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

Received for Electronic Filing: 28/09/2018

Details of Charge

Date of creation: 21/09/2018
Charge code: 0626 1643 0014
Persons entitled: TALOS CAPITAL DESIGNATED ACTIVITY COMPANY AS SECURITY AGENT FOR EACH OF THE SECURED PARTIES

Brief description:

Contains fixed charge(s).
Contains floating charge(s) (floating charge covers all the property or undertaking of the company).
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.

Certified by: CLIFFORD CHANCE LLP
CERTIFICATE OF THE
REGISTRATION OF A CHARGE

Company number: 6261643

Charge code: 0626 1643 0014

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 28th September 2018.

Given at Companies House, Cardiff on 2nd 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.
DATED 21 SEPTEMBER 2018

THE PERSONS LISTED IN SCHEDULE 1

AS CHARGORS

IN FAVOUR OF

TALOS CAPITAL DESIGNATED ACTIVITY COMPANY

AS THE SECURITY AGENT

______________________________

DEBENTURE

WITH FLOATING CHARGE

______________________________
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THIS DEBENTURE is made by way of deed on 21 September 2018 by:

(1) THE PERSONS listed in Schedule 1 (Chargors) (each a "Chargor") in favour of:

(2) TALOS CAPITAL DESIGNATED ACTIVITY COMPANY as trustee for itself and each of the other Secured Parties (the "Security Agent", which expression shall include any successor or co-trustee appointed pursuant to the Intercreditor Agreement).

THIS DEED WITNESSES as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Terms defined

In this Debenture and each Legal Charge:

"Acceleration Event" has the meaning given to that term in the Intercreditor Agreement.

"Account" means each of the accounts located in England and Wales opened or maintained by any Chargor with any bank, building society, financial institution or other person (including any renewal, redesignation, replacement, subdivision or subaccount of such account) and the debt or debts represented thereby.

"Administration Event" means:

(a) the presentation of an application to the court for the making of an administration order in relation to a Chargor which is not dismissed, discharged, stayed or restrained within 20 Business Days of the presentation thereof; or

(b) the giving of notice by any person (who is entitled to do so) of its intention to appoint an administrator to a Chargor or the filing of such a notice with the court,

in each case to the extent not frivolous or vexatious in the Security Agent's reasonable opinion.

"Assigned Loans" means each and every sum paid or payable from time to time to each Chargor by any member of the Group or the Parent.

"Acquisition Documents" means each of the sale and transfer documents relating to the Acquisitions in the form delivered to the Agent as condition precedent deliverables on or prior to the Utilisation Date.

"Charged Assets" means each of the assets and undertaking of each Chargor which from time to time are the subject of any Security created or expressed to be created by it in favour of the Security Agent by or pursuant to this Debenture or any Legal Charge.
"CS Properties" means each Material Real Property or any Real Property owned by a Chargor which is subject to a restriction or prohibition on a Chargor granting Security in favour of the Security Agent over its interest therein or registering such Security over such Real Property at any land registry.

"Debtor" has the meaning given to that term in the Intercreditor Agreement.

"Development Document" means any construction contract entered into by a Chargor, including (without limitation) building contracts, consultants' appointments, collateral warranties and any bonds or guarantees in connection with the Real Property.

"Intercreditor Agreement" means the intercreditor agreement dated 29 August 2018 made between, amongst others, Deuce Midco Limited as the Company and Talos Capital Designated Activity Company as Note Agent and Security Agent.

"Investment" means all stocks, shares, debentures, securities, certificates of deposit and other investments, all interests in collective investment schemes and partnerships and all warrants, options and rights to subscribe for any investment whether held by or on behalf of any Chargor or by any trustee, nominee, fiduciary or clearance system on its behalf.

"Lease" means any present or future lease, underlease, sub-lease, licence, tenancy or right to occupy all or any part of a property located in England and Wales and any agreement for the grant of any of the foregoing.

"Legal Charge" means a charge by way of legal mortgage in respect of all or any part of the Real Property between one or more Chargors and the Security Agent substantially in the form of Schedule 5 (Form of Legal Charge).

"Mortgaged Property" means the freehold and/or leasehold property specified in the Schedule to each Legal Charge.

"Primary Debt Documents" means the Notes Agreement and each RCF and Ancillary Facilities Document.

"Real Property" means (including as provided in Clause 1.7 (Real Property)), the Mortgaged Property and any present or future freehold or leasehold property and any other interest in land or buildings in each case located in England and Wales and all rights relating thereto in which any Chargor has an interest.

"Receiver" means a receiver, receiver and manager or, where permitted by law, an administrative receiver (as the Security Agent may specify at any time in any relevant appointment) and that term will include any appointee made under a joint or several appointment.

"Related Rights" means, in relation to any asset:

(a) the proceeds of sale of any part of that asset;

(b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset;
(c) all rights, powers, benefits, claims, causes of action, contracts, warranties, remedies, security, guarantees, indemnities or covenants for title in respect of that asset; and

(d) any moneys and proceeds paid or payable in respect of that asset.

"Relevant Share" means any Share listed in Schedule 2 (Relevant Shares) and all of any Chargor's other present and future Shares in any member of the Group incorporated in England and Wales from time to time other than any Dormant Entity.

"Secured Debt Document" has the meaning given to it in the Intercreditor Agreement.

"Secured Obligations" means, in relation to a Chargor, all the Liabilities and all other present and future liabilities and obligations at any time due, owing or incurred by that Chargor to any Secured Party under the Secured Debt Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity including the obligations set out in clause 16.2 (Parallel debt) of the Intercreditor Agreement, provided that the Security constituted by this Debenture and each Legal Charge shall not extend to or include any liability or sum which would, but for this proviso, cause such Security to be unlawful or prohibited by any applicable law.

"Secured Party" has the meaning given to it in the Intercreditor Agreement.

"Security Period" means the period beginning on the date of this Debenture and ending on the date on which the Security Agent is satisfied that the Secured Obligations have been fully and finally discharged in full and no Secured Party is under any further obligation to provide financial accommodation to any Chargor under any of the Secured Debt Documents.

"Share" means any stock, share, debenture or other security.

"Transaction Security Document" has the meaning given to it in the Intercreditor Agreement.

1.2 Terms defined in other documents

Unless defined in this Debenture, or the context otherwise requires, a term defined in the Intercreditor Agreement, the Notes Agreement or in any other Secured Debt Document has the same meaning in this Debenture and each Legal Charge, or any notice given under or in connection with this Debenture or any Legal Charge, as if all references in those defined terms to the Intercreditor Agreement, the Notes Agreement or other Secured Debt Documents were a reference to this Debenture, each Legal Charge or that notice.

1.3 Construction

Clause 1.2 (Construction) of the Intercreditor Agreement will apply as if incorporated in this Debenture and each Legal Charge, or in any notice given under or in connection with this Debenture or any Legal Charge, as if all references in that Clause
to the Intercreditor Agreement were a reference to this Debenture, that Legal Charge or that notice.

1.4 Application of provisions in the Intercreditor Agreement

Clauses 1.3 (Third party rights), 7.2 (Set-off), 15.1 (Assignments and Transfers), 13.1 (Appointment by Secured Parties), 17 (Indemnities), 16 (Costs and Expenses), 19 (Notices), 20.1 (Partial invalidity), 20.3 (Remedies and waivers), 21 (Amendments and Override) and 24 (Enforcement) of the Intercreditor Agreement are deemed to form part of this Debenture and each Legal Charge as if expressly incorporated into it mutatis mutandis as if all references in those clauses to the Intercreditor Agreement were references to this Debenture or any Legal Charge.

1.5 Incorporation of provisions into each Legal Charge

Clauses 5.1 (Restriction on dealings), 5.2 (Implied Covenants for Title), 6 (Further Assurance), 8 (Enforcement of Security), 9 (Extension of Powers and Right of Appropriation), 10 (Appointment of Receiver or Administrator), 11 (Powers of Receivers), 14 (Power of Attorney), 19 (Release of Security) and 21 (Governing Law) of this Debenture are incorporated into each Legal Charge as if expressly incorporated mutatis mutandis into that Legal Charge, as if references in those clauses to this Debenture were references to that Legal Charge and as if all references in those clauses to Charged Assets were references to the assets of the Chargors from time to time charged in favour of, or assigned (whether at law or in equity) to the Security Agent by or pursuant to that Legal Charge.

