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*insert full name
of company

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

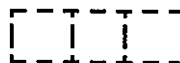
Pursuant to section 395 of the Companies Act 1985



To the Registrar of Companies

For official use

Company number



02418504

Name of company

* PAINEWEBBER INTERNATIONAL (U.K.) LTD (the "Pledgor")

Date of creation of the charge

14th July, 1998

Description of the instrument (if any) creating or evidencing the charge (note 2)

ISDA Credit Support Annex (the "Annex") between the Pledgor and Bankers Trust Company (the "Secured Party") relating to the ISDA Master Agreement between them dated as of 15th December, 1997 (as amended and supplemented from time to time) (the "Agreement").

Amount secured by the mortgage or charge

All present and future obligations of the Pledgor under the Agreement (the "Obligations").

Names and addresses of the mortgagees or persons entitled to the charge

Bankers Trust Company
1 Appold Street
Broadgate
London EC2A 2HE

Presentor's name address and
reference (if any):

Allen & Overy
One New Change
London
EC4M 9QQ

DMB/JJB/ICM2:368866

Time critical reference

For official use
Mortgage Section

Post room



Short particulars of all the property mortgaged or charged

1. Pursuant to the Annex, the Pledgor pledges to the Secured Party, as security for its Obligations, and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party under the Annex. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

See Continuation Sheet No.1

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Particulars as to commission allowance or discount (note 3)

Signed

Allen & Overy

Date

28th July, 1998

On behalf of ~~company~~ [mortgagee/chargee] †

† delete as
appropriate

NOTES

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his:
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

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Particulars of a mortgage or charge (continued)

Continuation sheet No 1
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

02418504

Name of Company

PAINEWEBBER INTERNATIONAL (U.K.) LTD (the "Pledgor")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

In this Companies Form 395:

"Cash" means the lawful currency of the United States of America;

"Custodian" has the meaning specified in Paragraphs 6(b)(i) and 13 of the Annex;

"Distributions" means, with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c) of the Annex. Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified in the Annex;

"Eligible Collateral" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13 of the Annex;

"Interest Amount" means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

- (x) the amount of that Cash on that day; multiplied by
- (y) the Interest Rate in effect for that day; divided by
- (z) 360;

"Interest Period" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred;

"Interest Rate" means USD-Federal Funds-H.15;

"Local Business Day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign exchange deposits) in New York and London;

"Posted Collateral" means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under the Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) of the Annex or released by the Secured Party under Paragraph 8 of the Annex. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) of the Annex will constitute Posted Collateral in the form of Cash; and

See Continuation Sheet No.2

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Particulars of a mortgage or charge (continued)

Continuation sheet No 2
to Form No 395 and 410 (Scot)

CHA 116

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Company Number

02418504

Name of Company

PAINEWEBBER INTERNATIONAL (U.K.) LTD (the "Pledgor")

Limited*

* delete if
inappropriate

Description of the instrument creating or evidencing the mortgage or charge (continued) (note 2)

"Transfer" means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

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(i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient; and

(iii) in the case of securities that can be paid or delivered by book-entry, the giving of written instructions to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient.

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CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 02418504

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT AN ISDA CREDIT SUPPORT ANNEX (AS DEFINED) DATED THE 14th JULY 1998 AND CREATED BY PAINWEBBER INTERNATIONAL (U.K.) LTD. FOR SECURING ALL PRESENT AND FUTURE OBLIGATIONS OF THE PLEDGOR UNDER THE AGREEMENT WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 29th JULY 1998.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 31st JULY 1998.

M. Ikram Dar
M. IKRAM DAR.

for the Registrar of Companies



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