Company name: DAVID LLOYD LEISURE GROUP LIMITED
Company number: 06261643

Received for Electronic Filing: 03/10/2018

Details of Charge

Date of creation: 21/09/2018
Charge code: 0626 1643 0016
Persons entitled: TALOS CAPITAL DESIGNATED ACTIVITY COMPANY AS SECURITY AGENT FOR EACH OF THE SECURED PARTIES

Brief description:
Contains fixed charge(s).
Contains negative pledge.

Authentication of Form

This form was authorised by: a person with an interest in the registration of the charge.

Authentication of Instrument

Certification statement: I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S. 859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.
CERTIFICATE OF THE
REGISTRATION OF A CHARGE

Company number: 6261643

Charge code: 0626 1643 0016

The Registrar of Companies for England and Wales hereby certifies that a charge dated 21st September 2018 and created by DAVID LLOYD LEISURE GROUP LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 3rd October 2018.

Given at Companies House, Cardiff on 5th October 2018

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006
21 September 2018

DAVID LLOYD LEISURE GROUP LIMITED
DAVID LLOYD LEISURE LIMITED
AS PLEDGORS

TALOS CAPITAL DESIGNATED ACTIVITY COMPANY
AS PLEDGEE

SHARE PLEDGE AGREEMENT
IN RESPECT OF SHARES IN DAVID LLOYD LEISURE OPERATIONS SPRL
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SHARE PLEDGE AGREEMENT

BETWEEN:

1. **DAVID LLOYD LEISURE GROUP LIMITED**, incorporated in England and Wales and having its registered office at The Hangar Mosquito Way, Hatfield Business Park, Hatfield, Hertfordshire, AL109AX, registration number 06261643; and

   **DAVID LLOYD LEISURE LIMITED**, incorporated in England and Wales and having its registered office at The Hangar Mosquito Way, Hatfield Business Park, Hatfield, Hertfordshire, AL109AX, registration number 01516226;

   (together, the "Pledgors")

2. **TALOS CAPITAL DESIGNATED ACTIVITY COMPANY**, a designated activity company limited by shares incorporated and existing under the laws of Ireland whose registered office is at 10 Earlsfort Terrace, Dublin 2, Ireland and registered with the companies registration office under number 464778 acting for itself and as representative for the account of the Secured Parties (as defined in the Intercreditor Agreement referred to below) pursuant to Article 5 of the Law on Financial Collateral (the "Pledgee").

IT HAS BEEN AGREED AS FOLLOWS:

1. **DEFINITIONS**

1.1 Definitions

Terms defined in the Notes Agreement or the Intercreditor Agreement shall have the same meaning in this Agreement. In addition, the following terms shall have the following meaning for the purposes of this Agreement, unless the context otherwise requires:

"Company" means David Lloyd Leisure Operations SPRL, a Belgian société privée à responsabilité limitée with its registered office at Drève de Lorraine 41, 1180 Brussels, with enterprise number 809.815.089 (RPR/RPM Brussels).

"Intercreditor Agreement" means the intercreditor agreement dated 29 August 2018 and made between Deuce Holdco Limited as Parent, Deuce Newco Limited (as Company), the Note Agent and Security Agent (as defined therein) and others.

"Notes Agreement" means the Senior Term Note Facility Agreement dated 29 August 2018 and made between, amongst others, the Agent, the Security Agent, the financial institutions named therein as Original Noteholders and Deuce Micco Limited.

"Pledged Assets" means the Shares together with the other assets defined as such under Clause 6.1.
"Routine Agenda Items" means:

(a) the approval of the annual accounts (including the declaration of dividends, unless an Acceleration Event has occurred, in which case the declaration of dividends shall cease from being a Routine Agenda Item);

(b) the discussion of the management report and the auditor's report; and

(c) the discharge to the directors and auditors, and their renewal, appointment or removal.

"Secured Debt Documents" means each of the RCF and Ancillary Facilities Documents and the Note Finance Documents and any other document designated as such by the Security Agent and the Parent.

