives notice to Company that, after such delivery, (i) the Section 16 Percentage would not exceed 7.5%, and (ii) the Share Amount would not exceed the Applicable Share Limit.

(l) *Share Deliveries*. Notwithstanding anything to the contrary herein, Company agrees that any delivery of Shares or Share Termination Delivery Property shall be effected by book-entry transfer through the facilities of DTC, or any successor depositary, if at the time of delivery, such class of Shares or class of Share Termination Delivery Property is in book-entry form at DTC or such successor depositary.

(m) *Waiver of Jury Trial*. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to the Transaction. Each party (i) certifies that no representative, agent or attorney of either party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into the Transaction, as applicable, by, among other things, the mutual waivers and certifications provided herein.

(n) *Tax Disclosure*. Effective from the date of commencement of discussions concerning the Transaction, Company and each of its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Transaction and all materials of any kind (including opinions or other tax analyses) that are provided to Company relating to such tax treatment and tax structure.

(o) *Maximum Share Delivery*.

(i) Notwithstanding any other provision of this Confirmation, the Agreement or the Equity Definitions, in no event will Company at any time be required to deliver a number of Shares greater than [__][7] (the "**Maximum Number of Shares**") to Dealer in connection with the Transaction (including, without limitation, any Shares deliverable to Dealer as a result of any early termination of the Transaction).

[7] To be the lesser of (x) two times the Number of Shares and (y) 19.9% of outstanding Shares.

(ii) In the event Company shall not have delivered to Dealer the full number of Shares or Restricted Shares otherwise deliverable by Company to Dealer pursuant to the terms of the Transaction because Company has insufficient authorized but unissued Shares that are not reserved for other transactions (such deficit, the "Deficit Shares"), Company shall be continually obligated to deliver, from time to time, Shares or Restricted Shares, as the case may be, to Dealer until the full number of Deficit Shares have been delivered pursuant to this Section 9(o)(ii), when, and to the extent that, (A) Shares are repurchased, acquired or otherwise received by Company or any of its subsidiaries after the Trade Date (whether or not in exchange for cash, fair value or any other consideration), (B) authorized and unissued Shares previously reserved for issuance in respect of other transactions become no longer so reserved or (C) Company additionally authorizes any unissued Shares that are not reserved for other transactions; *provided* that in no event shall Company deliver any Shares or Restricted Shares to Dealer pursuant to this Section 9(o)(ii) to the extent that such delivery would cause the aggregate number of Shares and Restricted Shares delivered to Dealer to exceed the Maximum Number of Shares. Company shall immediately notify Dealer of the occurrence of any of the foregoing events (including the number of Shares subject to clause (A), (B) or (C) and the corresponding number of Shares or Restricted Shares, as the case may be, to be delivered) and promptly deliver such Shares or Restricted Shares, as the case may be, thereafter.

(p) *Submission to Jurisdiction*. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.

(q) *Right to Extend*. Dealer may postpone or add, in whole or in part, any Expiration Date or any other date of valuation or delivery with respect to some or all of the relevant Warrants (in which event the Calculation Agent shall make appropriate adjustments to the Daily Number of Warrants with respect to one or more Expiration Dates) if Dealer determines, in its commercially reasonable judgment, that such extension is reasonably necessary or appropriate to preserve Dealer's commercially reasonable hedging or hedge unwind activity hereunder in light of existing liquidity conditions in the cash market, the stock loan market or other relevant market or to enable Dealer to effect purchases of Shares in connection with its commercially reasonable hedging, hedge unwind or settlement activity hereunder in a manner that would, if Dealer were Issuer or an affiliated purchaser of Issuer, be in compliance with applicable legal, regulatory or self-regulatory requirements (provided that such requirements, policies and procedures relate to regulatory issues and are generally applicable in similar situations and are applied in a consistent manner to similar transactions), or with related policies and procedures applicable to Dealer.

(r) *Status of Claims in Bankruptcy*. Dealer acknowledges and agrees that this Confirmation is not intended to convey to Dealer rights against Company with respect to the Transaction that are senior to the claims of common stockholders of Company in any United States bankruptcy proceedings of Company; provided that nothing herein shall limit or shall be deemed to limit Dealer's right to pursue remedies in the event of a breach by Company of its obligations and agreements with respect to the Transaction other than during any such bankruptcy proceedings; provided that nothing herein shall limit or shall be deemed to limit Dealer's rights in respect of any transactions other than the Transaction.

(s) *Securities Contract*. The parties hereto intend for (i) the Transaction to be a "securities contract" as defined in the Bankruptcy Code (Title 11 of the United States Code) (the "**Bankruptcy Code**"), and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 546(e), 546(g), 555 and 560 of the Bankruptcy Code, (ii) a party's right to liquidate the Transaction and to exercise any other remedies upon the occurrence of any Event of Default under the Agreement with respect to the other party to constitute a "contractual right" as described in the Bankruptcy Code, and (iii) each payment and delivery of cash, securities or other property hereunder to constitute a "margin payment" or "settlement payment" and a "transfer" as defined in the Bankruptcy Code.

