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COMPANIES FORM No. 395

Royal bank
of Canada
£10
000094

395

Please do not
write in
this margin

Pursuant to section 395 of the Companies Act 1985

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

To the Registrar of Companies
(Address overleaf - Note 5)

For official use

Company number

①

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304 9897

Name of company -

* insert full name
of Company

* TELEGRAPH AUSTRALIAN HOLDINGS LIMITED

Date of creation of the charge

30 April 1999

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

Please see Rider 1

Amount secured by the mortgage or charge

Please see Rider 2

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

TORONTO DOMINION (TEXAS) INC	
909 FANNIN, SUITE 1700, HOUSTON, TEXAS 770100	
	Postcode

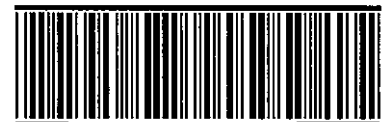
Presenter's name address and
reference (if any) :

STIKEMAN ELLIOTT
REGIS HOUSE
45 KING WILLIAM ST
LONDON
EC4R 9AN

Time critical reference

For official Use
Mortgage Section

non part Sig
only Reg on
1st date



PMO *PEGML00Q* 2208
COMPANIES HOUSE 18/05/99

COMPANIES HOUSE 24/05/99
COMPANIES HOUSE 18/05/99

Short particulars of all the property mortgaged or charged

Please do not
write in
this margin

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

Please see Rider 3

Particulars as to commission allowance or discount (note 3)

NIL

Signed Stahene trust

Date 18 May 1999

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.
- 5 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF4 3UZ

Rider 1

Description of the Instrument creating the Charge

Second Amended and Restated Security Agreement (the "Company Security Agreement") dated as of April 30, 1999 between Hollinger International Publishing Inc. (the "Company"), Toronto Dominion (Texas), Inc. (the "Administrative Agent"), Telegraph Australian Holdings Limited (the "Debtor") and the Subsidiaries of the Company listed on the signatory pages of the Company Security Agreement and such other persons or entities which from time to time become parties to the Company Security Agreement as Debtors (collectively, the "Debtors").

Rider 2

Amount Secured

All obligations (monetary or otherwise) of the Debtor under or in connection with the Amended and Restated Credit Agreement, the US Subsidiary Guaranty, Letters of Credit or Letter of Credit Applications, Drafts, Acceptances, any other Loan Document or any other document or instrument (including any Hedging Agreement (as defined in the Amended and Restated Credit Agreement) entered into with any Person who at the time such Hedging Agreement is entered into is a Lender or an affiliate thereof) executed in connection therewith, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, existing on or after 30 April 1999, or due to become due including, without limitation, any post petition interest accruing during any bankruptcy reorganisation of any Debtor or other similar proceeding (the "Liabilities").

Please see Schedule of Definitions

Rider 3

Description of the Property Charged

1 Charge

In section 2 of the Company Security Agreement, the Debtor, as security for the payment of all Liabilities, assigns and grants to the Administrative Agent for the benefit of the Lenders, a security interest in, the following, whether existing or acquired on or after 30 April 1999:

All of the Debtor's

- (i) Accounts Receivable;
- (ii) Securities (whether constituting Certificated Securities or Uncertificated Securities), Financial Assets, Security Entitlements, Securities Accounts, Commodity Accounts, Commodity Contracts and all other Investment Property together with all right, title, interest,

privilege and preference pertaining or incidental to any of the foregoing;

- (iii) Chattel Paper;
- (iv) Computer Hardware and Software and all rights with respect thereto, including, without limitation, any and all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;
- (v) Contract Rights;
- (vi) Deposit Accounts;
- (vii) Documents;
- (viii) General Intangibles;
- (ix) Goods (including, without limitation, all its Equipment, Fixtures and Inventory), and all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;
- (x) Instruments;
- (xi) Intellectual Property;
- (xii) money (of every jurisdiction whatsoever); and
- (xiii) to the extent not included in the foregoing, all personal property of any kind or description;

together with all books, records, writings, databases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to any of the foregoing, and all proceeds, products, offspring, rents, issues, profits and returns of and from any of the foregoing; provided, however, that to the extent that the provisions of any lease or license of Computer Hardware and Software or Intellectual Property prohibit (which prohibition is enforceable under applicable law) the assignment thereof, and the grant of a security interest therein, the Debtor's rights in such lease or license shall be excluded from the foregoing assignment and grant for so long as such prohibition continues, it being understood that upon request of the Administrative Agent, the Debtor will in good faith use all reasonable efforts to obtain consent for the creation of a security interest in favour of the Administrative Agent in the Debtor's rights under such lease or license.