"Secured Obligations" has the meaning given to such term under the Intercreditor Agreement.

"Shares" has the meaning set out in Clause 1.2.

1.2 Construction

Unless a contrary indication appears, a reference in this Agreement to:

(i) this Agreement, the Secured Obligations, the Notes Agreement, any other Secured Debt Document, or any other document or agreement shall be construed as a reference to this Agreement, the Secured Obligations, the Notes Agreement, that other Secured Debt Document, or, as the case may be, that other document or agreement, as the same may from time to time be amended, restated, supplemented, renewed or novated, including by way of an increase in, extension of or change to any facility, the margin or any other amount made available or due under the Notes Agreement or the Secured Debt Documents;

(ii) the terms "Secured Party", "Pledgee", "Pledgor" and any other person referred to in this Agreement include their respective successors; in the case of the Pledgee, the term "Pledgee" shall include any person appointed as security agent in accordance with the Secured Debt Documents;

(iii) a provision of law is a reference to that provision as amended or re-enacted;

(iv) the rules of interpretation contained in Clause 1.2 (Construction) and Clause 1.6 (Currency Symbols and definitions) of the Notes Agreement shall apply to the construction of this Agreement, or any notice given under or in connection with this Agreement, in each case mutatis mutandis.
2. PLEDGE

The Pledgors hereby pledge to the Pledgee, as security for the due performance by the relevant Pledgor of the Secured Obligations, the shares they currently hold in the Company (as detailed in Schedule 1), and any other shares in the Company that they may subscribe to or acquire in the future (the "Shares").

3. THE SHARES

3.1 The Shares are in registered form. The Pledgors shall not, without the Pledgee's prior written consent, permit the conversion of the Shares into dematerialised shares.

3.2 The Pledgors shall arrange for the following notice to be recorded and dated in the share register of the Company and signed therein on behalf of the respective Pledgor and the Pledgee on the date of the execution hereof, and shall procure that a photocopy of the relevant pages of the share register shall be duly issued and delivered to the Pledgee:


The Pledgors and the Pledgee hereby authorise and, to the extent required grant a power of attorney, to each of Pauline Riga, Hélène Volkova, Alexander Tanguy and any other lawyer of Clifford Chance LLP, Avenue Louise 65, Box 2 at 1050 Brussels, and to each of Mystica Van Belle, Tom Cobbaert and any other lawyer of Linklaters LLP, rue de brecderode 13 at 1000 Brussels, each with full power to act alone and with the right of substitution, to record the notice of the pledge created by this Agreement in the shareholders register of the Company.

The Pledgors shall procure that the Company shall, forthwith upon the execution hereof, provide the Pledgee with a certificate substantially in the form of Schedule 2.

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

4.1 Each Pledgor represents, warrants and undertakes to the Pledgee that:

(a) The information contained in Schedule 1 is accurate and complete, and the capital of the Company is represented by the number of identical shares indicated in Schedule 1. There are no beneficial shares or other shares which do not represent the capital of the Company in existence, nor any warrant, convertible bond or other right whatsoever to acquire shares in the Company.

(b) Other than the below mentioned Article 249 of the Company Code and article 7 of the statutes of the Company, there are no limitations, whether pursuant to the statutes of the Company or to any agreement, to the transferability of the Shares or to the exercise of the voting rights attached thereto which would prevent the Security Agent from enforcing the security constituted by this pledge.

(c) No share certificate, as contemplated in Article 235 of the Company Code, has been or will be issued in respect of the Shares.
5. **SCOPE OF THE PLEDGE**

5.1 This pledge shall be a continuing and first ranking security, shall remain in force until expressly released in accordance with Clause 8.1, and shall in particular not be discharged by reason of the circumstance that there is at any time no Secured Obligation currently owing from the Pledgors to the Pledgee.

5.2 This pledge shall not be discharged by the entry of any Secured Obligations into any current account, in which case this pledge shall secure any provisional or final balance of such current account up to the amount in which the Secured Obligations were entered therein.

