

M

COMPANIES FORM No. 395

Particulars of a mortgage or charge

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

CHA 116

Please complete
legibly, preferably
in black type, or
bold block lettering

* insert full name
of company

To the Registrar of Companies

For official use

Company number

28111

00451593

Name of company

*Telegraph Group Limited (the "Depositor")

Date of creation of the charge

7 August 1996

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

A Deed of Charge and Memorandum of Deposit (the "Subsidiary Charge") dated 7 August 1996 and made between The Toronto-Dominion Bank (the "Administrative Agent"), the Depositor, Creditscheme Limited and Deedtask Limited.

Amount secured by the mortgage or charge

All obligations (monetary or otherwise) of the Depositor, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, existing at any time on or after 7 August 1996, or due or to become due, which arise out of or in connection with the Subsidiary Guaranty, the Subsidiary Charge, any other Loan Document or any other document or instrument executed in connection therewith (including any Hedging Agreement entered into with any Person who at the time such Hedging Agreement is entered into is a Lender or an affiliate thereof) hereinafter the "Liabilities".

(See Schedule of Definitions)

69

£ 100 million for Creditscheme Limited to

Text

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

The Toronto-Dominion Bank
Triton Court
14/18 Finsbury Square, London, EC2 1DB

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

Clifford Chance
200 Aldersgate Street
London EC1A 4JJ

GKTH07\$6.33

For official use
Mortgage Section

Post room



Time critical reference

1. Security for Indebtedness

In Section 2 of the Subsidiary Charge, the Depositor by way of continuing security for the payment and satisfaction when due of the Liabilities charges by way of first fixed equitable charge and assigns by way of security to the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, all of its right, title and interest in and to the following:

(A) All of the shares described in Schedule I to the Subsidiary Charge listed under the Depositor's name as follows:

ISSUER	CERTIFICATE NUMBERS	NUMBER AND CLASS OF SHARES
Creditscheme Limited	4	67,500,002 Ordinary Shares
Deedtask Limited	6	112,351,467 Ordinary Shares
The Spectator (1828) Limited	96/7	1,403,968 Ordinary Shares
The Daily Telegraph Business Network Limited	3	100 Ordinary Shares
Telegraph Publishing Limited	3	2 Ordinary Shares
Business News Deliveries Limited	5	2 Ordinary Shares
Telegraph Australian Holdings Limited	7	3 Ordinary Shares
DT Developments Limited	7	2 Ordinary Shares

(See Continuation Sheet 1, page 4)

Particulars as to commission allowance or discount (note 3)

None

Signed

Clifford Chance

Date

27. 8. 96

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

† delete as appropriate

NOTES

- 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.
- A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 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;
 - subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - 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.
- If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.

Please do not write in this margin

Please complete legibly, preferably in black type, or bold block lettering

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

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

CHA 116

Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

00451593

Name of Company

Telegraph Group Limited (the "Depositor")

~~Limited~~*

* delete if
inappropriate

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

Please do not
write in this
binding margin

Please complete
legibly, preferably
in black type, or
bold block lettering

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
legibly, preferably
in black type, or
bold block lettering

Equalmission Limited	3	2 Ordinary Shares
The Evening Post Limited	7	2 Ordinary Shares
The Morning Post Limited	9	2 Ordinary Shares
Slobodon Limited	N/A	55,201 Ordinary Shares
The Sunday Telegraph Limited	N/A	1000 Ordinary Shares
Telegraph Books Limited	3	2 Ordinary Shares
Telegraph Trustees Limited	5	2 Ordinary Shares
Yellov Limited	21	1050 Ordinary Shares
Young Telegraph Limited	7	2 Ordinary Shares

Please complete
legibly, preferably
in black type, or
bold block lettering

, all of the certificates and/or instruments representing such shares and all cash, securities, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all such shares;

(B) All other property delivered to the Administrative Agent at any time after 7 August 1996 in substitution for or in addition to any of the property described in (A) above, all certificates and instruments representing or evidencing such property, and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(C) All promissory notes, instruments and chattel paper, if any, described in Schedule II to the Subsidiary Charge listed under the Depositor's name, (none applicable), all and any notes, instruments and chattel paper of any Subsidiary of the Depositor at any time and from time to time acquired by the Depositor, all substitutes therefor or additions thereto, and any interest, products, proceeds or other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the same; and

(D) All products and proceeds of all of the property described in (A), (B) and (C) above.

All of the above are collectively called the "Securities".