(t) *Wall Street Transparency and Accountability Act*. In connection with Section 739 of the Wall Street Transparency and Accountability Act of 2010 ("**WSTAA**"), the parties hereby agree that neither the enactment of WSTAA (or any statute containing any legal certainty provision similar to Section 739 of the WSTAA) or any regulation under the WSTAA (or any such statute), nor any requirement under WSTAA (or any statute containing any legal certainty provision similar to Section 739 of the WSTAA) or an amendment made by WSTAA (or any such statute), shall limit or otherwise impair either party's otherwise applicable rights to terminate, renegotiate, modify, amend or supplement this Confirmation or the Agreement, as applicable, arising from a termination event, force majeure, illegality, increased costs, regulatory change or similar event under this Confirmation, the Equity Definitions incorporated herein, or the Agreement (including, but not limited to, rights arising from Change in Law, Hedging Disruption, Increased Cost of Hedging, an Excess Ownership Position, or Illegality (as defined in the Agreement)).

(u) *Agreements and Acknowledgements Regarding Hedging*. Company understands, acknowledges and agrees that: (A) at any time on and prior to the last Expiration Date, Dealer and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to adjust its hedge position with respect to the Transaction; (B) Dealer and its affiliates also may be active in the market for Shares other than in connection with hedging activities in relation to the Transaction; (C) Dealer shall make its own determination as to whether, when or in what manner any hedging or market activities in securities of Issuer shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Settlement Prices; and (D) any market activities of Dealer and its affiliates with respect to Shares may affect the market price and volatility of Shares, as well as the Settlement Prices, each in a manner that may be adverse to Company.

(v) *Early Unwind*. (A) In the event Company fails to deliver to Dealer opinions of counsel as required pursuant to Section 9(a), or (B) to the extent the transactions contemplated in the Exchange Agreements are not consummated for any reason, in each case by 5:00 p.m. (New York City time) on the third Business Day immediately following the Premium Payment Date, or such later date as agreed upon by the parties (the Premium Payment Date or such later date, the "**Early Unwind Date**"), the Transaction, or, in the case of clause (B) above, a corresponding portion of the Transaction, shall automatically terminate (the "**Early Unwind**") on the Early Unwind Date and (i) the Transaction, or portion thereof in the case of clause (B) above, and all of the respective rights and obligations of Dealer and Company under the Transaction, or portion thereof, shall be cancelled and terminated, and Company shall pay to Dealer an amount in cash equal to the aggregate amount of commercially reasonable costs and expenses relating to the unwinding of Dealer's commercially reasonable hedging activities in respect of the Transaction, or portion thereof, so terminated (including commercially reasonable market losses incurred in reselling any Shares purchased by Dealer or its affiliates in connection with such commercially reasonable hedging activities, unless Company agrees to purchase any such Shares at the cost at which Dealer purchased such Shares) or, at the election of Company, deliver to Dealer Shares with a value equal to such amount, as determined by the Calculation Agent, in which event the parties shall enter into customary and commercially reasonable documentation relating to the registered or exempt resale of such Shares (provided that the aggregate amount of Shares deliverable pursuant to this Section 9(v) shall not exceed [•][8]), and (ii) each party shall be released and discharged by the other party from and agrees not to make any claim against the other party with respect to any obligations or liabilities of the other party arising out of and to be performed in connection with the Transaction, or portion thereof, so terminated either prior to or after the Early Unwind Date. Each of Dealer and Company represents and acknowledges to the other that upon an Early Unwind, all obligations with respect to the Transaction, or portion thereof, so terminated shall be deemed fully and finally discharged. For the avoidance of doubt, it is intended that payments pursuant to this Section 9(v) shall be made solely in respect of the terminated portion of the Transaction.

[8] To be equal to the Number of Shares.

(w) *Payment by Dealer*. In the event that, following payment of the Premium, (i) an Early Termination Date occurs or is designated with respect to the Transaction as a result of a Termination Event or an Event of Default (other than an Event of Default arising under Section 5(a)(ii) or 5(a)(iv) of the Agreement) and, as a result, Dealer owes to Company an amount calculated under Section 6(e) of the Agreement, or (ii) Dealer owes to Company, pursuant to Section 12.7 or Section 12.9 of the Equity Definitions, an amount calculated under Section 12.8 of the Equity Definitions, such amount shall be deemed to be zero.

(x) *Delivery or Receipt of Cash*. For the avoidance of doubt, other than receipt of the Premium by Company, nothing in this Confirmation shall be interpreted as requiring Company to cash settle the Transaction, except in circumstances where cash settlement is within Company's control (including, without limitation, where Company elects to deliver or receive cash, or where Company has made Private Placement Settlement unavailable due to the occurrence of events within its control) or in those circumstances in which holders of Shares would also receive cash.