5.3 The Pledgee may at any time without discharging or in any way affecting this pledge (a) grant the Pledgors any time or indulgence, (b) concur in any moratorium of the Secured Obligations, (c) consent to any amendment of the terms and conditions of the Secured Obligations, (d) abstain from taking or perfecting any other security and discharge any other security, and (e) abstain from exercising any right or recourse or from proving or claiming any debt and waive any right or recourse.

5.4 It is confirmed that it is the intention of the parties that any reference made in this Agreement to any Secured Debt Document or to any agreement or document (under whatever name), where applicable, shall be deemed to be a reference to such Secured Debt Document or such other agreement or document as the same may have been, or at any time may be, extended, prolonged, amended, restated, supplemented, renewed or novated, as persons may accede thereto as a party or withdraw therefrom as a party in part or in whole or be released thereunder in part or in whole, and/or as facilities and/or financial services are or at any time may be granted, extended, prolonged, increased, reduced, cancelled, withdrawn, amended, restated, supplemented, renewed or novated thereunder including, without limitation,

(a) any increase or reduction in any amount available thereunder or any alteration of or addition to the purpose for which any such amount, or increased or reduced amount may be used,

(b) any facility provided in substitution of, or in addition to, the facilities originally made available thereunder,

(c) any rescheduling of the indebtedness incurred thereunder whether in isolation or in connection with any of the foregoing, and

(d) any combination of the foregoing, and

any document designated as a Secured Debt Document by the Facility Agent and the Company (as defined in the Notes Agreement).

5.5 The Pledgee may release one or more of the Pledgors without in any way affecting the obligations of the other Pledgors or the pledge granted by the other Pledgors.
6. **RIGHTS ATTACHING TO THE SHARES**

6.1 **Cash and non-cash returns on the Shares**

(a) Unless an Acceleration Event has occurred and subject to the terms of the Secured Debt Documents, any cash return on the Shares (whether in the form of dividends declared out of current earnings, retained earnings or reserves, repayment of capital, *scrips* or otherwise) shall be paid to the Pledgors.

Any other cash return on the Shares (whether in the form of dividends declared out of retained earnings or reserves, repayment of capital, *scrips* or otherwise), as well as all dividends declared out of current earnings in the event that an Acceleration Event has occurred, shall be paid exclusively to the Pledgee which shall apply the same towards the Secured Obligations. In the absence of Secured Obligations currently due and payable, the Pledgee may, at its option, either refund the amount of such cash return to the relevant Pledger, or hold such amount as part of the Pledged Assets and hold it in pledge as collateral for the Secured Obligations, provided in the latter case that the Pledgee shall credit such Pledger with interest on such amount at the same rate as the Pledgee may earn on a bank deposit of an equivalent amount, any such interest becoming part of the Pledged Assets and being in turn subject to this Clause 6.1 as if it were a dividend on the Shares.

(b) Any return on the Shares other than a cash return, irrespective of whether in the form of dividend shares, bonus shares, shares allocated on the occasion of a partial scission or otherwise, shall give rise to the recording in the share register of the Company of a notice as provided in Clause 3 in the name of, the Pledgee and shall be part of the Pledged Assets.

6.2 **Voting rights**

(a) Subject to paragraph (b) below, the Pledgors shall be entitled to exercise all voting rights on the Shares. The Pledgors shall exercise their voting rights in respect of the Shares in a manner which does not adversely affect the validity and enforceability of the pledge created pursuant to this Agreement.

(b) Upon the occurrence of an Acceleration Event (and without any further notice to any Obligor or prior authorisation of any court), however, the Pledgee shall be entitled as attorney of the Pledgors to vote at any shareholders meeting or on any written shareholders resolution of the Company including with respect to the following matters:

(i) increase or reduction of capital;

(ii) amendment of the statutes of the Company (other than any amendment to the purpose clause);

(iii) modification of rights attached to the Shares;

(iv) declaration of dividends; and
(v) merger, split up, transfer of business or important assets, winding-up, liquidation, bankruptcy and collective proceedings.