Each Debtor who executed a Trademark Security Agreement dated February 7, 1996, as amended, modified or supplemented from time to time (each an "Existing
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Trademark Security Agreement”) in connection with the Original Company Security Agreement agrees and acknowledges that such Existing Trademark Security Agreement remains in full force and effect and is ratified and confirmed and from and after 30 April 1999, each reference to the Credit Agreement therein shall be deemed to be a reference to the Amended and Restated Credit Agreement.

3. Warranties

Each Debtor warrants that: (i) no financing statement (other than any which may have been filed on behalf of the Administrative Agent or in connection with security interests or liens expressly permitted by the Amended and Restated Credit Agreement (“Permitted Liens”) covering any of the Collateral is on file in any public office; (ii) the Debtor is and will be the lawful owner of all Collateral, free of all liens and claims whatsoever, other than the security interest created under the Company Security Agreement and Permitted Liens, with full power and authority to execute the Company Security Agreement and perform the Debtor’s obligations thereunder, and to subject the Collateral to the security interest thereunder; (iii) all written information with respect to Collateral and Account Debtors are set forth in any schedule, certificate or other writing at any time heretofore or hereafter furnished by the Debtor to the Administrative Agent or any Lender, and all other written information heretofore or hereafter furnished by the Debtor to the Administrative Agent or any Lender, is and will be true and correct in all material respects as of the date furnished; (iv) the Debtor’s chief executive office and principal place of business are as set forth on Schedule I of the Company Security Agreement; (v) each other location where the Debtor maintains a place of business or where any Collateral is located is set forth on Schedule II of the Company Security Agreement and no Collateral is in the possession of any bailee, warehouseman, agent or processor except as specifically described on Schedule II of the Company Security Agreement; (vii)(a) Schedule III of the Company Security Agreement contains a complete listing of all of the Debtor’s federally and state registered Trademarks, and (b) the Debtor does not own any patents; (viii) the execution and delivery of the Company Security Agreement and the performance by the Debtor of its obligations under the Company Security Agreement are within the Debtor’s corporate powers, have been duly authorised by all necessary corporate action, have received all necessary governmental approval (if any shall be required), and do not and will not contravene or conflict with any provision of law or of the organisational documents of the Debtor or of any agreement, indenture, instrument or other document, or any judgment, order or decree, which is binding upon the Debtor; (ix) the Company Security Agreement is a legal, valid and binding obligation of the Debtor, enforceable in accordance with its terms, except that the enforceability of the Company Security Agreement may be limited by bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganisation, moratorium or other similar laws now or hereafter in effect relating to creditors’ rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law) and creates a valid and, except for Permitted Liens, after all appropriate

financing statements are filed, all appropriate filings are made with the US Patent and Trademark Office, and all appropriate action is taken with respect to the Chattel Paper, the Certified Securities and the Deposit Accounts, first priority security interest in the Collateral and such security interest is entitled to all rights, priorities and benefits afforded by the Uniform Commercial Code; and (x) such Debtor is in compliance with the requirements of all applicable laws (including, without limitation, the provisions of the Fair Labor Standards Act), rules, regulations and orders of every governmental authority, the non-compliance with which would materially adversely affect any material portion of the Collateral of the Debtor.

4. Collections, etc.

Until such time as the Administrative Agent shall notify the Debtor in writing of the revocation of such power and authority which notification shall remain in effect only so long as any Default has occurred and is continuing, the Debtor (a) may, in the ordinary course of its business, at its own expense, sell, release or furnish under contracts of service any of the Inventory normally held by the Debtor for such purpose, and use and consume, in the ordinary course of its business, any raw materials, work in process or materials normally held by the Debtor for such purpose, (b) will, at its own expense, endeavour to collect, as and when due, all amounts due under any of the Non-Tangible Collateral, including the taking of such action with respect to such collection as the Administrative Agent may reasonably request or, in the absence of such request, as the Debtor may deem advisable, and (c) may grant, in the ordinary course of business, to any party obligated on any of the Non-Tangible Collateral, any rebate, refund or allowance to which such party may be lawfully entitled, and may accept, in connection therewith, the return of Goods, the sale or lease of which shall have given rise to such Non-Tangible Collateral. The Administrative Agent, however, may, at any time that a Default exists and continuing, after first notifying the Company of its intention to do so, whether before or after any revocation of such power and authority or the maturity of any of the Liabilities, notify any parties obligated on any of the Non-Tangible Collateral to make payment to the Administrative Agent of any amounts due or to become due thereunder and enforce collection of any of the Non-Tangible Collateral by suit or otherwise and surrender, release or exchange all or any part hereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon request of the Administrative Agent during the existence of a Default, the Debtor will, at its own expense, notify any parties obligated on any of the Non-Tangible Collateral to make payment directly to the Administrative Agent of any amounts due or to become due thereunder.