2. Continuing Security

The security created pursuant to Section 2 of the Subsidiary Charge is to be a continuing security, notwithstanding any intermediate payment or settlement of accounts or any other matter whatsoever, for the payment and satisfaction of the Liabilities, as and when the same shall fall due, and is to be in addition to, and without prejudice to, any other security which the Administrative Agent or the Lenders may at 7 August 1996 or any time thereafter hold in respect of the Liabilities. The Administrative Agent may at any time and without reference to the Depositor give up, release, deal with, vary, exchange or abstain from perfecting or enforcing any other such security at any time and discharge any party to any other such security, and realise the same, without in any way affecting or prejudicing the security evidenced by the Subsidiary Charge.

3. Warranties; Further Assurances

In Section 5 of the Subsidiary Charge, the Depositor warrants to the Administrative Agent and each Lender that:

(a) it charges and assigns the Securities with full title guarantee (and that any future delivery, charge and assignment or transfer thereof will also be with full title guarantee) and further that, in each case, the Securities are free and clear of all liens, security interests and encumbrances of every description whatsoever other than the security interest created under the Subsidiary Charge;

(b) assuming continuous possession of the Securities by the Administrative Agent, the Subsidiary Charge and the actions contemplated by the Subsidiary Charge are effective to create a valid first fixed equitable charge and, as the case may be, assignment by way of security in, to or over the Securities in favour of the Administrative Agent for the benefit of the Lenders;

(See Continuation Sheet 2, page 4)

**Particulars of a mortgage or charge
(continued)**

- Please do not
- write in this
- binding margin

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

CHA 116

Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

00451593

Name of Company

Telegraph Group Limited (the "Depositor")

~~Limited~~

* delete if
inappropriate

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

**Please complete
legibly, preferably
in black type, or
bold block lettering**

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
legibly, preferably
in black type, or
bold block lettering

(c) all shares referred to in Schedule I of the Subsidiary Charge listed under the name of the Depositor are duly authorised, validly issued, fully paid and non-assessable and registered in the name of the Depositor;

(d) as to the Issuer the Securities represent on 7 August 1996 not less than the applicable percent (as shown against its name in Schedule I of the Subsidiary Charge) of the total shares issued and outstanding of the applicable Issuer; and

(e) the information contained in Schedule I and, if any, Schedule II of the Subsidiary Charge with regard to the Depositor is true and accurate in all respects.

So long as any of the Liabilities are outstanding (even if the Letters of Credit have been cash collateralised) or any commitment exists on the part of the Administrative Agent or any Lender with respect to the creation of any Liabilities, the Depositor

(i) will not (except as otherwise permitted pursuant to the Credit Agreement), without the express prior written consent of the Administrative Agent, (x) sell, assign, exchange, charge or otherwise transfer, encumber, or grant any option, warrant or other right to purchase the Securities or (y) otherwise diminish or impair any of its rights in, to or under any of the Securities;

(ii) will execute such documents and make such endorsements (and will pay the costs of filing and recording or re-filing and re-recording the same in all public offices reasonably deemed necessary or appropriate by the Administrative Agent) and will do such other acts and things, all as the Administrative Agent may from time to time reasonably request, to establish and maintain a valid, perfected security interest in the Securities (free of all other liens, claims and rights of third parties whatsoever) to secure the performance and payment of the Liabilities; and

(iii) will furnish the Administrative Agent or any Lender with such information concerning the Securities as the Administrative Agent or such Lender may from time to time reasonably request, and will permit the Administrative Agent or any Lender or any designee of the Administrative Agent or any Lender, from time to time at reasonable times and on reasonable notice, to inspect, audit and make copies of and extracts from all records and all other papers in the possession of the Depositor which pertain to the Securities as set forth in Section 10.2 of the Credit Agreement, which will, upon request of the Administrative Agent at any time when a Default has occurred and is continuing, deliver to the Administrative Agent all of such records and papers.

Schedule of Definitions

In this Form 395:

"Affiliate" means, with respect to any specified Person, (a) any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person or (b) any other Person that owns, directly or indirectly, 10% or more of such Person's equity ownership or Voting Stock or with respect to any natural Person, any Person having a relationship with such Person by blood, marriage or adoption not more remote than first cousin. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Capital Stock" of any Person means any and all shares, interests, participation or other equivalents (however designated) of such Person's capital stock.

"Collateral Document" means each Pledge Agreement and each Subsidiary Note;

"Company Pledge Agreement" means a pledge agreement dated 7 August 1996 issued by the Company and TelHoldco Inc. as amended, supplemented, or otherwise modified from time to time.

(See Continuation Sheet 3, page 4)

**Particulars of a mortgage or charge
(continued)**

Please do not
write in this
binding margin

Continuation sheet No 3
to Form No 395 and 410 (Scot)

CHA 116

Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

00451593

Name of Company

Telegraph Group Limited (the "Depositor")

limited

* delete if
inappropriate

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

Please do not
write in this
binding margin

Please complete
legibly, preferably
in black type, or
bold block lettering

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
legibly, preferably
in black type, or
bold block lettering

"Credit Agreement" means the agreement dated as of 30 May, 1996, between the Company, the Lenders and The Toronto-Dominion Bank (as amended by a first amendment agreement dated as of 6 August 1996) whereby the Lenders have agreed to make a £250,000,000 revolving facility available to the Company.