The above appointment of the Pledgee as attorney of the Pledgors is irrevocable. The Pledgee has the power of substitution, and may exercise the voting rights as it sees fit and without regard to any instructions from the Pledgors.

With respect to matters other than those set out in paragraphs (i) to (v) above, if an Acceleration Event has occurred, the Pledgors shall cast the votes attaching to the Shares in accordance with the Pledgee's instructions, which instructions the Pledgors shall timeously seek.

(c) The Pledgors shall, at any time after the occurrence of an Acceleration Event, forthwith give the Pledgee a copy of any convening notice or agenda of general shareholders meetings of the Company, and shall give the Pledgee notice of any proposed written shareholders resolution at least fifteen days before its adoption. The Pledgors shall not, unless with the Pledgee's prior consent, waive the right (whether statutory or in accordance with the Company's statutes) to any notice period in respect of the convening of general shareholders meetings of the Company. This Clause 6.2(c) shall not apply, however, to shareholders meetings or written resolutions dealing exclusively with Routine Agenda Items.

6.3 Subscription rights

If the Pledgors exercise any subscription rights to which the Shares may be entitled, the shares resulting from the exercise of any such right shall be held in pledge by the Pledgee as collateral for the Secured Obligations, shall be part of the Shares for the purposes of this Agreement, and shall give rise to the recording in the share register of the Company of a notice as provided in Clause 3 in the name of the Pledgee.

6.4 Contribution calls

The Pledgors shall forthwith pay up any contribution duly called in respect of the Shares.

7. ENFORCEMENT

7.1 Upon the occurrence of an Acceleration Event, the Pledgee shall be entitled to enforce this pledge, to sell all or part of the Pledged Assets and to apply the proceeds thereof against the Secured Obligations.

7.2 Without prejudice to Clause 7.1, the Pledgee shall also be entitled (but shall have no obligation), upon the occurrence of an Acceleration Event, to appropriate (s'approprier / sich to-eigenen) all or part of the Pledged Assets and to apply the value thereof against the Secured Obligations. For the purposes of this application, the value of the Shares shall be their fair market value as determined by an independent expert (the "Expert") who must be a member of the Institut des Réviseurs d'Entreprise / Institut der Betriebsrevisoren and a partner in an independent firm of accountants of good international repute.

7.3 The Pledgee, if it wishes to exercise its forfeiture right, shall propose to the Pledgor at least three Experts, members of at least two different firms. The Pledgor may within
ten Business Days of that proposal notify the Pledgee that it rejects some, but not all, of the proposed Experts. The Pledgee shall then select the Expert among those who have not been validly rejected, and advise the Pledgor of the appointment made.

7.4 The Expert shall value the Shares (and the other Pledged Assets, if any) in accordance with two or more generally accepted valuation methods of his choice (for instance, discounted cash flow method, publicly traded comparables, asset valuation, EBIT or EBITDA multiples), and the fair market value of the Shares shall be deemed equal to the average of the results produced by those methods. The Pledgor shall procure that all necessary documents and data are promptly made available by the Company to the Expert. If the Company fails promptly to make any documents or data available to the Expert, the Expert may value the Shares on the basis of their book value as per the latest audited financial statements of the Company. Before finalising his valuation, the Expert shall submit a draft report and give the relevant Pledgor at least ten Business Days to provide any comments such Pledgor may have.

The valuation of Pledged Assets other than the Shares, if any, shall be made in accordance with the above rules applied mutatis mutandis.

7.5 The exercise by the Pledgee of the rights set out in this Clause 7 shall not be subject to prior notice nor authorisation from the courts.

7.6 Each Pledgor consents, to the extent required, in its capacity as shareholder of the Company and for the purposes of article 249 of the Belgian Companies Code, to the granting of this pledge by each other shareholder of the Company that is a party to this Agreement and approves the transfer of any Shares held by any other shareholder of the Company that is a party to this Agreement to any person following an enforcement of this pledge.