1.6 Legal Charge

It is agreed that each Legal Charge is supplemental to this Debenture and that, to the extent the provisions of the Debenture duplicate those of any Legal Charge, the provisions of that Legal Charge shall prevail.

1.7 Real Property

A reference in this Debenture and any Legal Charge to a mortgage, assignment or charge of any freehold, leasehold or commonhold property includes all buildings, fixtures and fittings from time to time on or forming part of that property (except for any fixtures, fittings and other assets from time to time on or forming part of that property which are owned by third parties) and all Related Rights.

1.8 Present and future assets

(a) Reference in this Debenture and any Legal Charge to any Mortgaged Property, Charged Asset or other asset includes, unless the contrary intention appears, present and future Mortgaged Property and other assets.

(b) The absence of or incomplete details of any Charged Assets in any Schedule shall not affect the validity or enforceability of any Security under this Debenture or any Legal Charge.
1.9 Disposition of Property

The terms of the Intercreditor Agreement and each other Secured Debt Document and of any side letters between the Parties in relation to any Secured Debt Document are incorporated into this Debenture, each Legal Charge and each other Secured Debt Document to the extent required for any purported disposition, or any agreement for this disposition, of any Real Property contained in any Secured Debt Document to be a valid disposition in accordance with Section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.

1.10 Clawback

If the Security Agent 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 each Chargor under this Debenture or any Legal Charge and the Security constituted by those documents will continue and such amount will not be considered to have been irrevocably paid or discharged.

1.11 Fixed Security

Clauses 3.1 (Mortgage) to 3.3 (Fixed charges) shall be construed as creating a separate and distinct mortgage, fixed charge or assignment by way of security over each relevant asset within any particular class of assets defined under this Debenture or any Legal Charge and the failure to create an effective mortgage, fixed charge or assignment by way of security (whether arising out of this Debenture or any Legal Charge or any act or omission by any party) on any one asset shall not affect the nature of any mortgage, fixed charge or assignment imposed on any other asset whether within that same class of assets or not.

1.12 No obligation

The Security Agent shall not be under any obligation in relation to the Charged Assets as a consequence of this Debenture or any Legal Charge and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Charged Assets.

1.13 Intercreditor Agreement

In acting or exercising its rights, powers, discretions and authorities hereunder, the Security Agent 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.

1.14 No conflict

(a) In the event of a conflict between this Debenture and any Transaction Security Document which takes or purports to take security over any asset of a Chargor situated in, or governed by the laws of, any jurisdiction other than England and Wales, the provisions of such Transaction Security Document will prevail.
(b) In the event of a conflict between this Debenture or any Legal Charge and the Intercreditor Agreement, the terms of the Intercreditor Agreement shall prevail.

1.15 **Security over CS Properties and other assets**

(a) Subject to paragraph (b) below, and notwithstanding any other provision of this Debenture to the contrary, no security shall be granted pursuant to this Debenture over:

(i) the CS Properties, any Excluded Property or any of the Chargors’ rights in relation to any CS Property or any Excluded Property; or

(ii) any Investment in a joint venture or similar arrangement, any minority interest, any member of the Group which is not wholly-owned by any other member of the Group or any member of the Group which is not an Obligor (as defined in the Notes Agreement) if and to the extent that, in each case, the grant of such security would breach the terms of any joint venture or similar arrangements applicable to that member of the Group and such arrangements were agreed for a *bona fide* purpose; or

(iii) any asset (other than Material Real Property) subject to contracts, leases, licences, or other third party arrangements which may prevent that asset from being charged (or assets (other than Material Real Property) which, if charged, would give a third party a right to terminate or otherwise amend any rights, benefits and/or obligations with respect to a member of the Group and/or such assets or require any member of the Group to take any action materially adverse to any member of the Group) provided that commercially reasonable efforts to obtain consent to charging any such asset (if charging such asset is required by any of the Primary Debt Documents) shall be used by the Group if the relevant asset is material to the Group (including any Material Real Property).

(b) Immediately upon satisfaction of all of the relevant conditions under the Notes Agreement in relation to the CS Properties, security shall be granted over the CS Properties in accordance with the provisions of this Debenture and the CS Properties shall constitute Charged Assets.

2. **COVENANT TO PAY**

Each Chargor covenants with the Security Agent (as trustee for itself and the other Secured Parties) to pay, discharge and satisfy the Secured Obligations in accordance with their respective terms on their due date.

3. **FIXED SECURITY**

3.1 **Mortgage**

Each Chargor charges with full title guarantee in favour of the Security Agent (as trustee for itself and the other Secured Parties), as first ranking security for the payment and discharge of the Secured Obligations, in the Mortgaged Property.
3.2 **Assignment by way of Security**

Each Chargor assigns and agrees to assign absolutely with full title guarantee to the Security Agent (as trustee for itself and the other Secured Parties) (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 3.1 (Mortgage) and to the fullest extent assignable or capable of assignment without infringing any contractual provision restricting the same), as security for the payment and discharge of the Secured Obligations, all of its right, title and interest from time to time in and to each of the following assets:

(a) any agreements, contracts, deeds, leases, licences, undertakings, guarantees, covenants, warranties, representations and other documents entered into by, given to or otherwise benefiting that Chargor in respect of the Real Property and all other Related Rights;

(b) any sums paid or payable to or for the benefit of that Chargor arising from the letting, use or occupation of all or any part of any Real Property, and all sums paid or payable and any other consideration given or to be given for the disposal of an interest in all or part of any Real Property and the right to make demand for and receive the same;

(c) any policy of insurance in which that Chargor may at any time have an interest and all proceeds paid or payable thereunder and all other Related Rights;

(d) the Acquisition Documents; and

(e) the Assigned Loans, together with all Related Rights.

3.3 **Fixed charges**

Each Chargor charges with full title guarantee in favour of the Security Agent (as trustee for itself and the other Secured Parties) (to the extent not validly and effectively charged by way of first legal mortgage pursuant to Clause 3.1 (Mortgage) or assigned pursuant to Clause 3.2 (Assignment by way of Security) and to the fullest extent chargeable or capable of being charged without infringing any contractual provision restricting the same) as security for the payment and discharge of the Secured Obligations, by way of first fixed charge, all of its rights, title and interest from time to time in and to each of the following assets:

(a) the Real Property and all Related Rights;

(b) each of its Accounts and all other Related Rights;

(c) the Development Documents and all Related Rights;

(d) book and other debts and monetary claims owing to it and any proceeds of those debts and claims and all Related Rights;

(e) patents, trademarks, service marks, designs, business and trade names, copyrights, design rights, moral rights, inventions, confidential information, know-how and other intellectual property rights and interests to which it is
entitled, whether registered or unregistered, the benefit of all applications and its rights to use such assets and all Related Rights;

(f) plant, machinery, office equipment, computers, vehicles, furniture, fittings and other chattels (excluding any for the time being forming part of any Chargor's stock in trade or work in progress) and all Related Rights;

(g) goodwill and rights and claims in relation to its uncalled share capital;

(h) rights to recover any VAT on any supplies made to it relating to the Charged Assets and any sums so recovered;

(i) the Relevant Shares and all dividends, interest and other moneys payable in respect of the Relevant Shares and all other Related Rights (whether derived by way of redemption, bonus, preference, options, substitution, conversion, compensation or otherwise);

(j) Investments and all Related Rights (including all rights against any trustee, nominee, fiduciary or clearance system in respect of those Investments) to the extent not charged pursuant to (i) above; and

(k) each of the assets which are specified in Clause 3.2 (Assignment by way of Security).

4. FLOATING CHARGE

4.1 Floating charge

(a) Each Chargor with full title guarantee charges in favour of the Security Agent (as trustee for itself and the other Secured Parties), as security for the payment and discharge of the Secured Obligations, by way of first floating charge all present and future assets and undertaking of that Chargor.

(b) The floating charge created by paragraph (a) above shall be deferred in point of priority to all fixed Security validly and effectively created by that Chargor under the Secured Debt Documents in favour of the Security Agent (as trustee for itself and the other Secured Parties) as security for the Secured Obligations.

(c) Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by paragraph (a) above.