"Default" means the occurrence of any Event of Default.

"DTH Pledge Agreement" means a pledge agreement dated 30 May 1996 executed by DT Holdings Limited as amended, supplemented or otherwise modified from time to time.

"Dutch Pledge Agreement" means each of (a) a pledge agreement dated 7 August 1996 executed by Telegraph Australian Holdings Limited and (b) a pledge agreement dated 7 August executed by Deedtask Holding B.V., and (c) a pledge agreement dated 7 August executed by the Depositor, each substantially in the form of Exhibit E-5 of the Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Dutch Subsidiary Guaranties" means each of the Guaranties dated 7 August 1996 executed by Deedtask Holding B.V. and Daily Telegraph Holdings B.V.

"Event of Default" means any of the events described in Section 12.1 of the Credit Agreement.

"Fairfax Pledge Agreement" means the pledge agreement dated 7 August 1996 executed by Daily Telegraph Holdings B.V. and Telegraph Australian Holdings Limited as amended, supplemented or otherwise modified from time to time.

"FDTH Loan Notes" has the meaning ascribed thereto in the Scheme Documents.

"Guaranties" means the Hollinger International Guaranty, the Subsidiary Guaranty, the Dutch Subsidiary Guaranties and any guaranty executed by the Company in connection with the Telegraph Assumption as described in Section 14.18 of the Credit Agreement.

"Hedging Agreement" means any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designed to protect a Person against fluctuations in interest rates, currency, exchange rates or commodity prices.

"Hollinger International" means Hollinger International Inc., a Delaware corporation.

"Hollinger International Guaranty" means a guaranty executed by Hollinger International and TelHoldco Inc. as amended, supplemented or otherwise modified from time to time.

"HTH Pledge Agreement" means a pledge agreement dated 7 August 1996 executed by Deedtask Limited as amended, supplemented or otherwise modified from time to time.

"Issuer" means the issuer of any of the shares or other securities representing all or any of the Securities.

"Issuing Bank" means The Toronto-Dominion Bank in its capacity as issuer of Letters of Credit.

"Lenders" shall have the meaning ascribed thereto in the Credit Agreement.

"Letter of Credit" means either (a) a standby letter of credit or (b) guaranty, in each case issued to guarantee the FDTH Loan Notes having terms and provisions which are permitted by the Credit Agreement and which otherwise are reasonably satisfactory to the Issuing Bank.

"Letter of Credit Application" means a letter of credit application in the form then used by the Issuing Bank for standby letters of credit or guaranties, as the case may be (with appropriate adjustments to indicate that any letter of credit or guarantee issued thereunder is to be issued pursuant to, and subject to the terms and conditions of, the Credit Agreement).

"Loans" means the loans made available to the Company on a revolving basis in accordance with the provisions of Section 2.1 of the Credit Agreement.

(See Continuation Sheet 4, page 4)

Please complete
legibly, preferably
in black type, or
bold block lettering

**Particulars of a mortgage or charge
(continued)**

4

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

CHA 116

Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

00451593

Name of Company

Telegraph Group Limited (the "Depositor")

limited

* delete if
inappropriate

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

Please do not
write in this
binding margin

Please complete
legibly, preferably
in black type, or
bold block lettering

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
legibly, preferably
in black type, or
bold block lettering

"Loan Documents" means the Credit Agreement, the Notes, the Guaranties, the Letter of Credit Applications, the Collateral Documents and the Publishing Letter Agreement.

"Notes" means the promissory notes evidencing the Loans of each Lender in accordance with the provisions of Section 3.1 of the Credit Agreement.

"Optionholders" has the meaning set out in the Scheme Circular.

"Options Proposal" has the meaning set out in the Scheme Circular.

"Person" means any natural person, corporation, partnership, limited liability company, trust association, governmental authority or unit, or any other entity, whether acting in an individual, fiduciary or other capacity.

"Pledge Agreements" means the Company Pledge Agreement, the Fairfax Pledge Agreement, the HTH Pledge Agreement, the DTH Pledge Agreement, the Dutch Pledge Agreement, the Southam Pledge Agreement and the Subsidiary Charge.

"Publishing" means Hollinger International Publishing Inc., a Delaware Corporation and Wholly-Owned Subsidiary of Hollinger International.

"Publishing Credit Agreement" means the Amended and Restated Credit Agreement dated as of 30 May, 1996 as further amended as of 6 August 1996 among Publishing, certain financial institutions and Toronto Dominion (Texas), Inc. as administrative agent and issuing bank providing for a secured revolving facility in the maximum principal amount of U.S.\$150,000,000, as amended, modified or supplemented from time to time.

"Publishing Letter Agreement" means a letter agreement substantially in the form of Exhibit D of the Credit Agreement issued by Publishing as amended, supplemented or otherwise modified from time to time.

"Scheme" means the acquisition by the Company of the publicly held shares in the Depositor not owned by the Company or any of its Affiliates to be effected by way of a "Scheme of Arrangement" under Section 425 of The Companies Act 1985.

"Scheme Circular" means the documents despatched inter alia to the Depositor's shareholders describing the Scheme and including the explanatory statement required by Section 426 of the Companies Act 1985.

"Scheme Documents" means the Scheme Circular and the documents to be despatched to the Optionholders in connection with the Options Proposal.

"Southam Pledge Agreement" means the pledge agreement date 7 August 1996 executed by the Company and Deedtask Limited, as amended, supplemented or otherwise modified from time to time.

"Subsidiary" means, with respect to any Person, a corporation of which such Person and/or its other Subsidiary own, directly or indirectly, such number of outstanding shares as have more than 50% of the ordinary voting power for the election of directors or their equivalents. Unless the context otherwise requires, each reference to Subsidiaries in the Credit Agreement shall be a reference to Subsidiaries of the Company provided that none of West Ferry Printers Limited, Trafford Part Printers Limited, Telegraph Connections Limited, the Newspaper Licensing Agency Limited, Brand Movers Limited, Lamponions Limited and Telegraph Events Limited and its Subsidiaries shall be deemed a Subsidiary of the Company for the purposes of the Credit Agreement.

(See Continuation Sheet 5, page 4)

Please complete
legibly, preferably
in black type, or
bold block lettering

Please do not
write in this
binding margin

Particulars of a mortgage or charge (continued)

Continuation sheet No 5
to Form No 395 and 410 (Scot)

CHA 116

Please complete
legibly, preferably
in black type, or
bold block lettering

Company Number

00451593

Name of Company

Telegraph Group Limited (the "Depositor")

Limited

* delete if
inappropriate

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

Please do not
write in this
binding margin

Please complete
legibly, preferably
in black type, or
bold block lettering

Please do not
write in this
binding margin

Names, addresses and descriptions of the mortgagees or persons entitled to the charge (continued)

Please complete
legibly, preferably
in black type, or
bold block lettering

"**Subsidiary Guaranty**" means a guaranty substantially in the form of Exhibit C-2 of the Credit Agreement dated 7 August 1996 issued by the Depositor, Creditscheme Limited and Deedtask Limited and Telegraph Australian Holdings Limited, as amended, supplemented or otherwise modified from time to time.

"**Subsidiary Notes**" means, collectively, any promissory note issued, now or in the future, by any Subsidiary of the Company in favour of the Company or another Subsidiary, as the case may be, each substantially in form and substance satisfactory to the Administrative Agent.

"**Telegraph Ordinary Shares**" means ordinary shares and options to acquire shares of the Depositor.

"**Voting Stock**" means stock of the class or classes pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of a corporation (irrespective of whether or not at the time stock of any other class or classes shall have or might have voting power by reason of the happening of any contingency).

"**Wholly-Owned Subsidiary**" means a Subsidiary of which the Company and/or another of its Wholly-Owned Subsidiaries own directly or indirectly, all of the outstanding shares of Capital Stock (other than directors' qualifying shares).

Please complete
legibly, preferably
in black type, or
bold block lettering

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 00451593

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEED OF CHARGE AND MEMORANDUM OF DEPOSIT DATED THE 7th AUGUST 1996 AND CREATED BY TELEGRAPH GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY AND/OR DEEDTASK LIMITED AND/OR CREDITScheme LIMITED TO THE TORONTO-DOMINION BANK IN CONNECTION WITH THE SUBSIDIARY GUARANTY, THE SUBSIDIARY CHARGE, ANY OTHER LOAN DOCUMENT OR ANY OTHER DOCUMENT OR INSTRUMENT EXECUTED IN CONNECTION THEREWITH (INCLUDING ANY HEDGING AGREEMENT ENTERED INTO WITH ANY PERSON WHO AT THE TIME SUCH HEDGING AGREEMENT IS ENTERED INTO IS A LENDER OR AN AFFILIATE THEREOF) WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 27th AUGUST 1996.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 29th AUGUST 1996.

A handwritten signature in cursive script, reading "R. N. Owens".

RICHARD NEIL OWENS

for the Registrar of Companies



C O M P A N I E S H O U S E

HC026B

2C
HM
29/8