8. **DISCHARGE OF THE PLEDGE**

8.1 This pledge shall be discharged by, and only by, the express release thereof granted by the Pledgee.

8.2 The Pledgee shall grant an express release of this pledge, without delay upon demand and at the cost of the Pledgors, (i) as soon as all Secured Obligations shall have been finally discharged in full and (ii) upon a disposal of Pledged Assets where such disposal is not prohibited by the Secured Debt Documents. The Pledgee shall inform the Company of such release, and shall provide the Pledgors with a power of attorney in favour of the Pledgors or any person designated by them for the purpose of recording the release of the pledge in the Company's share register. Forthwith upon such release being granted, the Pledgee shall return to the Pledgors the other Pledged Assets, if any, and the Pledgors shall take delivery thereof.

8.3 If the Pledgee believes (on the advice of its external counsel) that any amount paid or credited to any Secured Party is reasonably likely to be avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws, the liability of the Pledgor under this Agreement and the security constituted by this document will continue and such amount will not be considered to have been irrevocably paid or discharged.
9. APPLICATION OF PROCEEDS

All amounts received or recovered by the Pledgee pursuant to this Agreement shall be applied by the Pledgee in accordance with the Intercreditor Agreement.

10. PLEDGEE'S DUTIES

The Pledgee shall not be liable for any acts or omissions with respect to the Pledged Assets or the enforcement of this pledge, except in case of its fraud, gross negligence or wilful misconduct. The Pledgee shall be under no obligation to take any steps necessary to preserve any rights in the Pledged Assets against any third parties but may do so at its option.

In acting or exercising its rights, powers, discretions and authorities hereunder, the Pledgee does so in accordance with, and subject to the terms of, the Intercreditor Agreement and has the benefit of the protections set out therein and shall be entitled to act or refrain from acting in accordance with the provisions thereof.

11. RANKING

11.1 The security created pursuant to this Share Pledge Agreement shall rank ahead of that created by any floating charge that may have been or be granted by a Pledgor as security for the same Secured Obligations. To the extent therefore that any asset falls within the scope of both this Share Pledge Agreement and such a floating charge, it shall be allocated in priority to this Share Pledge Agreement and shall not, to the extent so allocated, be counted towards the amounts secured by the floating charge.

11.2 The provisions of this Clause 11 only have effect between the parties hereto. They do not aim at permitting other preferred creditors to rank ahead of the Pledgee. They will be unapplicable, and will have no effect between the parties themselves, if ever their application between the parties would result in another preferred creditor ranking ahead of the Pledgee.

12. NOTICES

Any notice in connection herewith shall be made in accordance with Clause 32 of the Notes Agreement.

13. SEVERABILITY

The invalidity or unenforceability of any provisions hereof shall not affect the validity or enforceability of this Agreement or of any other provision hereof.

14. WAIVER

No failure on the part of the Pledgee to exercise, or delay on its part in exercising, any right shall operate as a waiver thereof, nor shall any single or partial exercise by the Pledgee of any right preclude any further or other exercise of such right or the exercise by the Pledgee of any other right.
15. TRANSFERABILITY

The benefit of this pledge and of this Agreement shall pass automatically to any transferee of all or part of the Secured Obligations, irrespective of whether such transfer shall take place by way of assignment, novation by substitution of creditor or otherwise, or to any successor security agent or co-security agent appointed in accordance with the Intercreditor Agreement. Such transferee or successor security agent or co-security agent shall henceforth be regarded as the Pledgee, or a co-Pledgee, for all purposes of this Agreement, and the transferor or the original Security Agent may transfer possession of the Pledged Assets to it.

16. LAW AND JURISDICTION

This Agreement shall be governed by Belgian law. The parties agree that any dispute in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of Brussels, without prejudice however to the rights of the Pledgee to take legal action before any other court of competent jurisdiction. For the purposes of any legal action (including any appeal (recours/rechtsmiddel) and enforcement) in Belgium in connection with this Agreement, each Pledgor irrevocably elects domicile at the registered office from time to time of the Company.