During the existence of a Default, all items or amounts which are delivered by the Debtor to the Administrative Agent on account of partial or full payment or otherwise as proceeds of any of the Collateral shall be deposited to the credit of a deposit account (each an "Assignee Deposit Account") of the

Debtor with the Administrative Agent, or a bank designated by the Administrative Agent, as security for payment of the Liabilities. No Debtor shall have any right to withdraw any funds deposited in the applicable Assignee Deposit Account. The Administrative Agent may, from time to time, in its discretion, and shall upon request of the Debtor made not more than once in any week, apply all or any of the then balance, representing collected funds, in the Assignee Deposit Account, toward payment of the Liabilities, whether or not then due, in such order of application as the Administrative Agent may determine, and the Administrative Agent may, from time to time, in its discretion, release all or any of such balance to the Debtor.

Upon the occurrence and during the continuance of a Default the Administrative Agent is authorised to endorse, in the name of the Debtor, any item, howsoever received by the Administrative Agent, representing any payment on or other proceeds of any of the Collateral.

5. Agreement of the Debtors

Each Debtor (a) will, upon request of the Administrative Agent, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices reasonably deemed appropriate by the Administrative Agent) and do such other acts and things (including, without limitation, delivery to the Administrative Agent of any Instruments or Certificated Securities which constitute Collateral), all as the Administrative Agent may from time to time reasonably request, to establish and maintain a valid security interest in the Collateral (free of all other liens, claims and rights of third parties whatsoever, other than Permitted Liens) to secure the payment of the Liabilities; (b) will keep all its Inventory at, and will not maintain any place of business at any location other than, its address(es) shown on Schedules I and II to the Company Security Agreement or at such other addresses of which such Debtor shall have given the Administrative Agent not less than 10 days' written notice; (c) will keep its records concerning the Non-Tangible Collateral in such a manner as will enable the Administrative Agent or its designees to determine at any time the status of the Non-Tangible Collateral; (d) will furnish the Administrative Agent such information concerning such Debtor, the Collateral and the Account Debtors as the Administrative Agent may from time to time reasonably request; (e) will permit the Administrative Agent and its designees, from time to time, on reasonable notice and at reasonable times and intervals during normal business hours (or at any time without notice during the existence of a Default) to inspect such Debtor's Inventory and other Goods, and to inspect, audit and make copies of and extracts from all records and all other papers in the possession of such Debtor pertaining to the Collateral and the Account Debtors, and will, upon request of the Administrative Agent during the existence of a Default, deliver to the Administrative Agent all of such records and papers; (f) will, upon request of the Administrative Agent, stamp on its records concerning the Collateral, and add on all Chattel Paper constituting a

portion of the Collateral, a notation, in form satisfactory to the Administrative Agent, of the security interest of the Administrative Agent under the Company Security Agreement; (g) except as permitted by the Amended and Restated Credit Agreement, will not sell, lease, assign or create or permit to exist any lien on or security interest in any Collateral other than Permitted Liens and liens and security interests in favour of the Administrative Agent; (h) will at all times keep all its Inventory and other Goods insured as provided in the Amended and Restated Credit Agreement, and cause all such policies covering Inventory or other Goods to provide that loss thereunder shall be payable to the Administrative Agent as its interest may appear and such policies or certificates thereof shall, if the Administrative Agent so requests, be deposited with or furnished to the Administrative Agent; (i) will take such actions as are reasonably necessary to keep its Inventory in good repair and condition, ordinary wear and tear excepted; (j) will take such actions as are reasonably necessary to keep its Equipment in good repair and condition and in good working or running order, ordinary wear and tear excepted; (k) will promptly pay when due all license fees, registration fees, taxes, assessments and other charges which may be levied upon or assessed against the ownership, operation, possession, maintenance of use of its Equipment and other Goods (except tax contests permitted by the Amended and Restated Credit Agreement); (l) will, upon written request of the Administrative Agent, (i) cause to be noted on the applicable certificate, in the event any of its Equipment is covered by a certificate of title, the security interest of the Administrative Agent in the Equipment covered thereby, and (ii) deliver all such certificates to the Administrative Agent or its designees; (m) will take all steps reasonably necessary to protect, preserve and maintain all of its rights in the Collateral; (n) will keep all of the tangible Collateral in the United States; and (o) will reimburse the Administrative Agent for all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Administrative Agent in seeking to collect or enforce any rights in respect of such Debtor's Collateral.