4.2 Conversion of floating charge to fixed Security

(a) The Security Agent may at any time, while this Debenture is enforceable (but not, for the avoidance of doubt, at any other time) in accordance with Clause 8 (Enforcement of security), but, in respect of assets situated in Scotland and governed by Scots law, only to the extent permitted under Scots law, by notice to the relevant Chargor convert the floating charge constituted under Clause 4.1 (Floating charge) with immediate effect into a fixed charge as regards any asset which is the subject of the floating charge or which is specified in the notice.
(b) In addition, without prejudice to any rule of law which may have a similar effect, the floating charge constituted under Clause 4.1 (Floating charge) will automatically be converted (without notice) with immediate effect into a fixed charge as regards all assets the subject of the floating charge upon the earlier of:

(i) the date of the expiry of any applicable grace period under the relevant Secured Debt Document in respect of an Action becoming an Event of Default (and for the purpose of this paragraph (b) an "Action" means if any person takes any step to effect any appropriation, attachment, sequestration, distress or acquisition of a Charged Asset other than as permitted under each of the Secured Debt Documents); and

(ii) the occurrence of an Administration Event.

5. PROVISIONS AS TO SECURITY

5.1 Restriction on dealings

Except where agreed in writing by the Security Agent or to the extent not prohibited under any Secured Debt Document, no Chargor will at any time during the Security Period create or permit to subsist any Security over all or any part of the Charged Assets or dispose of or otherwise deal with any part of the Charged Assets.

5.2 Implied covenants for title

(a) The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clauses 3 (Fixed Security) or 4 (Floating charge).

(b) Except as disclosed in any Report, any certificate of title or report on title which is delivered to each of the Secured Parties, it shall be implied in respect of Clauses 3 (Fixed Security) and 4 (Floating charge) that each Chargor is disposing of the Charged Assets free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

5.3 Notices of assignment: Leases and Insurance Policies

(a) Within:

(i) ten Business Days of the Closing Date, in relation to all Leases listed at Schedule 3 (Material Real Property on the Closing Date), but excluding any CS Properties or Excluded Properties; or

(ii) ten Business Days of the Closing Date, in relation to all insurance policies for buildings and/or contents cover relating to the Real Property in existence on the date of this Debenture, but excluding any CS Properties or Excluded Properties;

(iii) thirty Business Days of any Chargor entering into a Lease which is Material Real Property with any person or an insurance policy for
building and/or contents cover in relation to any Real Property with any person, but excluding any CS Properties or Excluded Properties;

(iv) thirty Business Days of the satisfaction of all of the relevant conditions under the Notes Agreement in relation to the CS Properties,

each Chargor will give notice to all landlords (subject to paragraph (b) below) which are parties to such Leases and to all insurers party to such insurance policies for building and/or contents cover, of the Security constituted under this Debenture and each Legal Charge in respect of any such Lease or insurance policy for building and/or contents cover, such notices being substantially in the form set out in Schedule 3 (Assignment - Leases) or Schedule 4 (Assignment – Insurance Policies).

(b) Each Chargor will use reasonable endeavours to procure from each of the landlords (subject to paragraph (c) below) and insurers referred to in paragraph (a) above an acknowledgement in the form set out in the relevant notice of assignment, provided that, if the relevant Chargor has not been able to obtain such acknowledgement within 20 Business Days following the service of such notification, the obligation to obtain such acknowledgement shall then cease.

(c) The execution of this Debenture, or any other debenture in substantially the same form as this Debenture granted in favour of the Security Agent, by each relevant Obligor shall constitute notice to and acknowledgement by each relevant Obligor of the charge created over any Lease held with that Obligor.

5.4 Notices of Security: other assets

Each Chargor shall join the Security Agent in giving notices of assignment or charge (in such form as may be specified by the Security Agent (acting reasonably)) in respect of any asset (other than those specified in Clause 5.3 (Notices of assignment: Leases and Insurance Policies)) which is the subject of an assignment or charge pursuant to Clause 3 (Fixed Security) and any floating charge which is converted into a fixed charge pursuant to Clause 4.2 (Conversion of floating charge to fixed Security) promptly upon the request of the Security Agent after the occurrence of an Acceleration Event.

5.5 Delivery of share certificates

Each Chargor shall:

(a) subject to paragraph (b) below, either:

(i) on the date of this Debenture; or

(ii) as soon as reasonably practicable (taking into account any necessary stamping requirements) following the acquisition of any Relevant Shares,
deposit with the Security Agent (or procure the deposit of) all certificates or other documents to title to the Relevant Shares issued to it (if any) and stock transfer forms (executed in blank by it or on its behalf); and

(b) promptly upon the accrual, offer or issue of any stocks, shares, warrants or other securities in respect of or derived from the Relevant Shares, notify the Security Agent of that occurrence and procure the delivery to the Security Agent of (i) all certificates or other documents of title representing such items issued to it (if any) and (ii) such stock transfer forms or other instruments of transfer (executed in blank by it or on its behalf) in respect thereof as the Security Agent may request.

5.6 Application to HM Land Registry

Each Chargor hereby consents to an application being made to HM Land Registry to enter a restriction in the Proprietorship Register of any registered land at any time forming part of the Real Property in the form set out in the Legal Charge.

5.7 Registration of Intellectual Property

Each Chargor shall, if requested by the Security Agent, execute all such documents and do all such acts as the Security Agent may reasonably require to record the interest of the Security Agent in any registers relating (i) to the trademarks set out in Schedule 6 (Trademark Registrations); and (ii) to any trademarks to which it is entitled following the occurrence of an Acceleration Event.

5.8 Further Advances

(a) Subject to the terms of the Primary Debt Documents, each Secured Party that is a lender or noteholder (howsoever described) under a Secured Debt Document is under an obligation to make further advances to each Chargor and that obligation will be deemed to be incorporated in this Debenture as if set out in this Debenture.

(b) Each Chargor consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register of any registered land forming part of the Charged Assets.

5.9 Assigned Loans

(a) No Chargor shall take, or omit to take, any action in relation to the Assigned Loans which in the reasonable opinion of the Security Agent would prejudice the validity of, or the ability of the Security Agent to realise, the security created by this Debenture except as otherwise not prohibited by the Primary Debt Documents.

(b) The Security Agent shall not be under any obligation in relation to any Assigned Loan as a consequence of this Debenture and each Chargor shall at all times remain liable to perform all obligations expressed to be assumed by it in respect of the Assigned Loans.
6. **FURTHER ASSURANCE**

6.1 **Further assurance**

(a) The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in paragraph (b) below.

(b) Subject to the Agreed Security Principles, each Chargor shall promptly, at its own cost, enter into, execute and complete a Legal Charge over any Material Real Property in England and Wales not already the subject of a Legal Charge, and do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notarisations, registrations, notices and instructions) as the Security Agent may reasonably require (and in such form as the Security Agent may reasonably require) in favour of the Security Agent or its nominee(s):

(i) to create, perfect and/or protect the Security created or intended to be created in respect of the Charged Assets (which may include the execution by each Chargor of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Charged Assets) or for the exercise of any of the rights, powers and remedies of the Security Agent provided by or pursuant to this Debenture and each Legal Charge or by law;

(ii) to confer on the Security Agent Security over any asset or undertaking of each Chargor located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Debenture and each Legal Charge to which it is a party; and/or

(iii) to facilitate the realisation of the Charged Assets in accordance with the terms of Clause 8 (Enforcement of Security) below.

(c) For the avoidance of doubt, nothing in this Clause 6.1 shall give the Security Agent the right to take a Legal Charge over any Real Property which is not Material Real Property.

(d) At any time after the occurrence of an Acceleration Event, the provisions of this Clause 6 shall apply to any Real Property charged under the provisions of Clause 3.3.

6.2 **Necessary Action**

Subject to the Agreed Security Principles, each Chargor shall take all such action as is available to it (including making all filings and registrations and applying for relief against forfeiture) as may be necessary or as may reasonably be requested by the Security Agent for the purpose of the creation, perfection, protection or maintenance of any security conferred or intended to be conferred on the Security Agent by or pursuant to this Debenture and each Legal Charge to which it is a party.
7. **SHARES: VOTING RIGHTS AND DIVIDENDS**

7.1 **Exercise of Rights**

(a) Prior to the occurrence of an Acceleration Event and subject to the terms of the Primary Debt Documents, the relevant Chargor shall be entitled to:

(i) receive all dividends, interest and other moneys arising from the Relevant Shares; and

(ii) exercise all voting rights in relation to the Relevant Shares.