Documentary duty of EUR 0.15 per original paid by bank transfer from Clifford Chance on 29 September 2016. Droit d'écriture de 0.15 euro par original payé par transfert bancaire de Clifford Chance le 29 Septembre 2016. Recht op geschreven van 0,15 euro per origineel betaald per overschrijving door Clifford Chance op 29 september 2016.

Made in three originals on 21 September 2018.

DAVID LLOYD LEISURE GROUP LIMITED

name: Patrick Borrows
title: Director

DAVID LLOYD LEISURE LIMITED

name: Patrick Borrows
title: Director

TALOS CAPITAL DESIGNATED ACTIVITY COMPANY

name: 
title: 

name: 
title: 

226281-3-87-v2.0 - 10-
15. **TRANSFERABILITY**

The benefit of this pledge and of this Agreement shall pass automatically to any transferee of all or part of the Secured Obligations, irrespective of whether such transfer shall take place by way of assignment, novation by substitution of creditor or otherwise, or to any successor security agent or co-security agent appointed in accordance with the Intercreditor Agreement. Such transferee or successor security agent or co-security agent shall henceforth be regarded as the Pledged, or a co-Pledgee, for all purposes of this Agreement, and the transferor or the original Security Agent may transfer possession of the Pledged Assets to it.

16. **LAW AND JURISDICTION**

This Agreement shall be governed by Belgian law. The parties agree that any dispute in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of Brussels, without prejudice however to the rights of the Pledgee to take legal action before any other court of competent jurisdiction. For the purposes of any legal action (including any appeal (recours / rechtsmiddel) and enforcement) in Belgium in connection with this Agreement, each Pledgor irrevocably elects domicile at the registered office from time to time of the Company.

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Made in three originals on _______________ 2018.

**DAVID LLOYD LEISURE GROUP LIMITED**

| name: | name: |
| title: | title: |

**DAVID LLOYD LEISURE LIMITED**

| name: | name: |
| title: | title: |

**TALOS CAPITAL DESIGNATED ACTIVITY COMPANY**

| name: | name: |
| title: | title: |

[Signature]

**RICHARD KELLY**

*Authorised Signatory*
SCHEDULE I
THE COMPANIES

<table>
<thead>
<tr>
<th>Pledgor Company</th>
<th>DAVID LLOYD LEISURE GROUP LIMITED</th>
<th>DAVID LLOYD LEISURE LIMITED</th>
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</thead>
<tbody>
<tr>
<td>David Lloyd Leisure Operations SPRL</td>
<td>655</td>
<td>655</td>
</tr>
</tbody>
</table>
SCHEDULE 2
DECLARATION BY THE COMPANY

[Letterhead of the Company]

[Date]

[Talos Designated Activity Company]

[*]

[*]

Gentlemen,

Pledge of shares

We refer to the Share Pledge Agreement dated [*] 2018 between David Lloyd Leisure Group Limited and David Lloyd Leisure Limited as Pledgors and you as Pledgee concerning a pledge of [*] shares in our Company.

This is to confirm that:

(a) we have full knowledge of the terms and conditions of the above mentioned Share Pledge Agreement;

(b) our shareholders have duly approved the creation of such pledge in accordance with Article 249 of the Company Code and article 7 of the statutes of our Company and has agreed that the effect of such approval shall extend to any transfer of shares that may take place as a result of the enforcement of such pledge; and

(c) David Lloyd Leisure Group Limited and David Lloyd Leisure Limited are recorded in our shareholders register as the holders of [*] shares and [*] shares respectively in our Company; we have no notice of any transfer of such shares to a third party, nor of any attachment or other encumbrance thereon, so that to the best of our knowledge David Lloyd Leisure Group Limited and David Lloyd Leisure Limited own such shares free and clear of any encumbrances.

Yours faithfully,

[Authorised signatory]