Any expenses incurred in protecting, preserving and maintaining any Collateral shall be borne by the applicable Debtor. Whenever a Default shall be existing, the Administrative Agent shall have the right to bring suit to enforce any or all of the Intellectual Property or licenses thereunder, in which event the applicable Debtor shall at the request of the Administrative Agent do any and all lawful acts and execute any and all proper documents required by the Administrative Agent in aid of such enforcement and such Debtor shall promptly, upon demand, reimburse and indemnify the Administrative Agent for all reasonable costs and expenses incurred by the Administrative Agent in the exercise of its rights under Section 6 of the Company Security Agreement. Notwithstanding the foregoing, the Administrative Agent shall have no obligations or liabilities regarding any of the Collateral by reason of, or arising out of, this Agreement.

6. Default

Whenever a Default shall be existing, the Administrative Agent may exercise from time to time any rights and remedies available to it under applicable law. The Debtor agrees, in case of Default, (i) to assemble, at its expense, all its Inventory and other Goods (other than Fixtures) at a convenient place or places acceptable to the Administrative Agent, and (ii) at the Administrative Agent's request, to execute all such documents and do all such other things which may be reasonably necessary or desirable in order to enable the Administrative Agent or its nominee to be registered as owner of the Intellectual Property with any competent registration authority. Any notification of intended disposition of any of the Collateral required by law shall be deemed reasonable and properly given if given at least five days before such disposition. Any proceeds of any disposition by the Administrative Agent of any of the Collateral may be applied by the Administrative Agent to payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by the Administrative Agent toward payment of such of the Liabilities, and in such order of application, as the Administrative Agent may from time to time elect.

The Debtor hereby appoints the Administrative Agent as the Debtor's attorney-in-fact, with full power and authority in the place of the Debtor and in the name of the Debtor, upon the occurrence and during the continuance of a Default, in Administrative Agent's discretion, to take any action and to execute any instrument that it may deem necessary to accomplish the purposes of this Agreement.

SCHEDULE OF DEFINITIONS

In this Form 395:

"Acceptance" means a bill of exchange drawn by the applicable Borrower in Canadian Dollars in such form as the Canadian Lenders may require and accepted by the Canadian Lenders for discount in Canada in accordance with Section 3 of the Amended and Restated Credit Agreement and includes a depository bill made originally payable to and deposited with The Canadian Depository for Securities Limited pursuant to the Depository Bills and Notes Act (Canada) and includes Tranche C Acceptances and Tranche D Acceptances.

"Account Debtor" means the party who is obligated on or under any Account Receivable, Contract Right or General Intangible.

"Account Receivable" means, with respect to any Debtor, any right of such Debtor to payment for goods sold or leased or for services rendered.

"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 any officer or

director of any such Person or other Person 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 the 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.

"Amendment Effective Date" has the meaning given thereto in Section 11.1 of the Amended and Restated Credit Agreement.

"Assignment Agreement" shall have the meaning ascribed in Section 14.9.1 of the Amended and Restated Credit Agreement.

"Borrower" means each of the Company, the UK Borrower, HCPH, Southam, HIFCorp. and Canada Holdings (referred to collectively as the **"Borrowers"**).

"Canadian Dollar" and **"Cdn\$"** mean the lawful currency of Canada.

"Canadian Lender" means each Lender designated as a **"Canadian Lender"** on Schedule 1.1 of the Amended and Restated Credit Agreement or pursuant to an Assignment Agreement.

"Canadian Guaranty" means any guaranty substantially in the form of Exhibit D-4 of the Amended and Restated Credit Agreement (with such changes therein as are acceptable to the Administrative Agent) which was executed pursuant to the terms of the Existing Credit Agreement or the Amended and Restated Credit Agreement (including each Canadian Guaranty dated the Amendment Effective Date referred to in Sections 11.1.5(d) and (c)) which may be executed from time to time by any Restricted Subsidiary organised under the laws of Canada or any Province thereof, as such guarantees may be amended, supplemented or otherwise modified from time to time.

"Canadian Pledge Agreement" means any pledge agreement substantially in the form of Exhibit E-10 or E-11 of the Amended and Restated Credit Agreement (with such changes therein as are acceptable to the Administrative Agent) which was executed pursuant to the terms of the Existing Credit Agreement or the Amended and Restated Credit Agreement including each Canadian Pledge Agreement referred to in Section 11.1.6(j) and (k) of the Amended and Restated Credit Agreement or which may be executed from time to time by any Restricted Subsidiary organised under the laws of Canada or any Province thereof, as such Canadian Pledge Agreements may be amended, supplemented or otherwise modified from time to time.

"Canadian Security Agreement" means any security agreement substantially in the form of Exhibit C-3 or C-4 of the Amended and Restated Credit Agreement (with such changes therein as are acceptable to the Administrative Agent) which was executed pursuant to the terms of the Existing Credit Agreement including each Canadian Security Agreement referred to in Section 11.1.7(c) and (d) of the Amended

and Restated Credit Agreement or which may be executed from time to time by any Restricted Subsidiary organised under the laws of Canada or any Province thereof, as such Canadian Security Agreements may be amended, supplemented or otherwise modified from time to time.

"Canadian Subordination Agreement" means the Second Amended and Restated Subordination Agreement substantially in the form of Exhibit K-1 to the Amended and Restated Credit Agreement dated as of the Amendment Effective Date among Sterling Newspapers Company, UniMedia Groupe Inc., HCPH and the Administrative Agent, as amended, supplemented or otherwise modified from time to time.

"Certificated Security" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Chattel Paper" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Collateral" means, with respect to any Debtor, all property, and rights of such Debtor in which a security interest is granted under the Company Security Agreement.

"Collateral Documents" means each Security Agreement, each Pledge Agreement, each Subsidiary Note, each Subsidiary Security Agreement and any other document executed from time to time pursuant to which a Lien is granted in favour of the Administrative Agent to secure the obligations of any Borrower under the Loan Documents or the obligations of any other Obligor under any Loan Document to which it is a party, including, any documents executed pursuant to Section 10.18, 10.27, 10.28 or 10.31 of the Amended and Restated Credit Agreement.

"Commodity Account" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Commodity Contract" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Computer Hardware and Software" means, with respect to any Debtor, (i) all of such Debtor's rights (including rights as licence and lessee) with respect to computer and other electronic data processing hardware, whether owned on 30 April 1999 or thereafter acquired by such Debtor, including, without limitation, all integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, compact disk drives, cables, electrical supply hardware, generators, power equalisers, accessories and all peripheral devices and other related computer hardware; (ii) all of such Debtor's rights (including rights as licensee and lessee) with respect to software programs, whether owned on 30 April 1999 or thereafter acquired by such Debtor, designed for use on the computers and electronic data processing hardware described in clause (i) above, including, without limitation, all operating system software, utilities and application programs in whatsoever form (source code and object code in

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magnetic tape, disk or hard copy format or any other listings whatsoever); (iii) all of such Debtor's rights (including rights as licensee and lessee) with respect to any firmware associated with any of the foregoing, whether owned on 30 April 1999 or thereafter acquired by such Debtor; and (iv) all of such Debtor's rights (including rights as licensee and lessee) with respect to documentation for hardware, software and firmware described in the preceding clauses (i), (ii) and (iii) above, whether owned on 30 April 1999 or thereafter acquired by such Debtor, including, without limitation, flow charts, logic diagrams, manuals, specifications, training materials, charts and pseudo codes.

"Contract Right" means, with respect to any Debtor, any right of such Debtor to payment under a contract for sale or lease of goods or the rendering of services which right is at the time not yet earned by performance.

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

"Amended and Restated Credit Agreement" means the Fourth Amended and Restated Credit Agreement dated as of 30 April 1999 and made between the Company, Telegraph Group Limited (the **"UK Borrower"**), Hollinger Canadian Publishing Holdings Inc. (**"HCPH"**) Southam Inc. (**"Southam"**), Hollinger International (Canada) Holdings Co. (**"Canada Holdings"**) and HIF Corp., (together with the Company, the UK Borrower, HCPH, Canada Holdings and Southam, each a **"Borrower"** and collectively the **"Borrowers"**), the Financial institutions party thereto (together with their respective successors and assigns collectively the **"Lenders"** and each individually a **"Lender"**), the Toronto Dominion Bank, as issuing bank (in such capacity, the **"Issuing Bank"**) and the Administrative Agent (together with all amendments and other modifications, if any, from time to time made thereto).

"Deposit Account" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Document" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Default" means the occurrence of any of the following events: (a) any Event of Default or (b) any warranty of any Debtor in the Company Security Agreement is untrue or misleading in any material respect and, as a result thereof, the Administrative Agent's security interest in, or rights and remedies with respect to, any material portion of the Collateral of such Debtor is impaired or otherwise adversely affected.

"Default Rate" means the applicable rate specified in Section 5.1 of the Amended and Restated Credit Agreement.

"Draft" has the meaning ascribed to it in Section 3.1(a) of the Amended and Restated Credit Agreement.

"DTH" means DT Holding Limited, a company incorporated under the laws of England and Wales.

"Equipment" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Existing Credit Agreement" means the Third Amended and Restated Credit Agreement dated as of 31 March 1998 between Hollinger International Publishing Inc., the UK Borrower, HCPH, TD-Texas as Administrative Agent and Toronto Dominion as Issuing Bank.

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

"Financial Group" means the US Borrower and the Restricted Subsidiaries other than Southam Inc. and its subsidiaries.

"FDTH" means First DT Holdings Limited a company incorporated under the laws of England and Wales.

"FDTH Loan Note Deed Poll" means the Deed Poll dated August 8 1996, made between FDTH and the Toronto-Dominion Bank, London Branch under which the FDTH Loan Notes were constituted.

"FDTH Loan Note Guaranty" means the guaranty issued by the Toronto-Dominion Bank, London Branch on the terms of Clause 6 of the FDTH Loan Note Deed Poll in connection with the FDTH Loan Notes.

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

"Financial Asset" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Fixture" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"General Intangibles" means with respect to any Debtor, all of such Debtor's "general intangibles" as defined in the Uniform Commercial Code as in effect in New York on April 30 1999 and, in any event, includes (without limitation) all of such Debtor's trademarks, trade names, patents, copyrights, trade secrets, customer lists, inventions, designs, software, programs, mask works, goodwill, registrations, licences, franchises, tax refund claims, guarantee claims, security interests and rights to indemnification.

"Goods" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Guarantees" means the Hollinger International Guaranty, the US Subsidiary Guaranty, the UK Subsidiary Guaranty and each Canadian Guaranty.

"HCNLP" means Hollinger Canadian Newspapers Limited, Limited Partnership, a limited partnership established under the laws of the Province of Ontario, formed to carry out the Limited Partnership Transaction, and any Subsidiary thereof.

"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 Guaranty" means the Third Amended and Restated Hollinger International Guaranty dated as of the Amendment Effective Date substantially in the form of Exhibit D-1 of the Amended and Restated Credit Agreement executed by Hollinger International Inc. and Canada Holdings in favour of the Lenders and the Administrative Agent, as further amended, supplemented or otherwise modified from time to time.

"Intellectual Property" means all past, present and future: trade secrets and other proprietary information; trademarks, service marks, business names, designs, logos, indicia, and/or other source and/or business identifiers and the goodwill of the business relating thereto symbolised thereby and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world (collectively "Trademarks"); copyrights (including, without limitation, copyrights for computer programs) and copyright registrations or applications for registrations which have heretofore been or may hereafter be issued throughout the world and all tangible property embodying the copyrights; unpatented inventions (whether or not patentable); patent applications and patents; industrial designs, industrial design applications and registered industrial designs; license agreements related to any of the foregoing set forth in this definition and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, source codes, object codes and other physical manifestations, embodiments or incorporations of any of the foregoing set forth in this definition; the right to sue for all past, present and future infringements of any of the foregoing set forth in this definition; and all common law and other rights throughout the world in and to all of the foregoing set forth in this definition.

"Instrument" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Investment Property" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Inventory" shall have the meaning ascribed thereto in the Uniform Commercial Code.

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

“Jerusalem Post Note” means collectively, the Capital Note from the Palestine Post to the Company (as assignee of Hollinger International Inc.) dated 31 December, 1995 in the original principal amount of 44,978,242 New Israeli Shekels (NIS); the Capital Note dated June 30 1998 in the amount of NIS8,043,201; the Capital Note dated 4 September 1998 in the amount of NIS1,330,350; the Capital Note dated October 9 1998 in the amount of NIS3,076,000; the Capital Note dated 5 November 1998 in the amount of NIS2,514,060; the Capital Note dated November 17 1998 in the amount of NIS2,514,060 and the Capital Note dated December 4 1998 in the amount of NIS2,011,248 each in favour of American Publishing Holdings Inc. (“**APHI**”) and any other promissory note which may be executed by the Palestine Post in favour of the Company, APHI or any other Restricted Subsidiary.

“JPEH” means Jerusalem Post Employees Holding (1983) Ltd., an Israeli corporation.

“JPPL” means Jerusalem Post Publications Limited, an Israeli corporation.

“Letter of Credit” means either (a) a standby letter of credit having terms and provisions which are permitted by the Amended and Restated Credit Agreement and which otherwise are reasonably satisfactory to the Issuing Bank or (b) the FDTH Loan Note Guaranty.

“Letter of Credit Application” means a letter of credit application in the form then used by the Issuing Bank for standby letters of credit (with appropriate adjustments to indicate that any letters of credit issued thereunder is to be issued pursuant to and subject to the terms and conditions of the Amended and Restated Credit Agreement.)

“Lien” means, when used with respect to any Person, any interest of any other Person in any real or personal property, asset or other right owned or being purchased or acquired by such Person, which secures payment or performance of any obligation and shall include any mortgage, lien, encumbrance charge or other security, interest of any kind, whether arising by contract, as a matter of law, by judicial process or otherwise.

“Limited Partnership Transaction” means the transaction whereby HCNLP acquires, holds and operates certain community newspaper assets acquired from HCPH and its Subsidiaries as described in the Information Circular dated April 1999.

“Loan Documents” means the Amended and Restated Credit Agreement, the Drafts, the Acceptances, the Guarantees, the Letter of Credit Applications, the Subordination Agreements and the Collateral Documents and the Hedging Agreements.

“LPA” means the Law of Property Act 1925.

“Non-Tangible Collateral” means, with respect to any Debtor, such Debtor’s Accounts Receivable, Contract Rights and General Intangibles.

"Obligor" means each Borrower, Hollinger International Inc. and each other Person (other than the Administrative Agent, any Lender or the Issuing Bank) from time to time obligated under any Loan Document.

"Original Company Security Agreement" means the Amended and Restated Company Security Agreement dated as of April 7, 1997 among the Debtors and the Administrative Agent.

"Palestine Post" means The Palestine Post Limited, an Israeli corporation.

"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 Agreement" means those pledge agreements described in Section 11.1.6 of the Amended and Restated Credit Agreement and each Canadian Pledge Agreement.

"Publishing Subordination Agreement" means the Amended and Restated Subordination Agreement dated as of the Amendment Effective Date among the Company, HCPH and the Administrative Agent substantially in the form of Exhibit K-2 of the Amended and Restated Credit Agreement as amended, supplemented or otherwise modified from time to time.

"Restricted Subsidiary" means, initially, each Subsidiary of the Company existing on 30 April 1999 and any other Subsidiary designated from time to time by the Board of Directors of the Company, as a **"Restricted Subsidiary"** in accordance with Section 10.26 of the Amended and Restated Credit Agreement.

"Scheme" means the acquisition in August, 1996 by FDTH of the publicly held shares of the UK Borrower, not owned by FDTH or any of its Affiliates which was 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 UK Borrower'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 despatched to the optionholders in connection with the option proposals contained therein.

"Security" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Security Account" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Security Entitlement" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Security Agreements" means those described in Section 11.1.7 of the Amended and Restated Credit Agreement and each Canadian Security Agreement.

"Subordination Agreements" means the Canadian Subordination Agreement, the Publishing Subordination Agreement, the UK Subordination Agreement and any other subordination agreement which may be executed from time to time by the Company or any Restricted Subsidiary in favour of the Administrative Agent.

"Subsidiary" means, any Person, a majority of the Voting Stock, membership interests or other equity interests (in the case of Persons other than corporations) of which is at the time owned, directly or indirectly, by the Company and/or its other Subsidiaries; provided that, notwithstanding the foregoing, HCPH will be a subsidiary so long as 50% of the Voting Stock is held, directly or indirectly by the Company and the remainder is held, directly or indirectly by Hollinger Inc. Unless the context otherwise requires, each reference to Subsidiaries herein shall be a reference to Subsidiaries of the Company provided that none of HCNLP, West Ferry Printers Limited, Trafford Park Printers Limited, Telegraph Connections Limited, The Newspaper Licensing Agency Limited, Brand Movers Limited, Lamponions Limited and Telegraph Events Limited and its Subsidiaries, Newsprint Management and Supply Services Limited, 8 West Newspaper Group Ltd., DTY Limited, ECO Log Environmental Risk Information Service Ltd, Fundata Canada Inc., and Info Mart Dialog Ltd. shall be deemed a Subsidiary of the Company for the purposes of the Amended and Restated Credit Agreement.