(b) Upon the occurrence of an Acceleration Event, the Security Agent may, at its discretion (in the name of the relevant Chargor or otherwise and without any further consent or authority from any Chargor):

(i) exercise (or refrain from exercising) any voting rights in respect of the Relevant Shares;

(ii) apply all dividends, interest and other moneys arising from the Relevant Shares in accordance with Clause 12 (*Application of Moneys*);

(iii) transfer the Relevant Shares into the name of such nominee(s) of the Security Agent as it shall require; and

(iv) exercise (or refrain from exercising) the powers and rights conferred on or exercisable by the legal or beneficial owner of the Relevant Shares, including the right, in relation to any company whose shares or other securities are included in the Relevant Shares, to concur or participate in:

(A) the reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof);

(B) the release, modification or variation of any rights or liabilities attaching to such shares or securities; and

(C) the exercise, renunciation or assignment of any right to subscribe for any shares or securities,

in each case in the manner and on the terms the Security Agent thinks fit, and the proceeds of any such action shall form part of the Relevant Shares.

7.2 **Payment of calls**

The relevant Chargor shall pay when due all calls or other payments which may be or may become due in respect of any of the Relevant Shares or other Investments, and in any case of default by it in such payment, the Security Agent may, if it thinks fit, make such payment on its behalf in which case any sums paid by the Security Agent shall be reimbursed by the relevant Chargor to the Security Agent on demand.
7.3 Voting Rights

Except as permitted by the terms of each of the Primary Debt Documents or where agreed in writing by the Security Agent, no Chargor shall exercise (and shall procure that any nominee acting on its behalf does not exercise) its voting rights in relation to the Relevant Shares or other Investments in any manner having the effect of, or otherwise permit or agree to any (i) variation of the rights attaching to or conferred by all or any part of the Relevant Shares or Investments, (ii) increase in the issued share capital of any company whose shares constitute Relevant Shares or Investments, (iii) exercise, renunciation or assignment of any right to subscribe for any shares or securities, or (iv) reconstruction, amalgamation, sale or other disposal of such company or any of its assets or undertaking (including the exchange, conversion or reissue of any shares or securities as a consequence thereof), in relation to any company whose shares or other securities are included in the Relevant Shares, which, in each case, (i) would be prohibited by any of the Primary Debt Documents; or (ii) would, in the reasonable opinion of the Security Agent, prejudice the validity of, or the ability of the Security Agent to realise, the security created by this Debenture provided that (where relevant) the proceeds of any such action shall form part of the Relevant Shares.

8. ENFORCEMENT OF SECURITY

8.1 Enforcement

At any time after the occurrence of:

(a) an Acceleration Event; or

(b) a request being made by any Chargor to the Security Agent that it exercise any of its powers under this Debenture or any Legal Charge,

the Security created by or pursuant to this Debenture and each Legal Charge is immediately enforceable and the Security Agent may, without notice to any Chargor or prior authorisation from any court, in its absolute discretion:

(i) enforce all or any part of that Security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Assets; and

(ii) whether or not it has appointed a Receiver, exercise all or any of the rights, powers, authorisations and discretions conferred by the Law of Property Act 1925 (as varied or extended by this Debenture and each Legal Charge) on mortgagees and by this Debenture and each Legal Charge on any Receiver or otherwise conferred by law on mortgagees or Receivers.

8.2 Effect of Moratorium

The Security Agent shall not be entitled to exercise its rights under Clause 8.1 (Enforcement) or Clause 4.2 (Conversion of floating charge to fixed security) where the right arises solely due to any person obtaining or taking steps to obtain a moratorium pursuant to Schedule A1 of the Insolvency Act 1986.
9. **EXTENSION OF POWERS AND RIGHT OF APPROPRIATION**

9.1 **Extension of powers**

The power of sale or other disposal conferred on the Security Agent and on any Receiver by this Debenture and each Legal Charge shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Debenture or any Legal Charge.

9.2 **Restrictions**

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to this Debenture or any Legal Charge or to the exercise by the Security Agent of its right to consolidate all or any of the security created by or pursuant to this Debenture or any Legal Charge with any other security in existence at any time or to its power of sale, which powers may be exercised by the Security Agent without notice to any Chargor on or at any time after this Debenture or any Legal Charge has become enforceable in accordance with Clause 8 (*Enforcement of security*).

9.3 **Power of leasing**

(a) The statutory powers of leasing may be exercised by the Security Agent at any time on or after this Debenture or any Legal Charge has become enforceable in accordance with Clause 8 (*Enforcement of security*) and the Security Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with Sections 99 and 100 of the Law of Property Act 1925.

(b) For the purposes of Sections 99 and 100 of the Law of Property Act 1925, the expression "Mortgagor" will include any incumbrancer deriving title under any Chargor and neither Sub-section (18) of Section 99 nor Sub-section (12) of Section 100 of the Law of Property Act 1925 will apply.

9.4 **Right of appropriation**

To the extent that the provisions of the Financial Collateral Arrangements (No. 2) Regulations 2003 (the "Regulations") apply to a Charged Asset, the Security Agent shall have the right at any time on or after this Debenture or any Legal Charge has become enforceable in accordance with Clause 8 (*Enforcement of security*) to appropriate all or any part of that Charged Asset in or towards the payment or discharge of the Secured Obligations and may exercise such right to appropriate upon giving written notice to the Chargors. For this purpose, a commercially reasonable method of valuing a Charged Asset shall be:

(a) in the case of cash, the amount standing to the credit of each Account or to the credit of any other account with any bank, building society, financial institution or otherwise, together with any accrued but unposted interest, at the time of appropriation; and
(b) in the case of any investments, shares or securities, their market value determined by the Security Agent (acting reasonably) by reference to a public index, independent valuation or by such other process as the Security Agent may select (acting reasonably).

In each case, the parties agree that the method of valuation provided for this Debenture shall constitute a commercially reasonable method of valuation for the purposes of the Regulations.

10. **APPOINTMENT OF RECEIVER OR ADMINISTRATOR**

10.1 **Appointment and removal**

After this Debenture and each Legal Charge becomes enforceable in accordance with Clause 8 (*Enforcement of security*), the Security Agent may by deed or otherwise (acting through an authorised officer of the Security Agent), without prior notice:

(a) appoint one or more persons to be a Receiver of the whole or any part of the Charged Assets; or

(b) appoint two or more Receivers of separate parts of the Charged Assets; or

(c) remove (so far as it is lawfully able) any Receiver so appointed; or

(d) appoint another person(s) as an additional or replacement Receiver(s); or

(e) appoint one or more persons to be an administrator of any Chargor.

10.2 **Capacity of Receivers**

Each person appointed to be a Receiver pursuant to Clause 10.1 (*Appointment and removal*) shall be:

(a) entitled to act individually or together with any other person appointed or substituted as Receiver;

(b) for all purposes deemed to be the agent of each Chargor which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Security Agent; and

(c) entitled to remuneration for his services at a rate to be fixed by the Security Agent from time to time (without being limited to the maximum rate specified by the Law of Property Act 1925).

10.3 **Statutory powers of appointment**

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Security Agent under the Law of Property Act 1925 (as extended by this Debenture and each Legal Charge) or otherwise and such powers shall remain exercisable from time to time by the Security Agent in respect of any part of the Charged Assets after the Security under this Debenture or any Legal
Charge has become enforceable in accordance with Clause 8 (Enforcement of Security).

11. **POWERS OF RECEIVERS**

Every Receiver appointed to be a Receiver pursuant to Clause 10.1 (Appointment and removal) shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of any Chargor) have and be entitled to exercise, in relation to the Charged Assets (and any assets which would, when got in, be Charged Assets), and as varied and extended by the provisions of this Debenture and each Legal Charge (in the name of or on behalf of any Chargor or in his own name and, in each case, at the cost of that Chargor):

(a) all the powers conferred by the Law of Property Act 1925 on mortgagors and on mortgagees in possession and on receivers appointed under that Act;

(b) all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver);

(c) all the powers and rights of an absolute owner and power to do or omit to do anything which a Chargor itself could do or omit to do; and

(d) the power to do all things (including bringing or defending proceedings in the name or on behalf of a Chargor) which seem to the Receiver to be incidental or conducive to:

(i) any of the functions, powers, authorities or discretions conferred on or vested in him;

(ii) the exercise of any rights, powers and remedies of the Security Agent provided by or pursuant to this Debenture and each Legal Charge or by law (including realisation of all or any part of the assets in respect of which that Receiver was appointed); or

(iii) bringing to his hands any assets of any Chargor forming part of, or which when got in would be, Charged Assets.

12. **APPLICATION OF MONEYS**

All moneys received or recovered by the Security Agent or any Receiver pursuant to this Debenture or any Legal Charge or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Law of Property Act 1925) be applied by the Security Agent (notwithstanding any purported appropriation by any Chargor) in accordance with the terms of the Intercreditor Agreement.
13. PROTECTION OF PURCHASERS

13.1 Consideration

The receipt of the Security Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Assets or making any acquisition, the Security Agent or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit.

13.2 Protection of purchasers

No purchaser or other person dealing with the Security Agent or any Receiver shall be bound to inquire whether the right of the Security Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Security Agent or such Receiver in such dealings.

14. POWER OF ATTORNEY

14.1 Appointment and powers

Each Chargor by way of security irrevocably appoints the Security Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to:

(a) execute, deliver and perfect a Legal Charge over any Real Property not already the subject of a registrable Legal Charge; and

(b) execute, deliver and perfect all other documents and do all things which the attorney may consider to be required or desirable for:

(i) carrying out any obligation imposed on any Chargor by this Debenture, any Legal Charge or any other agreement binding on each Chargor to which the Security Agent is party (including the execution and delivery of any deeds, charges, assignments or other security and any transfers of the Charged Assets and perfecting and/or releasing the security created or intended to be created in respect of the Charged Assets); and

(ii) enabling the Security Agent and any Receiver to exercise, or delegate the exercise of, any of the rights, powers and authorities conferred on them by or pursuant to this Debenture, each Legal Charge or by law (including, after this Debenture or any Legal Charge has become enforceable in accordance with Clause 8 (Enforcement of security), the exercise of any right of a legal or beneficial owner of the Charged Assets).

The power of attorney granted in paragraph (a) above shall only be exercisable:

(i) following the occurrence of an Acceleration Event; or

(ii) following the occurrence of an Event of Default which is continuing, in the event of a failure by a Chargor to comply with its obligations under
this Debenture or any Legal Charge, and for the sole purpose of allowing the Security Agent to remedy such failure.

14.2 Ratification

Each Chargor shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers in compliance with Clause 14.1 (Appointment and powers) above.

15. EFFECTIVENESS OF SECURITY

15.1 Continuing security

(a) The Security created by or pursuant to this Debenture and each Legal Charge shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Security Agent in writing.

(b) No part of the Security from time to time intended to be constituted by this Debenture and each Legal Charge will be considered satisfied or discharged by an intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations.

15.2 Cumulative rights

The Security created by or pursuant to this Debenture and each Legal Charge shall be cumulative, in addition to and independent of every other Security which the Security Agent or any other Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law and shall operate as an independent security notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other Security. No prior Security held by the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Assets shall merge into the Security constituted by this Debenture and each Legal Charge.

15.3 No prejudice

The Security created by or pursuant to this Debenture and each Legal Charge shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to each Chargor or any other person, or the Security Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties or by any variation of the terms of the trust upon which the Security Agent holds the security or by any other thing which might otherwise prejudice that Security.

15.4 Remedies and Waivers

No failure on the part of the Security Agent to exercise, nor any delay on its part in exercising, any right, power or remedy under this Debenture or a Legal Charge, shall operate as a waiver of that right, power or remedy or constitute an election to affirm this Debenture or a Legal Charge. No election to affirm this Debenture or a Legal Charge on the part of the Security Agent shall be effective unless it is in writing. The rights, powers and remedies provided in this Agreement are cumulative and not
exclusive of any provided by law. No single or partial exercise of any right, power or remedy shall preclude any further or other exercise of that or any other right or remedy.

15.5 No liability

None of the Security Agent, its nominee(s) nor any Receiver shall be liable

(a) to account as a mortgagee or mortgagee in possession; or

(b) for any loss arising by reason of taking any action permitted by this Debenture or any Legal Charge or any neglect or default in connection with the Charged Assets or taking possession of or realising all or any part of the Charged Assets,

except in the case of gross negligence or wilful default upon its part.

15.6 Partial invalidity

If, at any time, any provision of this Debenture or any Legal Charge is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Debenture and each Legal Charge nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Debenture and each Legal Charge is invalid, unenforceable or ineffective for any reason, that shall not affect or impair any other part of the security.

15.7 Waiver of defences

The obligations of, and the Security created by, each Chargor under this Debenture and each Legal Charge will not be affected by any act, omission, matter or thing which, but for this Clause 15.7, would reduce, release or prejudice any of its obligations under, or the Security created by, this Debenture and each Legal Charge and whether or not known to that Chargor or any Secured Party including:

(a) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor or any Obligor;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instruments or any failure to realise the full value of any Security;

(d) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of, any Obligor or any other person;
(e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature, and whether or not more onerous) or replacement of Secured Debt Document or any other document or security or of the Secured Obligations (including, without limitation, any change in the purpose of, any extension of, or any variation or increase in any facility or amount made available under any facility or the addition of any new facility under any Secured Debt Document or other documents);

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Secured Debt Document or any other document or Security or of the Secured Obligations; and

(g) any insolvency or similar proceedings in any relevant jurisdiction.

15.8 **Chargor intent**

Without prejudice to the generality of Clause 15.7 (*Waiver of Defences*), each Chargor expressly confirms that it intends that the Security created under this Debenture and each Legal Charge and the rights and remedies arising thereunder, shall extend from time to time to any (however fundamental and of whatsoever nature, and whether or not more onerous) variation, increase, extension or addition of or to any of the Secured Debt Documents and/or any facility or amount made available under any of the Secured Debt Documents for the purposes of or in connection with any of the following: acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

15.9 **Immediate recourse**

Each Chargor waives any right it may have of first requiring any Secured Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or Security or claim payment from any other person before claiming from any Chargor under this Debenture and each Legal Charge. This waiver applies irrespective of any law or any provision of this Debenture or any Legal Charge to the contrary.

15.10 **Deferral of rights**

Until the end of the Security Period, no Chargor will exercise any rights which it may have by reason of performance by it of its obligations under this Debenture and each Legal Charge:

(a) to be indemnified by an Obligor;

(b) to claim any contribution from any guarantor of any Obligor's obligations under this Debenture or any Legal Charge;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any right of the Secured Parties under this Debenture or any
Legal Charge or of any other guarantee or Security taken pursuant to, or in connection with, this Debenture or any Legal Charge by any Secured Party;

(d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Obligor has given a guarantee, undertaking or indemnity under any Secured Debt Document;

(e) to exercise any right of set-off against any Obligor; or

(f) to claim or prove as a creditor of any Obligor in competition with any Secured Party.

16. **PRIOR SECURITY INTERESTS**

(a) In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Security against any of the Charged Assets or in case of exercise by the Security Agent or any Receiver of any power of sale under this Debenture and each Legal Charge, the Security Agent may redeem such prior Security or procure the transfer thereof to itself.

(b) The Security Agent may settle and agree the accounts of the prior Security and any accounts so settled and agreed will be conclusive and binding on each Chargor.

(c) All principal moneys, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by each Chargor to the Security Agent on demand together with accrued interest thereon as well as before judgment at the rate from time to time applicable to unpaid sums specified in the relevant Primary Debt Document from the time or respective times of the same having been paid or incurred until payment thereof (as well as after as before judgment).

17. **SUBSEQUENT SECURITY INTERESTS**

If the Security Agent acting in its capacity as trustee or otherwise or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security, assignment or transfer affecting the Charged Assets or any part of the Charged Assets which is prohibited by the terms of any Secured Debt Document, all payments thereafter by or on behalf of that Chargor to the Security Agent or any of the other Secured Parties will (in the absence of any express contrary appropriation by that Chargor) be treated as having been credited to a new account of that Chargor and not as having been applied in reduction of the Secured Obligations at the time that notice was received.

18. **SUSPENSE ACCOUNTS**

All moneys received, recovered or realised by the Security Agent under this Debenture and each Legal Charge (including the proceeds of any conversion of currency) may in the discretion of the Security Agent be credited to any interest bearing suspense or impersonal account(s) maintained with a bank, building society or financial institution for so long as it may think fit (the interest being credited to the
relevant account) pending their application from time to time at the Security Agent's discretion, in or towards the discharge of any of the Secured Obligations.

19. **RELEASE OF SECURITY**

Upon the expiry of the Security Period, the Security Agent shall as soon as reasonably practicable, at the request and cost of each Chargor, release and cancel the security constituted by this Debenture and each Legal Charge and procure the reassignment to each relevant Chargor of the property and assets assigned to the Security Agent pursuant to this Debenture and each Legal Charge, in each case without recourse to, or any representation or warranty by, the Security Agent or any of its nominees.

20. **DISCRETION AND DELEGATION**

20.1 **Discretion**

Any liberty or power which may be exercised or any determination which may be made under this Debenture or under any Legal Charge by the Security Agent or any Receiver may, subject to the terms and conditions of the Intercreditor Agreement, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

20.2 **Delegation**

Subject to the terms of the Intercreditor Agreement, each of the Security Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Debenture (including the power of attorney) or any Legal Charge on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise or any subsequent delegation or any revocation of such power, authority or discretion by the Security Agent or the Receiver itself.

20.3 **Security Agent Successors**

This Debenture and any Legal Charge shall remain in effect despite any amalgamation or merger (however effected) relating to the Security Agent, and references to the Security Agent shall include any assignee or successor in title of the Security Agent in relation to this Debenture and any Legal Charge and any person who, under the laws of its jurisdiction of incorporation or domicile, has assumed the rights and obligations of the Security Agent under this Debenture and any Legal Charge or to which, under such laws, those rights and obligations have been transferred.

21. **GOVERNING LAW**

This Debenture and each Legal Charge and all non-contractual obligations arising out of or in connection with it are governed by English law.

**THIS DEBENTURE** has been executed as, and is intended to take effect as, a deed by each Chargor and has been signed by Security Agent on the date written on the first page of this Debenture.
**SCHEDULE 1**

**CHARGORS**

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<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Jurisdiction</th>
<th>Company Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>David Lloyd Clubs Holdings Limited (Target)</td>
<td>England and Wales</td>
<td>10564531</td>
</tr>
<tr>
<td>2.</td>
<td>David Lloyd Clubs Limited (Subsidiary of Target)</td>
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<tr>
<td>3.</td>
<td>Deuce Acquisitions Limited</td>
<td>England and Wales</td>
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<td>4.</td>
<td>David Lloyd Leisure Operations Holdings Limited</td>
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<td>5.</td>
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<td>8.</td>
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<td>Nextgen Limited</td>
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<td>22.</td>
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## SCHEDULE 2
### RELEVANT SHARES

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<tr>
<th>No.</th>
<th>Details of Issuer of Relevant Share</th>
<th>Details of Relevant Shares</th>
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<tr>
<td>1.</td>
<td>David Lloyd Leisure Operations Holdings Limited</td>
<td>550,001 A Ordinary shares of £0.10 each held by Deuce Acquisitions Limited</td>
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<tr>
<td>2.</td>
<td>David Lloyd Leisure Operations Holdings Limited</td>
<td>450,001 B Ordinary shares of £0.10 each held by Deuce Acquisitions Limited</td>
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<tr>
<td>3.</td>
<td>David Lloyd Leisure Operations Holdings Limited</td>
<td>3,959 C Ordinary shares of £0.10 each held by Deuce Acquisitions Limited</td>
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<td>4.</td>
<td>David Lloyd Leisure Operations Holdings Limited</td>
<td>1 A Ordinary share of £1.00 each held by Deuce Acquisitions Limited</td>
</tr>
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<td>5.</td>
<td>David Lloyd Leisure Properties No.1 Limited</td>
<td>1 Ordinary Non-voting share of £0.0001 each held by Deuce Acquisitions Limited</td>
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<td>6.</td>
<td>David Lloyd Leisure Properties No.1 Limited</td>
<td>10,000 Ordinary voting shares of £0.0001 each held by Deuce Acquisitions Limited</td>
</tr>
<tr>
<td>7.</td>
<td>David Lloyd Leisure Properties No.2 Limited</td>
<td>1 Ordinary Non-voting share of £0.0001 each held by Deuce Acquisitions Limited</td>
</tr>
<tr>
<td>8.</td>
<td>David Lloyd Leisure Properties No.2 Limited</td>
<td>10,000 Ordinary voting shares of £0.0001 each held by Deuce Acquisitions Limited</td>
</tr>
<tr>
<td>9.</td>
<td>David Lloyd Leisure Properties No.3 Limited</td>
<td>1 Ordinary Non-voting share of £0.0001 each held by Deuce Acquisitions Limited</td>
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<tr>
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<td>David Lloyd Leisure Properties No.3 Limited</td>
<td>10,000 Ordinary voting shares of £0.0001 each held by Deuce Acquisitions Limited</td>
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<tr>
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<td>David Lloyd Leisure Properties No.4 Limited</td>
<td>1 Ordinary Non-voting share of £0.0001 each held by Deuce Acquisitions Limited</td>
</tr>
<tr>
<td>12.</td>
<td>David Lloyd Leisure Properties No.4 Limited</td>
<td>10,000 Ordinary voting shares of £0.0001 each held by Deuce Acquisitions Limited</td>
</tr>
<tr>
<td></td>
<td>Company Name</td>
<td>Description</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>13.</td>
<td>David Lloyd Leisure Development Sites Limited</td>
<td>101 Ordinary shares of £1.00 each held by David Lloyd Leisure Operations Holdings Limited</td>
</tr>
<tr>
<td>14.</td>
<td>David Lloyd Leisure Group Limited</td>
<td>5,725,736 Ordinary-A shares of £0.01 each held by David Lloyd Leisure Operations Holdings Limited</td>
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<tr>
<td>15.</td>
<td>David Lloyd Leisure Group Limited</td>
<td>1,431,435 Ordinary-B shares of £0.01 each held by David Lloyd Leisure Operations Holdings Limited</td>
</tr>
<tr>
<td>16.</td>
<td>David Lloyd Leisure Group Limited</td>
<td>1 Ordinary-A share of £1.00 each held by David Lloyd Leisure Operations Holdings Limited</td>
</tr>
<tr>
<td>17.</td>
<td>David Lloyd Leisure Limited</td>
<td>67,352,425 Deferred shares of £0.25 each held by David Lloyd Leisure Properties No.1 Limited</td>
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<tr>
<td>18.</td>
<td>David Lloyd Leisure Limited</td>
<td>523,977,035 Ordinary-A shares of £0.25 each held by David Lloyd Leisure Group Limited</td>
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<tr>
<td>19.</td>
<td>David Lloyd Leisure Limited</td>
<td>1 Ordinary-A share of £1.00 each held by David Lloyd Leisure Group Limited</td>
</tr>
<tr>
<td>20.</td>
<td>David Lloyd Clubs Holdings Limited</td>
<td>1 Ordinary share of £1.00 each held by David Lloyd Leisure Limited</td>
</tr>
<tr>
<td>21.</td>
<td>David Lloyd Leisure JV Holdings Limited</td>
<td>1 Ordinary share of £1.00 each held by David Lloyd Leisure Limited</td>
</tr>
<tr>
<td>22.</td>
<td>David Lloyd Leisure Farnham Limited</td>
<td>101 Ordinary share of £1.00 each held by David Lloyd Leisure Limited</td>
</tr>
<tr>
<td>23.</td>
<td>David Lloyd Leisure GR Limited</td>
<td>1 Ordinary share of £1.00 each held by David Lloyd Leisure Limited</td>
</tr>
<tr>
<td>24.</td>
<td>Next Generation Clubs Limited</td>
<td>453,943 Ordinary shares of £1.00 each held by David Lloyd Leisure Limited</td>
</tr>
<tr>
<td>25.</td>
<td>Harbour Club Limited</td>
<td>1,013,410 Ordinary shares of £0.10 each held by Next Generation Clubs Limited</td>
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<tr>
<td>26.</td>
<td>Harbour Club Limited</td>
<td>2,849,993 Redeemable Preference shares of £1.00 each held by Next Generation Clubs Limited</td>
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<tr>
<td></td>
<td>David Lloyd Clubs Limited</td>
<td>1 Ordinary share of £1.00 each held by David Lloyd Clubs Holdings Limited</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------</td>
<td>--------------------------------------------------------------------</td>
</tr>
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</table>
SCHEDULE 3
LEASES

NOTICE OF CHARGE

| PROPERTY: | [●] |
| TENANT:   | [●] |
| CHARGEE:  | Talos Capital Designated Activity Company. |
| TO:       | [Insert landlord’s name] of [insert landlord’s address]. |

1 This notice is given by the Tenant, and you are the landlord of the Property.

2 The Property is let on a lease dated [●] made between [●] (1) and [●] (2) [and [●] (3)] (the Lease).

3 The Tenant gives you notice that the Lease was charged to the Chargee by the Tenant by a charge dated [●].

4 Notices to the Chargee should be sent to the following address:
   Talos Capital Designated Activity Company care of Clifford Chance LLP, 10 Upper Bank Street, London E14 5JJ.

5 A certified copy of the charge and the registration fee of £[30] plus VAT due under the Lease are sent with this notice.

Signed: __________________________
Charles Russell Speechlys LLP, solicitors for the Tenant

Reference:  WNH/177996-00009
Date:       [Redacted]

Please acknowledge receipt of this notice by signing and returning the enclosed copy notice.

We acknowledge receipt of the notice, certified copy charge and registration fee.

Signed: __________________________
[Insert name of landlord’s solicitors], solicitors for the Landlord

Reference:  __________________________
Date:       __________________________
SCHEDULE 4
ASSIGNMENT: INSURANCE POLICIES

PART A
NOTICE OF ASSIGNMENT

To: Zurich Insurance PLC
   Zurich House
   Ballsbridge Park
   Dublin 4
   Ireland

Date: __________ 2018

Dear Sirs,

We give you notice that, by a Debenture dated __________ 2018 (the "Debenture"), we have charged by way of equitable assignment to Talos Capital Designated Activity Company (the "Security Agent") as trustee for itself and the other Secured Parties all our respective right, interests and benefits in, to and under the insurance policy numbered CU864458 effected by us or whomsoever in relation to the risk to the buildings and/or contents of any Real Property (in each case, other than in relation to the CS Properties and/or any Excluded Property or any of the Chargor’s rights in relation to any CS Property or any Excluded Property) (including all moneys payable thereunder, proceeds of all claims, awards and judgments) and all other other insurances entered into supplemental to or in replacement of such policy of insurance (the "Policy").

Please note that:

1. all remedies provided for under the Policy or available at law or in equity are exercisable by the Security Agent;

2. all rights to compel performance of the Policy are exercisable by the Security Agent; and

3. all rights, interests and benefits whatsoever accruing to or for the benefit of us arising under the Policy belong to the Security Agent,

provided that unless and until the Security Agent has notified you in writing that an Acceleration Event (as defined in the Debenture) is continuing we may, and the Security Agent may not, exercise all of the rights and remedies referred to in paragraphs 1 to 3 above and you must continue to deal with us in respect of the Policy.

Capitalised terms used but not defined in this notice shall have the meaning ascribed to such term in the Debenture. This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales. Would you please confirm your agreement to the above by sending the enclosed acknowledgement to the Security Agent with a copy to us.
Yours faithfully

........................................

David Lloyd Clubs Holdings Limited

........................................

David Lloyd Clubs Limited

........................................

Deuce Acquisitions Limited

........................................

David Lloyd Leisure Operations Holdings Limited

........................................

David Lloyd Leisure Properties No. 1 Limited

........................................

David Lloyd Leisure Properties No. 2 Limited

........................................

David Lloyd Leisure Properties No. 3 Limited

........................................

David Lloyd Leisure Properties No. 4 Limited

........................................

David Lloyd Leisure Group Limited
David Lloyd Leisure Limited

David Lloyd Leisure GR Limited

David Lloyd Leisure Development Sites Limited

David Lloyd Leisure Farnham Limited

Harbour Club Limited

Next Generation Clubs Limited

David Lloyd Leisure JV Holdings Limited

Nextgen Limited

Harbour Club Operations Limited
David Lloyd Leisure Nominee No.1 Limited

David Lloyd Leisure Nominee No.2 Limited

David Lloyd Leisure Nominee No.3 Limited

David Lloyd Leisure Nominee No.4 Limited
PART B
Acknowledgement of Assignment

To: Talos Capital Designated Activity Company as Security Agent
10 Earlsfort Terrace, Dublin 2, Ireland

Copy to: TCI Fund Services LLP
7 Clifford Street
London
W1S 2FT

Copy to: Each of the Chargors
c/o Deuce Acquisitions Limited
The Hanger Mosquito Way
Hatfield Business Park
Hatfield
Hertfordshire
AL10 9AX

Date: _______2018

Dear Sirs

We confirm receipt of a notice dated _______2018 from the Chargors (as defined in that notice) of a charge by way of equitable assignment upon the terms of a Debenture dated _______2018 (the "Debenture") to Talos Capital Designated Activity Company (the "Security Agent") as trustee for itself and the other Secured Parties of all the Chargors' respective right, interest and benefit in, to and under the [Policy] (as specified in that notice) to which we are a party.

We confirm that we have not received notice of:

(a) any assignment or charge of or over any of the rights, interests and benefits specified in such notice; or

(b) the interest of any third party in any of the rights, interests and benefits specified in such notice.

We further confirm that:

1. each Chargor will remain liable to perform all its respective obligations under the Policy and the Security Agent is under no obligation of any kind whatsoever under the Policy nor under any liability whatsoever in the event of any failure by a Chargor to perform its obligations under the Policy; and
2. no breach or default on the part of a Chargor of any of the terms of such Policy will be deemed to have occurred unless we have given notice of such breach to the Security Agent specifying how to make good such breach.

We unconditionally and irrevocably waive all rights of set-off, lien, combination of accounts and similar rights (however described) which we may have now or in the future to the extent that such rights relate to amounts owed to us by a Chargor (and the proceeds thereof).

This letter and all non-contractual obligations arising out of or in connection with it are governed by and will be construed in accordance with the laws of England and Wales.

Yours faithfully

Zurich Insurance PLC
SCHEDULE 5
FORM OF LEGAL CHARGE

DATED [*]

THE PERSONS LISTED IN SCHEDULE 1
AS CHARGORS

IN FAVOUR OF

TALOS CAPITAL DESIGNATED ACTIVITY COMPANY
AS THE SECURITY AGENT

LEGAL CHARGE
RELATING TO [SPECIFY PROPERTIES]
THIS CHARGE is made by way of deed on [*] by:

(1) THE PERSONS listed in Schedule 1 (Chargors) (each a "Chargor") in favour of:

(2) TALOS CAPITAL DESIGNATED ACTIVITY COMPANY as trustee for itself and each of the other Secured Parties (the "Security Agent").

THIS DEED WITNESSES as follows:

1. LEGAL CHARGE

Each Chargor charges with full title guarantee in favour of the Security Agent (as trustee for itself and the other Secured Parties), for the payment and discharge of the Secured Obligations, by way of first legal mortgage, the freehold and leasehold property specified against its name in Schedule 2 (Mortgaged Property) (the "Mortgaged Property").

2. IMPLIED COVENANTS FOR TITLE

The covenants set out in Sections 3(1), 3(2) and 6(2) of the Law of Property (Miscellaneous Provisions) Act 1994 will not extend to Clause 1 (Legal charge).

Except as disclosed in any Report, any certificate of title or report on title which is delivered to the Agent and/or the Security Agent, it shall be implied in respect of Clause 1 (Legal charge) that each Chargor is disposing of the Mortgaged Property free from all charges and incumbrances (whether monetary or not) and from all other rights exercisable by third parties (including liabilities imposed and rights conferred by or under any enactment).