(y) *Listing of Warrant Shares*. Company shall have submitted an application for the listing of the Warrant Shares on the Exchange, and such application and listing shall have been approved by the Exchange, subject only to official notice of issuance, in each case, on or prior to the Premium Payment Date. Company agrees and acknowledges that such submission and approval shall be a condition precedent for the purpose of Section 2(a)(iii) of the Agreement with respect to each obligation of Dealer under Section 2(a)(i) of the Agreement.

(z) *10b5-1 Plan*. Dealer and Company each acknowledges that it is the intent of the parties that the Transaction entered into under this Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 under the Exchange Act ("**Rule 10b5-1**") and the Transaction entered into under this Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c). During the Initial Calculation Period, Company will not seek to control or influence Dealer's or the Designated Dealer's decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) in connection with the Transaction entered into under this Confirmation.

(aa) [*Tax Matters*.

(i) *Payee Representations*:

For the purpose of Section 3(f) of this Agreement, Company makes the following representation to Dealer:

Company is a corporation for U.S. tax purposes and a U.S. person (as that term is defined in Section 7701(a)(30) of the Internal Revenue Code of 1986, as amended (the "**Code**")).

For the purpose of Section 3(f) of this Agreement, Dealer makes the following representation to Company:

[It is a national banking association organized and existing under the laws of the United States of America, and its federal taxpayer identification number is [_____].]/ [It is a "U.S. person" (as that term is used in Section 1.1441-4(a)(3)(ii) of the United States Treasury Regulations) for U.S. federal income tax purposes and each payment received or to be received by it in connection with the Agreement is effectively connected with its conduct of a trade or business within the United States.][9]

[9] Insert as applicable.

(ii) *Tax Documentation*. Company shall provide to Dealer a valid United States Internal Revenue Service Form W-9 (or successor thereto) and Dealer shall provide to Company, as applicable, a valid United States Internal Revenue Service Form W-9 (or successor thereto) or W-8ECI (or successor thereto), (i) on or before the date of execution of this confirmation and (ii) promptly upon learning that any such tax form previously provided by it has become obsolete or incorrect. Additionally, each party shall, promptly upon request by the other party, provide such other tax forms and documents reasonably requested by the other party.

(iii) *Withholding Tax imposed on payments to non-US counterparties under the United States Foreign Account Tax Compliance Act*. "Indemnifiable Tax", as defined in Section 14 of the Agreement, shall not include any U.S. federal withholding tax imposed or collected pursuant to Sections 1471 through 1474 of 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**"). 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 Agreement.

(iv) *HIRE Act*. "Indemnifiable Tax", as defined in Section 14 of the Agreement, shall not include any tax imposed on payments treated as dividends from sources within the United States under Section 871(m) of the Code or any regulations issued thereunder (an "**871(m) Withholding Tax**"). For the avoidance of doubt, an 871(m) 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 Agreement.][10]

(bb) *Governing Law*. **THE AGREEMENT, THIS CONFIRMATION AND ALL MATTERS ARISING IN CONNECTION WITH THE AGREEMENT AND THIS CONFIRMATION SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REFERENCE TO ITS CHOICE OF LAW DOCTRINE, OTHER THAN TITLE 14 OF THE NEW YORK GENERAL OBLIGATIONS LAW).**

(cc) *Amendment*. This Confirmation and the Agreement may not be modified, amended or supplemented, except in a written instrument signed by Company and Dealer.

(dd) *Counterparts*. This Confirmation may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[10] Subject to continuing DPW tax review.

Company hereby agrees (a) to check this Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Dealer) correctly sets forth the terms of the agreement between Dealer and Company with respect to the Transaction, by manually signing this Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Dealer.

Very truly yours,

[_____]

By: _____
Authorized Signatory
Name:

Accepted and confirmed
as of the Trade Date

Ionis Pharmaceuticals, Inc.

By: _____
Authorized Signatory
Name:

Annex A

The Expiration Dates and the Daily Number of Warrants for each Expiration Date are set forth below.

Expiration Date	Daily Number of Warrants
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
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[______]	[______]
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[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]

Schedule I

PRICING ADJUSTMENT SCHEDULE

The Premium will be adjusted by the Calculation Agent pursuant to the table below based on the Hedging Price:

Hedging Price	Premium Adjustment Amount
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
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[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]
[______]	[______]

Schedule II

[FORM OF HEDGING NOTICE]

[_____], 2019

To: Ionis Pharmaceuticals, Inc.
3855 Gazelle Court
Carlsbad, CA 92010

From: [_____]

Subject: Hedging Notice

Reference is made to the letter agreement, dated as of [_____], 2019 (the "**Confirmation**"), confirming the terms and conditions of that certain Warrant Transaction (the "**Transaction**") entered into between [_____] ("**Dealer**") and Ionis Pharmaceuticals, Inc. ("**Company**"). Pursuant to the provisions set forth opposite "Hedging Notice" in Section 2 of the Confirmation, Dealer hereby notifies Company of the following terms of the Transaction:

Hedging Price: $[____]

Premium Adjustment Amount: $[____]

Final Premium (after giving effect to the Premium Adjustment Amount): $[____]

Very truly yours,

[_____]

By: _____
Authorized Signatory
Name: