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Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

155(6)b

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* TELEGRAPH GROUP LIMITED (THE "COMPANY")

1/We, L M Sanderson of 1 Canada Square, Canary Wharf, London E14 5DT

(the sole director) ~~all the directors~~¹ of the above company (hereinafter called 'this company') do solemnly and sincerely declare that:

The business of this company is:

(b) that of a person authorised under section 9 or 44 of the Insurance Companies Act 1982 to carry on insurance business in the United Kingdom

(c) something other than the above\$

This company is ~~the~~ [a] holding company of* DEEDTASK LIMITED (REG. NO. 2664831)
REG. OFFICE AT 1 CANADA SQUARE, CANARY WHARF, LONDON which is
proposing to give financial assistance in connection with the acquisition of shares
in [this company] [_____]

the holding company of this company.]†

A05 *A0HMDUQA* 575
COMPANIES HOUSE 10/04/97

The assistance is for the purpose of ~~that acquisition~~ [reducing or discharging a liability incurred for the purpose of that acquisition].† (note 1)

Please do not write in this margin

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

The number and class of the shares acquired or to be acquired is: 1,654,375 "A" ORDINARY SHARES AND 49,049,284 "B" ORDINARY SHARES IN THE COMPANY

The assistance is to be given to: (note 2) FIRST DT HOLDINGS LIMITED (REG. NO. 2629934) WHOSE REG. OFFICE IS AT COTTONS CENTRE, COTTONS LANE, LONDON SE1 2QL ("FDTH")

The assistance will take the form of:

SEE ATTACHED SCHEDULE

The person who [has acquired] ~~[will acquire]~~† the shares is: FDTH

† delete as appropriate

The principal terms on which the assistance will be given are:

SEE ATTACHED SCHEDULE

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced by giving it is NIL

The amount of cash to be transferred to the person assisted is £ NIL

The value of any asset to be transferred to the person assisted is £ NIL

Please do not
write in this
margin

The date on which the assistance is to be given is ON OR ABOUT 7 APRIL 19 97

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

~~/~~We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts. (note 3)

(a) ~~/~~We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]* (note 3)

* delete either (a) or
(b) as appropriate

(b) ~~[It is intended to commence the winding-up of this company within 12 months of that date and we have formed the opinion that this company will be able to pay its debts in full within 12 months of the commencement of the winding-up.]~~* (note 3)

And ~~/~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835.

Declared at LONDON ENGLAND

Declarants to sign below

the _____ day of APRIL

one thousand nine hundred and NINETY SEVEN

before me Brennany Burrows

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths.

NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985.
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given; if a recipient is a company the registered office address should be shown.
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985.
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form.
- 5 The address for companies registered in England and Wales or Wales is:-

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF4 3UZ

or, for companies registered in Scotland:-

The Registrar of Companies
Companies House
37 Castle Terrace
Edinburgh
EH1 2EB

DEEDTASK LIMITED

FORM 155(6)(b)

- (a) Deedtask Limited ("**Deedtask**") guaranteeing the full and prompt payment of all the obligations of Hollinger Canadian Publishing Holdings Inc. ("**HCPH**"), any wholly-owned subsidiary of HCPH that is acceptable to Toronto-Dominion (Texas) Inc. and executes the Assumption Agreement as defined in the Credit Agreement (the "**Acquisition Borrower**") and Telegraph Group Limited ("**TGL**") pursuant to the Amended and Restated Credit Agreement dated as of 7 April 1997 among, inter alia, Hollinger International Publishing Inc. ("**Publishing**"), HCPH, TGL, the Acquisition Borrower, the Lenders (as defined therein) and Toronto Dominion (Texas) Inc. as administrative agent (the "**Administrative Agent**") (the "**Credit Agreement**") in the terms of the UK Subsidiary Guaranty dated as of 7 April 1997 among, inter alia, First DT Holdings Limited ("**FDTH**"), DT Holdings Limited ("**DTH**"), Deedtask, Creditscheme Limited ("**Creditscheme**") and Telegraph Australian Holdings Limited ("**TAHL**") (the "**UK Subsidiary Guaranty**").
- (b) Deedtask pledging to the Administrative Agent for the benefit of the Lenders all of its right, title and interest in certain securities held by Deedtask (including certain shareholdings held by Deedtask and inter-company loan notes outstanding to its benefit) for the purpose of securing the obligations of Deedtask under the UK Subsidiary Guaranty in the terms of the UK Subsidiary Pledge Agreement dated as of 7 April 1997 among, inter alia, Deedtask, TGL, Creditscheme and TAHL (the "**UK Subsidiary Pledge Agreement**");
- (c) Deedtask granting security by way of fixed and floating charge over all its present and future material assets (other than real property), in each case whenever acquired and wherever located, for the obligations of Deedtask pursuant to the UK Subsidiary Guaranty in the terms of the UK Security Agreement dated as of 7 April 1997 among, inter alia, Deedtask, TGL, Creditscheme and TAHL (the "**UK Security Agreement**"); and
- (d) Deedtask agreeing to the subordination of its right to payment under a promissory note to be issued by TGL to Deedtask on or before 7 April 1997 in the principal amount of £1,695,546 in the terms of the Subordination Agreement dated as of 7 April 1997 among, inter alia, FDTH, DTH, Publishing, TGL, Deedtask, TAHL and the Administrative Agent (the "**Subordination Agreement**").



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The Directors
Telegraph Group Limited
1 Canada Square
Canary Wharf
LONDON
E14 5DT

Our ref jdh/644/155

3 April 1997

Dear Sirs

Auditors' report to the directors of Telegraph Group Limited (the Company) pursuant to Section 156(4) of the Companies Act 1985

We have examined the attached statutory declaration of the directors dated 3 April 1997 in connection with the proposal that the Company's subsidiary, Deedtask Limited should give financial assistance for the purchase of the Company's ordinary shares. We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration.

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in Section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances.

Yours faithfully

KPMG Audit Plc
Registered auditors