3. APPLICATION TO HM LAND REGISTRY

Each Chargor consents to an application being made to HM Land Registry to enter the following restriction in the Proprietorship Register of any registered land forming part of the Mortgaged Property:

"No disposition of the registered estate by the proprietor of the registered estate, or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [*] in favour of [*] referred to in the charges register or their conveyancer."

4. RESTRICTIONS ON DEALINGS

Except where agreed in writing by the Security Agent or to the extent not prohibited under each of the Secured Debt Documents, no Chargor will at any time during the Security Period create or permit to subsist any Security over all or any part of the Charged Assets or dispose of or otherwise deal with any part of the Charged Assets.

5. FURTHER ADVANCES

Subject to the terms of the relevant Primary Debt Document, a Secured Party that is a lender or noteholder (howsoever described) under such document is under an
obligation to make further advances to the relevant borrowers under that Primary Debt Documents and that obligation will be deemed to be incorporated in this Legal Charge as if set out in this Legal Charge. Each Chargor consents to an application being made to HM Land Registry to enter the obligation to make further advances on the Charges Register relating to the Mortgaged Property.

6. GOVERNING LAW

This Legal Charge and all non-contractual obligations arising out of or in connection with it are governed by English law.

THIS CHARGE has been executed as, and is intended to take effect as, a deed by each Chargor and has been signed by Security Agent on the date written on the first page of this Legal Charge.
<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Jurisdiction</th>
<th>Company Number</th>
</tr>
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<tbody>
<tr>
<td>1.</td>
<td>[*]</td>
<td>[*]</td>
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SCHEDULE 2 TO LEGAL CHARGE
MORTGAGED PROPERTY

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<tr>
<th>No.</th>
<th>Chargor Name</th>
<th>Property Description</th>
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EXECUTION PAGE TO LEGAL CHARGE

Chargors

EXECUTED AS A DEED by [CHARGOR]

Director
Name:

Director/Secretary
Name:

OR

EXECUTED AS A DEED by [CHARGOR] acting by a director in the presence of:

Signature of witness:
Name (in BLOCK CAPITALS):
Address:
Security Agent

Executed by TALOS CAPITAL DESIGNATED ACTIVITY COMPANY, a designated activity company organized under the laws of Ireland, acting by ______________________ who, in accordance with the laws of that territory, is acting under the authority of the company.

Signature in the name of the company

TALOS CAPITAL DESIGNATED ACTIVITY COMPANY

By: ______________________

Name: ______________________

Title: Authorised Signatory
EXECUTION PAGE TO DEBENTURE

Chargors

EXECUTED as a DEED by )
David Lloyd Clubs Holdings Limited )
acting by Mark Stephens )
in the presence of: )

Signature of director

Signature of witness

Name of witness
Alice Robinson

Address of witness

Occupation of witness
Assistant
EXECUTED as a DEED by David Lloyd Clubs Limited acting by Patrick Dowdalls in the presence of:

Signature of director

Signature of witness
Name of witness
Address of witness
Occupation of witness

MARK DILLON
Chartered Accountant
EXECUTED as a DEED by
Deuce Acquisitions Limited
acting by ________________
in the presence of: ________________

Signature of director

Signature of witness

Name of witness  MARK DILLON

Address of witness

Occupation of witness  Chartered Accountant
EXECUTED as a DEED by

David Lloyd Leisure Operations Holdings Limited

acting by ____________ PATRICK DURCAN ____________

in the presence of:

Signature of director

Signature of witness

Name of witness

Address of witness

Occupation of witness

MARK DILLON
Chartered Accountant
EXECEUTED as a DEED by
David Lloyd Leisure Properties No. 1 Limited
acting by ____________________________
in the presence of:

Signature of director

Signature of witness

Name of witness     MARK DILLON

Address of witness

Occupation of witness     Chartered Accountant
EXECUTED as a DEED by
David Lloyd Leisure Properties No. 2 Limited
acting by PATRICK BURROWS
in the presence of:

Signature of director

Signature of witness

Name of witness

Address of witness

Occupation of witness

MARK DILLON

Chartered Accountant
EXECUTED as a DEED by
David Lloyd Leisure Properties No. 3 Limited
acting by PATRICK O'BRIEN
in the presence of:

Signature of director

Signature of witness

Name of witness          MARK DILLON

Address of witness       Chartered Accountant

Occupation of witness
EXECUTED as a DEED by )
David Lloyd Leisure Properties No. 4 Limited )
acting by ___________ ___________ ___________ )
in the presence of: )

Signature of director

Signature of witness

Name of witness

Address of witness

Occupation of witness

MARK DILLON
Chartered Accountant
EXECUTED as a DEED by
David Lloyd Leisure Group Limited
acting by Patrick DODDS
in the presence of:

Signature of director

Signature of witness
Name of witness          MARK DILLON
Address of witness
Occupation of witness    Chartered Accountant
EXECUTED as a DEED by)
David Lloyd Leisure Limited }
acting by Patrick Brown)
in the presence of:)

Signature of director

Signature of witness

Name of witness

Mark Dillon

Address of witness

Chartered Accountant

Occupation of witness
EXECUTED as a DEED by
David Lloyd Leisure GR Limited
acting by Patrick Dwyer
in the presence of:

Signature of director

Signature of witness

Name of witness   MARK DILLON

Address of witness

Occupation of witness

Chartered Accountant
EXECUTED as a DEED by
David Lloyd Leisure Development Sites Limited
acting by ________________________
in the presence of:

Signature of director

Signature of witness

Name of witness

Address of witness

Occupation of witness

MARK DILLON
Chartered Accountant
EXECUTED as a DEED by
David Lloyd Leisure Farnham Limited
acting by _________________________
in the presence of:

Signature of director

Signature of witness

Name of witness  MARK DILLON

Address of witness

Occupation of witness  Chartered Accountant
EXECUTED as a DEED by
Harbour Club Limited
acting by PARnell POPE
in the presence of:

Signature of director

Signature of witness

Name of witness  MARK DILLON

Address of witness

Occupation of witness  Chartered Accountant
EXECUTED as a DEED by
Next Generation Clubs Limited
acting by
in the presence of:

Signature of director

Signature of witness

Name of witness

Address of witness

Occupation of witness

MARK DILLON
Chartered Accountant
EXECUTED as a DEED by
David Lloyd Leisure JV Holdings Limited
acting by PRUDENCE DIXSONS
in the presence of:

Signature of director

Signature of witness

Name of witness

Address of witness

Occupation of witness

MARK DILLON
Chartered Accountant
EXECUTED as a DEED by
Nextgen Limited
acting by Patrick Brennan
in the presence of:

Signature of director

Signature of witness

Name of witness: MARK DILLON

Address of witness

Occupation of witness: Chartered Accountant
EXECUTED as a DEED by )
Harbour Club Operations Limited )
acting by PAMELA DURKEWS )
in the presence of:

Signature of director

Signature of witness

Name of witness MARK DILLON

Address of witness Chartered Accountant

Occupation of witness
EXECUTED as a DEED by
David Lloyd Leisure Nominee No.1 Limited
acting by

in the presence of:

Signature of director

Signature of witness

Name of witness

Address of witness

Occupation of witness

MARK DILLON
Chartered Accountant
EXECUTED as a DEED by
David Lloyd Leisure Nominee No.2 Limited
acting by ____________________________
in the presence of:

Signature of director

Signature of witness

Name of witness: MARK DILLON

Address of witness

Occupation of witness: Chartered Accountant
EXECUTED as a DEED by 
David Lloyd Leisure Nominee No.3 Limited 
acting by 
in the presence of: 

Signature of director

Signature of witness

Name of witness: MARK DILLON

Address of witness: Chartered Accountant
EXECUTED as a DEED by
David Lloyd Leisure Nominee No.4 Limited
acting by ________________________
in the presence of:

Signature of director

Signature of witness

Name of witness
MARK DILLON

Address of witness
Chartered Accountant

Occupation of witness
Security Agent

Executed by TALOS CAPITAL DESIGNATED ACTIVITY COMPANY, a designated activity company organized under the laws of Ireland, acting by Hallingstone who, in accordance with the laws of that territory, is acting under the authority of the company.

Signature in the name of the company

TALOS CAPITAL DESIGNATED ACTIVITY COMPANY

By: ____________________________

Name: Hallingstone

Title: Authorised Signatory