"Subsidiary Notes" means, collectively, (a) any promissory notes issued, on 7 April 1997 or in the future, by any Restricted Subsidiary of the Company in favour of the Company or another Restricted Subsidiary each substantially in form and substance satisfactory to the Administrative Agent and (b) the Jerusalem Post Note, and any extensions, renewals or amendments or any of the foregoing.

"Subsidiary Security Agreement" means, collectively, any security agreement or other security or collateral instrument or documents in form and substance approved by the Administrative Agent issued or given by any Restricted Subsidiary in favour of the Company or another Restricted Subsidiary as the case may be, to secure debt of such Restricted Subsidiary under a Subsidiary Note.

"Trademark Security Agreements" means each Trademark Security Agreement executed in connection with the Existing Credit Agreement including the Trademark Security Agreements executed by each of The Sun Times Features, Inc., Pioneer Newspapers, Inc., Daily Southtown Inc. and Sun Times, each dated February 7, 1996 or executed after April 30, 1999 substantially in the form of Exhibit A to the Company Security Agreement, as such agreements may be amended, supplemented or otherwise modified from time to time.

"Tranche C Acceptance" has the meaning ascribed to it in Section 2.1.3 of the Amended and Restated Credit Agreement.

"Tranche D Acceptance" has the meaning ascribed to it in Section 2.1.4 of the Amended and Restated Credit Agreement.

"UK Subsidiary Guaranty" means the Amended and Restated Guaranty dated as of 30 April 1999 and executed by DTH, FDTH and certain of the Subsidiaries of the UK Borrower in favour of the Lenders and the Administrative Agent, as amended or modified from time to time.

"US Subsidiary Guaranty" means the Amended and Restated Guaranty dated as of the 30 April 1999 executed by the Restricted Subsidiaries of the Company incorporated in the United States and the Debtor in favour of the Lenders and the Administrative Agent (as amended, supplemented or otherwise modified from time to time).

"Uncertificated Security" shall have the meaning ascribed thereto in the Uniform Commercial Code.

"Uniform Commercial Code" means the Uniform Commercial Code as in effect in the State of New York on 30 April 1999; provided however, as used in Section 8 of the Company Security Agreement, "Uniform Commercial Code" means the Uniform Commercial Code as in effect from time to time in the applicable jurisdiction.

"UK Subordination Agreement" means the Amended and Restated Subordination Agreement dated as of the Amendment Effective Date among DTH, FDTH, the UK Borrower, the Company, the Debtor, Deedtask Limited and the Administrative Agent, substantially in the form of Exhibit K-3 of the Amended and Restated Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Voting Stock" means the 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.)

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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. 03049897

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A SECOND AMENDED AND RESTATED SECURITY AGREEMENT (THE "COMPANY SECURITY AGREEMENT") (AS THEREIN DEFINED) DATED THE 30th APRIL 1999 AND CREATED BY TELEGRAPH AUSTRALIAN HOLDINGS LIMITED FOR SECURING ALL OBLIGATIONS (MONETARY OR OTHERWISE) OF THE DEBTOR (AS DEFINED) TO TORONTO DOMINION (TEXAS) INC UNDER OR IN CONNECTION WITH THE AMENDED AND RESTATED CREDIT AGREEMENT, THE US SUBSIDIARY GUARANTY, LETTERS OF CREDIT OR LETTER OF CREDIT APPLICATIONS, DRAFTS, ACCEPTANCES ANY OTHER LOAN DOCUMENT OR ANY OTHER DOCUMENT OR INSTRUMENT (INCLUDING ANY HEDGING AGREEMENT (AS DEFINED IN THE AMENDED AND RESTATED CREDIT AGREEMENT) ENTERED INTO WITH ANY PERSON WHO AT THE TIME SUCH HEDGING AGREEMENT IS ENTERED INTO IS A LENDER OR ANY AFFILIATE THEREOF) EXECUTED IN CONNECTION THEREWITH, HOWSOEVER CREATED, ARISING OR EVIDENCED, WHETHER DIRECT OR INDIRECT, ABSOLUTE OR CONTINGENT, EXISTING ON OR AFTER THE 30 APRIL 1999, OR DUE TO BECOME DUE INCLUDING, WITHOUT LIMITATION, ANY POST PETITION INTEREST ACCRUING DURING ANY BANKRUPTCY REORGANISATION OF ANY DEBTOR OR OTHER SIMILAR PROCEEDING WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 18th MAY 1999.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 26th MAY 1999.



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



COMPANIES HOUSE